COVER SHEET

SEC Registration Number

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Company Name

B	D	O		U	N	I	B	A	N	K	,		I	N	C	.														

Principal Office (No./Street/Barangay/City/Town/Province)

B	D	O		C	O	R	P	O	R	A	T	E		C	E	N	T	E	R	,		7	8	9	9				
M	A	K	A	T	I		A	V	E	N	U	E	,		M	A	K	A	T	I		C	I	T	Y				

Form Type	Department requiring the report	Secondary License Type, If Applicable
1 7 - A		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	(632) 8840-7000	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
		December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Edmundo L. Tan	**tan.edmundo@bdo.com.ph**	**+63 (2) 8878-4210**	

Contact Person's Address

BDO Towers Valero, 8741 Paseo de Roxas, Makati City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended: **31 December 2023**

2. SEC Identification Number: **34001**

3. BIR Tax Identification No.: **000-708-174-000**

4. Exact name of registrant as specified in its charter: **BDO UNIBANK, INC.**

5. Province, Country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of principal office: **BDO Corporate Center, 7899 Makati Avenue, Makati City**

   Postal Code: **0726**

8. Issuer's telephone number, including area code: **(632) 8840-7000**

9. Former name, former address, and former fiscal year, if changed since last report: **N.A.**

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

Title of Each Class	Number of Shares (as of December 31, 2023)
Common Stock, ₱10.00 par value	5,268,362,374
Preferred Stock, ₱10.00 par value	618,000,000

11. Are any or all of these securities listed on a Stock Exchange.

Yes [X] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	5,268,194,972 Common Shares (as of December 31, 2023)

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: ₱303,693,393,289.50 (₱130.50 BDO share price as of December 31, 2023)

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(December 31, 2023, 2022 and 2021)
Supplementary Schedules
Sustainability Report

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

1) Business Development

Form and Year of Organization

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

The Bank offers a complete array of products and services including Lending (corporate and consumer), Deposit-taking, Foreign Exchange, Brokering, Trust and Investments, Credit Cards, Retail Cash Cards, Corporate Cash Management, and Remittances. Through its subsidiaries, the Bank offers Investment Banking, Private Banking, Leasing and Financing, Rural Banking and Microfinance, Life Insurance, Insurance Brokerage, and Online and Traditional Stock Brokerage services.

Over the past two decades, the Bank has experienced significant growth through organic means as well as via mergers and acquisitions, particularly the transformational merger with Equitable PCI Bank (EPCI) in May 2007 that resulted in a full-service bank with a nationwide network. The Bank is currently the largest bank in the Philippines in terms of total assets, loans, deposits and trust assets under management and is the market leader in most of its business lines.

It has the largest branch networks, with 1,720 operating domestic branches (including 514 BDO Network Bank, Inc. (formerly One Network Bank, Inc.) branches) and two full-service branches in Hong Kong and Singapore as of 31 December 2023. BDO's network includes 14 overseas remittance and representative offices across Asia, North America, Europe and the Middle East, and 5,514 automated teller machines (ATMs) consisting of 4,803 ATMs, 557 cash accept machines (CAMs), 150 branch universal machines (BUMs), and 4 self-service teller machines (STMs).

Over the past several years, the Bank has experienced significant growth. This resulted from organic growth arising from a wider array of products and services, as well as through mergers and acquisitions of banks.

Sustaining earlier gains, the Bank is currently the largest bank in the Philippines in terms of total assets, loans, deposits and trust assets under management.

BDO's diverse subsidiaries and investments in allied undertakings provide an extensive range of banking and other financial services. The Bank's subsidiaries and associates as of 31 December 2023 are as follows:

Subsidiaries	% Interest Held
Rural Bank	
BDO Network Bank, Inc.	84.91%
Investment House	
BDO Capital & Investment Corporation (BDO Capital)	99.88%
Private Banking	
BDO Private Bank, Inc.	100%
Leasing and Finance	
Averon Holdings Corporation	99.88% [1]
BDO Finance Corporation	100% [2]
BDO Rental, Inc.	100% [3]
SM Keppel Land, Inc.	100%
Securities Companies	
BDO Securities Corporation	99.88% [4]
Real Estate Companies	
BDORO Europe Ltd.	100%
Equimark-NFC Development Corporation	60%
Insurance Companies	
BDO Life Assurance Company, Inc.	100% [5]
BDO Insurance Brokers, Inc.	100%
Holding Companies	
Dominion Holdings, Inc. *(formerly BDO Leasing and Finance, Inc.)*	88.54% [6]
BDO Strategic Holdings, Inc. (BDOSHI)	100%

Remittance Companies	
BDO Remit (Canada), Ltd.	100%
BDO Remit (Japan), Ltd.	100%
BDO Remit (USA), Inc.	100%
BDO Remit (UK) Ltd.	99.88% [1]
BDO Remit Limited	100% [2]
BDO Remit (Macau), Ltd.	100% [7]
BDO Remit International Holdings B.V. (BDO RIH) [9]	96.20% [1]
CBN Greece S.A. [9]	96.13% [8]
Associates	
Taal Land, Inc.	33.33%
Northpine Land, Inc. [9]	20%
NLEX Corporation (formerly Manila North Tollways Corporation)	11.70%

[1] Effective ownership of BDO through BDO Capital
[2] Effective ownership of BDO through BDOSHI
[3] Effective ownership of BDO through BDOSHI and BDO Finance Corporation
[4] 98.79% indirect ownership of BDO through BDO Capital and 1.09% direct ownership of BDO
[5] 97% direct ownership of BDO and 3% indirect ownership of BDO through BDO Capital
[6] 87.43% direct ownership of BDO and 1.11% indirect ownership through BDO Capital
[7] Effective ownership of BDO through BDOSHI and BDO Remit Limited
[8] Effective ownership of BDO through BDO Capital and BDO RIH
[9] Under liquidation

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

2) Business of Issuer

(i) Principal Products and Services

Loans

BDO offers a complete range of loan products and services, among which are revolving credit lines, term loans, foreign currency loans, infrastructure loans, project finance, cross-border finance, business loans, and consumer loans. Through its various lending arms - the Parent Bank's Institutional Banking Group (**IBG**) and Consumer Banking Group (**CBG**), BDO Finance, and BDO Network Bank – the Bank is able to service clients across all market segments.

Deposits

BDO offers a wide array of Peso, Dollar, and Third Currency deposit products and services catering to a broad and diversified client base. These products cut across all age groups and customer profiles (such as kids, young professionals, entrepreneurs, OFWs and their beneficiaries and retirees). Further details on the Bank's various deposit products can be accessed at its website www.bdo.com.ph.

Remittance

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

Trust Services

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

Treasury

The Bank provides treasury products and services to clients which include the purchase and sale of foreign exchange and fixed income securities, as well as offering of hedging tools in the form of derivatives to mitigate clients' interest and foreign exchange risks. As the Bank is committed to be its clients' partner for growth, the Bank holds periodic economic briefings and forums to keep its clients abreast of financial market conditions. This also serves as a venue

for the Bank to be appraised of its clients' needs and offer appropriate solutions. The Group has been recognized with various awards in the area of foreign exchange and fixed income securities.

Investment and Wealth Management

BDO employs a segmented approach to providing investment and wealth management services across the client spectrum, through BDO Trust and Investments Group, BDO Private Bank, and BDO Securities. This enables the Bank to customize and curate investment strategies for all types of clients, from the Ultra High and High Net Worth segment, to the Mass Affluent and the Emerging Affluent segments.

Payments and Information Business

Digital Banking

The Bank provides secure electronic banking channels to allow and make it more convenient for its customers to access their deposit, credit card and other BDO accounts through a complete array of online, mobile banking and phone banking facilities. These channels allow customers to check account balances, monitor and place funds in trust investments, pay bills, transfer funds to other BDO accounts, send money to anyone, buy prepaid mobile load, reload BDO cash cards, reorder checkbooks, view account transaction history, access and download credit card and checking account electronic statements with images of issued checks for checking accounts, anytime from anywhere in the world.

BDO Pay is the first bank-backed mobile wallet in the country that links a customer's CASA, debit or credit card accounts in one wallet, allowing customers to quickly make digital payments and other transactions as well as easily manage their finances.

Corporate Cash Management

BDO offers high value-added cash management solutions to various market segments, namely: large corporations, financial and foreign institutions (including government financial institutions and government-owned and -controlled corporations), middle-market, SMEs, and MSMEs. The cash management services offered by the Bank to these institutions include collections, disbursements, liquidity

management, account services, electronic banking services and retail payment services.

Remittance Services

BDO's remittance function involves facilitating remittance transactions and delivering remittance payments through the Bank's wide distribution network. The Bank's strength in providing top remittance services lies in its extensive international reach spanning Asia, North America, Europe, and the Middle East. On the distribution side, a strong domestic coverage with its extensive branch network and remittance partners that include, among others, BDO Remit Counters inside malls, partner rural/thrift banks, pawnshops, and courier services which complement the Bank's international presence. BDO also has tie-ups with remittance/money transfer centers, accredited foreign and local correspondent banks, and designated agents which further strengthen the Bank's remittance business.

Transaction Banking

BDO's transaction-based services provide high value-added cash management government entities, and small- and medium-enterprises (**SMEs**). The Bank's electronic banking services, which include the Bank's 5,514 automated teller machines (4,803 ATMs, 557 CAMs, 150 BUMs and 4 STMs), as well as browser-based, mobile app, and landline banking facilities, allow customers to access their accounts and perform an extensive range of banking transactions at their convenience anytime and anywhere.

Meanwhile, the Bank's debit card facility lets customers enjoy the convenience of hassle-free cashless payment and easy cash access using either pre-loaded or account-funded cards.

Credit Cards

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

The bank likewise dominates the merchant acquiring business in the Philippines with BDO Point-of-Sale (**POS**) terminals being the

pioneering terminals in the industry to accept all major credit and debit cards as well as mobile pay transactions such as BDO Pay, QR Ph, GCash, GrabPay, WeChat Pay and Alipay.

Investment Banking and Capital Markets

Through its subsidiary, BDO Capital & Investment Corp. (**BDO Capital**), the Bank provides expertise and optimal solutions to address the funding and capital needs of corporations and government entities, in addition to meeting the investment needs of retail and institutional investors. BDO Capital offers equity and quasi-equity underwriting and management; fixed income underwriting; packaging and syndication; financial advisory; direct equity investment; and securitization. The Bank's strong origination and structuring capabilities, robust distribution network, dominant presence in both the equities and capital markets, and established track record all highlight BDO's brand of investment banking.

Meanwhile, the Bank, through its subsidiary, BDO Securities Corp. (**BDO Securities**), engages in the stock brokerage business and deals in equity securities and other investment-related activities. At present, BDO clients can either trade using the BDO online trading platform and mobile application, or opt to engage with any of BDO Securities' experienced traders to execute clients' transactions. To date, BDO Securities has expanded its suite of products beyond equities to include other investment funds and fixed income securities in local and foreign denominations banking.

Non-Life and Life Insurance

The Parent Bank's wholly-owned subsidiary, BDO Insurance Brokers, Inc. (**BDO Insure**), offers a diverse portfolio of reputable and financially-sound partners in property and casualty insurance, thus, giving customers flexible options that match their needs and financial capabilities.

Through its subsidiary, BDO Life Assurance Company, Inc. (BDO Life), the Bank offers life protection plans (e.g. whole life insurance and term life insurance), fund accumulation plants specifically designated to provide for children's education, savings and retirement plants (e.g., endowment and variable life insurance), and group insurance, among others.

The Bank is able to market BDO Life's insurance products through its branch network under a bancassurance license from the BSP.

Trade Services

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

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

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

Trade transactions are being serviced in 5 Trade Processing Centers geographically located across the country with 3 centers in Metro Manila (Ortigas, Makati and Binondo) and one each in Cebu and Davao. These centers are manned by employees who are trained in all aspects of international trade processing. Moreover, each center has a dedicated Customer Service team who are equipped to provide prompt response to clients' inquiries and concerns. We have also implemented groundbreaking services in the Philippines which include weekend banking and extended banking hours for our domestic branch network.

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

BDO offers a wide variety of documentary products and services including: 1) Import Letters of Credit (LC): issuance, negotiation; 2) Export LCs: advising, confirmation, export advances, export bills purchase; 3) Domestic LCs; 4) Standby LCs; 5) Trust Receipt Financing; 6) Documentary Collections: Documents against Payment and Documents against Acceptance; 7) Open Account and Direct Remittances and 8) Collection of Advance and Final Duties.

International Desks

The International Desks (**IDesks**) of BDO's Institutional Banking Group comprise teams of relationship managers with international and local banking experience, dedicated to address the financial needs of foreign companies and nationals conducting business and/or with business interests, or residing in the Philippines, as well as embassies, diplomats, multilateral organisations, foreign chambers of commerce and international schools. IDesks' teams have been organized along geographic lines: Australia, New Zealand, India, ASEAN, Taiwan, China, Europe, Middle East, North America, Japan and Korea. Furthermore, several IDesks team members speak Japanese, Korean and the Chinese dialects of Mandarin and Fookien.

Leasing

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

(ii) Distribution Methods of Products or Services

The Bank's products and services are available mainly through the branches, but select services are also accessible through other channels such as call centers, mobile and landline telephones, internet, and point-of sale terminals The Bank's extensive distribution network provides it good market coverage that is superior to many of its competitors. Aside from a branch in Hong Kong and Singapore, and a consolidated domestic network of 1,720 operating domestic branches (including of 514 branches of BDO Network Bank, Inc.), the Bank has 5,514 automated teller machines (4,803 ATMs, 557 CAMs, 150 BUMs and 4 STMs) as of 31 December 2023.

The Bank’s foreign operations is comprised of bank branches in Hong Kong and Singapore along with various remittance and representative offices in Asia, North America, Europe, and the Middle East.

Supplementing the Bank's physical network is its full array of digital channels like the BDO Online Banking website, BDO Online app and the BDO Pay app, providing an unmatched physical and digital coverage to clients and depositors.

(iii) Status of Publicly Announced New Products or Service

None.

(iv) Competition

The Philippine universal and commercial banking sector consists of 22 universal and 23 commercial banks for a total of 45 banks as of December 31, 2023. Of the universal banks, 13 are private universal domestic banks, 6 are branches of foreign universal banks and 3 are government-controlled universal banks. The commercial banks, meanwhile, consists of 3 private commercial domestic banks, 18 branches of foreign banks, and 2 subsidiaries of foreign banks.

The total assets of the universal/commercial banking system as end-2023 reached Php 23.62 trillion. Liabilities amounted to Php 20.80 trillion of which deposits were at Php 17.88 trillion. Meanwhile, the system's total capital accounts amounted to Php 2.82 trillion.

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

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

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

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

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

	Trademarks	Duration
1.	BDO Cash Management (42007013805)	September 13, 2013 to September 13, 2033
2.	BDO On Site & Device (42007013806)	September 13, 2013 to September 13, 2033
3.	BDO Banco De Oro Kabayan Loan & Device (42007003250)	September 13, 2013 to September 13, 2033
4.	BDO Kabayan Loans (42007003251)	September 13, 2013 to September 13, 2033
5.	BDO Kabayan Auto Loan (42007003252)	September 13, 2013 to September 13, 2033
6.	BDO Banco De Oro Kabayan Auto Loan & Device (42007003253)	September 13, 2013 to September 13, 2033
7.	BDO Kabayan Home Loan (42007003255)	September 13, 2013 to September 13, 2033
8.	BDO Banco De Oro Kabayan Home Loan & Device (42007003256)	September 13, 2013 to September 13, 2033
9.	BDO Kabayan Personal Loan (42007003258)	September 13, 2013 to September 13, 2033
10.	BDO Banco De Oro Personal Loan & Device (42007003259)	September 13, 2013 to September 13, 2033
11.	BDO Asenso Kabayan & Device (42007003263)	September 13, 2013 to September 13, 2033
12.	BDO Asenso Kabayan and Logo (42007003264)	September 13, 2013 to September 13, 2033
13.	BDO Remit & Device (42007003265)	September 13, 2013 to September 13, 2033
14.	BDO Remit (42007003266)	September 13, 2013 to September 13, 2033
15.	BDO Remit Cash Cards (42007003276)	September 13, 2013 to September 13, 2033
16.	BDO Kabayan Savings (42007003277)	September 13, 2013 to September 13, 2033
17.	BDO Kabayan Bills Bayad (42007003278)	September 13, 2013 to September 13, 2033
18.	BDO Remit & Device (42007011977)	September 13, 2013 to September 13, 2033
19.	BDO (Stylized and In Color) (42010000788)	September 13, 2013 to September 13, 2033
20.	BDO Padala & Device (42015010513)	February 11, 2016 to February 11, 2026
21.	BDO Banco De Oro in class 36 (42010010214)	September 13, 2013 to September 13, 2033
22.	BDO Unibank (wordmark) (42011002470)	September 13, 2013 to September 13, 2033
23.	BDO Unibank (Stylized and in Color) (42011002469)	September 13, 2013 to September 13, 2033
24.	BDO Unibank (Stylized and in Color) in class 16 (42011012955)	September 13, 2013 to September 13, 2033

25.	bdo.com.ph (202011000012)	May 4, 2014 to May 4, 2024
26.	BDO (Stylized and in Color) in class 16 (42011012956)	May 9, 2014 to May 9, 2024
27.	BDO Banco De Oro device in class 16 (42011012954)	May 4, 2014 to May 4, 2024
28.	BDO Leasing (42011012952)	May 4, 2014 to May 4, 2024
29.	BDO Insurance Brokers, Inc. (42011012953)	May 4, 2014 to May 4, 2024
30.	BDO Private Bank in class 16 & 36 (42011012951)	May 4, 2014 to May 4, 2024
31.	BDO Foundation, Inc. (42011012950)	May 2, 2014 to May 2, 2024
32.	BDO Capital & Investment Corporation (42011012949)	May 4, 2014 to May 4, 2024
33.	BDO Securities Corporation (42011012948)	April 29, 2014 to April 29, 2024
34.	Banco De Oro (Reg No: 42010010213)	May 12, 2011 to May 12, 2031
35.	BDORO Europe Ltd. (blue) in class 16 & 36 (42013011107)	April 3, 2014 to April 3, 2024
36.	BDORO Europe Ltd. (blue & yellow) in class 16 & 36 (42013011106)	April 3, 2014 to April 3, 2024
37.	BDORO (color) in class 16 & 36 (42013013103)	May 8, 2014 to May 8, 2024
38.	BDORO (monochrome) in class 16 & 36 (42013013102)	May 8, 2014 to May 8, 2024
39.	Kabayan Personal Loan (42007003262)	June 30, 2008 to June 30, 2028
40.	Kabayan Home Loan (42007003257)	June 23, 2008 to June 23, 2028
41.	Kabayan Auto Loan (42007003254)	June 23, 2008 to June 23, 2028
42.	We find ways (42014011193)	November 20, 2014 to November 20, 2024
43.	BDO Banco De Oro (Stylized) in class 36 (42014014850)	May 7, 2015 to May 7, 2025
44.	#bdowefindways (42015001890)	December 17, 2015 to December 17, 2025
45.	#wefindways (42015001887)	April 7, 2016 to April 7, 2026
46.	#bdounibank (42015001892)	July 23, 2015 to July 23, 2025
47.	#bdobancodeoro (42015001891)	July 23, 2015 to July 23, 2025
48.	#bdoremit (42015001888)	December 17, 2015 to December 17, 2025
49.	#bdo (42015001889)	December 17, 2015 to December 17, 2025

50.	#bdounibank (42015001892) madrid	July 23, 2015 to July 23, 2025
51.	#bdobancodeoro (42015001891) madrid	July 23, 2015 to July 23, 2025
52.	#bdoremit (42015001888) madrid	December 17, 2015 to December 17, 2025
53.	One Network A Rural Bank of BDO (horizontal) (42015011440)	June 2, 2016 to June 2, 2026
54.	One Network A Rural Bank of BDO (vertical) (42015011441)	June 2, 2016 to June 2, 2026
55.	One Network A Savings Bank of BDO (horizontal) (42015011442)	June 2, 2016 to June 2, 2026
56.	One Network A Savings Bank of BDO (vertical) (42015011443)	June 2, 2016 to June 2, 2026
57.	One Network A Rural Bank of BDO Unibank (horizontal) 42015011444	June 23, 2016 to June 23, 2026
58.	One Network A Rural Bank of BDO Unibank (vertical) 42015011445	June 2, 2016 to June 2, 2026
59.	One Network A Savings Bank of BDO Unibank (horizontal) 42015011446	June 23, 2016 to June 23, 2026
60.	One Network A Savings Bank of BDO Unibank (vertical) 42015011447	June 2, 2016 to June 2, 2016
61.	One Network A Rural Bank of BDO (in series horizontal) 42015011448	June 2, 2016 to June 2, 2026
62.	One Network A Rural Bank of BDO (in series vertical) 42015011449	June 2, 2016 to June 2, 2026
63.	One Network A Savings Bank of BDO (in series horizontal) 42015011450	June 2, 2016 to June 2, 2026
64.	One Network A Savings Bank of BDO (in series vertical) 42015011451	July 14, 2016 to July 14, 2026
65.	One Network A Rural Bank of BDO Unibank (in series horizontal) 42015011452	July 14, 2016 to July 14, 2026
66.	One Network A Rural Bank of BDO Unibank (in series vertical) 42015011453	July 14, 2016 to July 14, 2026
67.	One Network A Savings Bank of BDO Unibank (in series horizontal) 42015011454	July 7, 2016 to July 7, 2026
68.	One Network A Savings Bank of BDO Unibank (in series vertical) 42015011455	July 7, 2016 to July 7, 2026
69.	ONB (42015011456)	July 7, 2016 to July 7, 2026
70.	One Network (42015011457)	July 28, 2016 to July 28, 2026
71.	BDO Life (wordmark) 42016005684	August 4, 2016 to August 4, 2026
72.	BDO Life (monochrome black) 42016005665	September 8, 2016 to September 8, 2026
73.	BDO Life (monochrome blue) 42016005666	September 8, 2016 to September 8, 2026
74.	BDO Life (reverse black) 42016005667	October 6, 2016 to October 6, 2026

75.	BDO Life (reverse blue) 42016005668	October 6, 2016 to October 6, 2026
76.	We Protect (monochrome black) 42016005669	September 1, 2016 to September 1, 2026
77.	We Protect (in color) 42016005670	September 1, 2016 to September 2, 2026
78.	We Protect (reverse) 42016005672	September 8, 2016 to September 8, 2026
79.	We Protect (word) 42016005671	September 8, 2016 to September 8, 2026
80.	BDO Life (in color) 42016005673	September 8, 2016 to September 8, 2026
81.	BDO Life 42016005674	September 8, 2016 to September 8, 2026
82.	BDO Invest Online (42016009435)	December 8, 2016 to December 8, 2026
83.	Master the Art of Trading (42016009438)	December 8, 2016 to December 8, 2026
84.	PERA AGAD (42016014029)	July 17, 2020 to July 17, 2030
85.	PERA AGAD (42016014030)	October 16, 2020 to October 16, 2030
86.	my life my bdo vertical (42016015557)	April 27,2017 to April 27, 2027
87.	my life my bdo horizontal (42016015558)	April 27,2017 to April 27, 2027
88.	just debit with bdo horizontal (42016015559)	May 11,2017 to May 11,2027
89.	just debit with bdo vertical (42016015560)	May 11,2017 to May 11,2027
90.	My Life, My BDO Debit (42017006125)	December 28, 2017 to December 28, 2027
91.	My Life, My BDO Debit (42017006126)	May 11, 2018 to May 11, 2028
92.	BDO Kabayan (42017009476)	March 1, 2018 to March 1, 2028
93.	BDO Kabayan (42017009475)	December 21, 2017 to December 21, 2027
94.	BDO Kabayan (42017009474)	December 21, 2017 to December 21, 2027
95.	BDO Kabayan (42017009473)	December 21, 2017 to December 21, 2027
96.	BDO Kabayan (42017009472)	December 21, 2017 to December 21, 2027
97.	BDO Kabayan (42017009471)	November 23, 2017 to November 23, 2027
98.	BDO Unibank (42017012991)	May 31, 2018 to May 31, 2028
99.	BDO Unibank (Device) 42017012994	May 31, 2018 to May 31, 2028

100.	BDO Banco De Oro (Device) 42017012992	May 31, 2018 to May 31, 2028
101.	BDO Remit (Device) 42017012993	May 31, 2018 to May 31, 2028
102.	BDO We Find Ways (Dreamline) 42017013435	February 3, 2018 to February 3, 2028
103.	BDO We Find Ways (Dreamline) 42017013436	February 3, 2018 to February 3, 2028
104.	BDO We Find Ways (Dreamline) 42017013437	February 3, 2018 to February 3, 2028
105.	BDO We Find Ways (Dreamline) 42017013434	February 3, 2018 to February 3, 2028
106.	BDO NETWORK BANK (42018505534)	August 29, 2019 to August 29, 2029
107.	BDO NETWORK BANK, A RURAL BANK (42018505535)	August 29, 2019 to August 29, 2029
108.	BDO NETWORK, A RURAL BANK (42018505536)	August 29, 2019 to August 29, 2029
109.	BDO NETWORK BANK, INC. (42018505537)	August 29, 2019 to August 29, 2029
110.	BDO Network Bank Device Registration Number: 42018021523	August 8, 2019 to August 8, 2029
111.	BDO Network Bank Device (in blue bg) Registration Number: 42018021524	February 15, 2020 to February 15, 2030
112.	BDO Network Bank Device (in blue font) Registration Number: 42018021525	February 15, 2020 to February 15, 2030
113.	BDO Network Bank Device (in yellow bg) Registration Number: 42018021526	February 15, 2020 to February 15, 2030
114.	BDO Network Bank Device (in black font) Registration Number: 42018021527	December 1, 2019 to December 1, 2029
115.	BDO Network Bank Device (in black bg) Registration Number: 42018021528	December 1, 2019 to December 1, 2029
116.	BDO Network Bank Device (vertical) Registration Number: 42018021529	December 1, 2019 to December 1, 2029
117.	BDO Network Bank Device (vertical in blue bg) Registration Number: 42018021530	January 2, 2020 to January 2, 2030
118.	BDO Network Bank Device (vertical in blue font) Registration Number: 42018021531	December 1, 2019 to December 1, 2029
119.	BDO Network Bank Device (vertical in black bg) Registration Number: 42018021532	December 1, 2019 to December 1, 2029
120.	BDO Network Bank Device (vertical in black font) Registration Number: 42018021533	August 8, 2019 to August 8, 2029
121.	BDO Network Bank Device (vertical in yellow bg) Registration Number: 42018021534	August 8, 2019 to August 8, 2029
122.	BDO Network Bank Device (horizontal 1-liner) Registration Number: 42018021535	August 8, 2019 to August 8, 2029
123.	BDO Network Bank Device (horizontal 1-liner blue bg) Registration Number: 42018021536	August 8, 2019 to August 8, 2029

124.	BDO Network Bank Device (horizontal 1-liner blue font) Registration Number: 42018021537	August 8, 2019 to August 8, 2029
125.	BDO Network Bank Device (horizontal 1-liner black font) Registration Number: 42018021538	August 8, 2019 to August 8, 2029
126.	BDO Network Bank Device (horizontal 1-liner black bg) Registration Number: 42018021539	January 12, 2020 to January 12, 2030
127.	BDO Network Bank Device (horizontal 1-liner yellow bg) Registration Number: 42018021540	January 12, 2020 to January 12, 2030
128.	WE FIND WAYS (42019501752)	July 28, 2019 to July 28, 2029
129.	BDO WE FIND WAYS Application Number: 42019503945	November 7, 2019 to November 7, 2029
130.	BDO We find ways (in black) Application Number: 42019503948	November 7, 2019 to November 7, 2029
131.	BDO We find ways (in blue) Application Number: 42019503950	November 7, 2019 to November 7, 2029
132.	BDO We find ways (in blue & yellow) Application Number: 42019503952	December 5, 2019 to December 5, 2029
133.	WE FIND WAYS (wordmark) Application Number: 42019503996	January 19, 2020 to January 19, 2030
134.	WE FIND WAYS Application Number: 42019503997	January 19, 2020 to January 19, 2030
135.	BDO (wordmark) Application Number: 42019503940	November 7, 2019 to November 7, 2029
136.	BDO REMIT (wordmark) Registration Number: 42019503943	June 28, 2020 to June 28, 2030
137.	We find ways (in blue) Application Number: 42019503941	November 7, 2019 to November 7, 2029
138.	We find ways (in yellow) Application Number: 42019503942	November 7, 2019 to November 7, 2029
139.	BDO Network Bank Device (horizontal 2-liner yellow bg) Registration Number: 42019012899	April 4, 2020 to April 4, 2030
140.	BDO Network Bank Device (vertical 2-liner yellow bg) Registration Number: 42019012898	April 4, 2020 to April 4, 2030
141.	FIND YOUR WAY wordmark Registration Number: 42019505926	June 28, 2020 to June 28, 2030
142.	BDO FINANCE wordmark Registration Number: 42020502655	November 20, 2020 to November 20, 2030
143.	BDO FINANCE CORP. wordmark Registration Number: 42020502658	November 20, 2020 to November 20, 2030
144.	BDO Finance Device Vertical Registration Number: 42020502662	December 6, 2020 to December 6, 2030
145.	BDO Finance Device Horizontal Registration Number:42020502661	December 6, 2020 to December 6, 2030

146.	BDO PRIME (wordmark) Registration No. 42020504585	February 26, 2021 to February 26, 2031
147.	BDO Prime Device horizontal Registration Number: 42020504860	December 18, 2020 to December 18, 2030
148.	BDO Prime A Service of BDO Securities Corporation Registration No: 42020504861	February 26, 2021 to February 26, 2031
149.	BDO Prime Device horizontal Registration Number: 42020504857	December 18, 2020 to December 18, 2030
150.	BDO Prime A Service of BDO Securities Corporation Registration No: 42020504859	February 26, 2021 to February 26, 2031
151.	BDO Prime Device horizontal (in black bg) Registration Number: 42020504862	December 18, 2020 to December 18, 2030
152.	BDO Prime Device A Service of BDO Securities Corporation horizontal (in black bg) Registration Number: 42020504858	January 15, 2021 to January 15, 2031
153.	BDO PENSION 360 Registration No: 42021506817	July 30, 2021 to July 30, 2031
154.	BDO PENSION 360° Registration No: 42021506819	July 30, 2021 to July 30, 2031
155.	BDO EASY INVESTMENT PLAN Registration No: 42021506820	July 30, 2021 to July 30, 2031
156.	BDO EASY INVEST PLAN Registration No: 42021506818	July 30, 2021 to July 30, 2031
157.	BDO EASY PENSION PAY Registration No: 42021506816	July 30, 2021 to July 30, 2031
158.	BDO Prime (Device in color horizontal) Registration No: 42020506350	August 6, 2021 to August 6, 2031
159.	BDO Prime Registration No: 42020506351	August 6, 2021 to August 6, 2031
160.	BDO Prime (blue bg vertical) Registration No: 42020506352	August 6, 2021 to August 6, 2031
161.	BDO Prime Registration No: 42020506353	October 17, 2021 to October 17, 2031
162.	BDO Prime (Device in color horizontal blue bg) Registration No: 42020506348	August 8, 2021 to August 8, 2031
163.	BDO Prime A Service of BDO Securities Corporation (horizontal logo) Registration No: 42021506510	August 29, 2021 to August 29, 2031
164.	BDO Prime A Service of BDO Securities Corporation (horizontal logo blue bg) Registration No: 42021506509	August 29, 2021 to August 29, 2031
165.	BDO Prime (blue font) Registration No: 42020506349	August 13, 2021 to August 13, 2031
166.	BDO Prime A Service of BDO Securities Corporation (black font vertical logo) Registration No: 42021506515	September 10, 2021 to September 10, 2031

167.	BDO Prime A Service of BDO Securities Corporation (blue font vertical logo) Registration No: 42021506514	September 10, 2021 to September 10, 2031
168.	BDO Prime A Service of BDO Securities Corporation (in color vertical logo) Registration No: 42021506516	September 10, 2021 to September 10, 2031
169.	BDO Prime A Service of BDO Securities Corporation (blue font horizontal logo) Registration No: 42021506513	September 10, 2021 to September 10, 2031
170.	BDO Prime A Service of BDO Securities Corporation (vertical logo blue bg) Registration No: 42021506512	September 10, 2021 to September 10, 2031
171.	BDO Prime Registration No: 42020506354	August 29, 2021 to August 29, 2031
172.	BDO Network Bank, a Savings Bank Registration No: 42021518949	November 12, 2021 to November 12, 2031
173.	BDO Network, a Savings Bank Registration No: 42021518948	November 12, 2021 to November 12, 2031
174.	BDO Trade (horizontal logo black font) Registration No: 42021515870	November 25, 2021 to November 25, 2031
175.	BDO Trade (vertical logo black font) Registration No: 42021515868	November 25, 2021 to November 25, 2031
176.	BDO Trade (horizontal logo blue font) Registration No: 42021515874	November 25, 2021 to November 25, 2031
177.	BDO Trade (vertical logo blue font) Registration No: 42021515873	November 25, 2021 to November 25, 2031
178.	BDO Trade (horizontal logo blue bg) Registration No: 42021515867	November 25, 2021 to November 25, 2031
179.	BDO Trade (vertical logo blue bg) Registration No: 42021515872	November 25, 2021 to November 25, 2031
180.	BDO Trade (horizontal logo) Registration No: 42021515876	November 25, 2021 to November 25, 2031
181.	BDO Trade (vertical logo) Registration No: 42021515871	November 25, 2021 to November 25, 2031
182.	BDO Trade (horizontal logo white font blue bg) Registration No: 42021515875	November 25, 2021 to November 25, 2031
183.	BDO Trade (vertical logo white font blue bg) Registration No: 42021515869	November 25, 2021 to November 25, 2031
184.	Plan B (logo in blue bg) Registration No: 42021528290	February 28, 2022 to February 28, 2032
185.	Plan B Registration No: 42021528289	February 28, 2022 to February 28, 2032
186.	What if (logo in blue bg) Registration No: 42021528292	February 28, 2022 to February 28, 2032
187.	What if (logo in black) Registration No: 42021528293	February 28, 2022 to February 28, 2032
188.	What if (logo in blue) Registration No: 42021528291	February 28, 2022 to February 28, 2032
189.	Plan B (logo in black) Registration No: 42021528287	April 7, 2022 to April 7, 2032

190.	DEALS ON WHEELS Registration No: 42022517256	September 8, 2022 to September 8, 2032
191.	SME READY CHECK Registration No: 42022517257	October 6, 2022 to October 6, 2032
192.	BDO DEALS Registration No: 42022517261	September 8, 2022 to September 8, 2032
193.	Diamond Rewards (42014007163)	November 5, 2015 to November 5, 2025
194.	Sapphire Rewards (42014007147)	20 February 2015 to 20 February 2025
195.	BDO Rewards (vertical) (42014006795)	November 10, 2014 to November 10, 2024
196.	BDO Rewards (horizontal) (42014006793)	November 10, 2014 to November 10, 2024
197.	Emerald Rewards (42014007146)	November 10, 2014 to November 10, 2024
198.	Cash Agad (device) 42015011277	August 4, 2016 to August 4, 2026
199.	Cash Agad in Partnership with BDO (42016006584)	October 27, 2016 to October 27 2026
200.	myPERA (42017020732)	April 5, 2018 to April 5, 2028
201.	myBDOPERA (42017020731)	April 5, 2018 to April 5, 2028
202.	MyPERA (42017020733)	April 5, 2018 to April 5, 2028
203.	MyBDOPERA (42017020730)	April 5, 2018 to April 5, 2028
204.	BDOPERA (42017020734)	April 12, 2018 to April 12, 2028
205.	BDO Easy Retirement Plan (42017020736)	October 14, 2018 to October 14, 2028
206.	ERP (42017020737)	June 21, 2018 to June 21, 2028
207.	BDO ERP (42017020735)	April 12, 2018 to April 12, 2028
208.	Insure me, insurance made easy (white background	December 9, 2018 to December 9, 2028
209.	Insure me, insurance made easy (blue background)	December 9, 2018 to December 9, 2028
210.	Insure me, insurance made easy @SM (white background)	December 9, 2018 to December 9, 2028
211.	Insure me, insurance made easy @SM (blue background)	December 9, 2018 to December 9, 2028
212.	Insure me (white background)	September 9, 2018 to September 9, 2028
213.	Insure me (blue background)	September 9, 2018 to September 9, 2028
214.	BDO Insure Device (horizontal logo blue bg) Registration Number: 42018504220	July 11, 2019 to July 11, 2029

215.	BDO Insure Device (horizontal) Registration Number: 42018504221	July 11, 2019 to July 11, 2029
216.	BDO Insure Device (vertical logo blue bg) Registration Number: 42018504222	July 11, 2019 to July 11, 2029
217.	BDO Insure Device (vertical logo) Registration Number: 42018504223	July 11, 2019 to July 11, 2029
218.	BDO INSURE wordmark Registration Number: 42018504224	July 11, 2019 to July 11, 2029
219.	One Network A Rural Bank of BDO (vertical logo in black & white) Registration Number: 42022513366	April 17, 2023 to April 17, 2033
220.	One Network A Savings Bank of BDO (horizontal logo in black & white) Registration Number: 42022513367	April 17, 2023 to April 17, 2033
221.	One Network A Savings Bank of BDO (vertical logo in black & white) Registration Number: 42022513368	April 17, 2023 to April 17, 2033
222.	One Network A Rural Bank of BDO Unibank (horizontal logo in black & white) Registration Number: 42022513369	April 17, 2023 to April 17, 2033
223.	One Network A Rural Bank of BDO Unibank (vertical logo in black & white) Registration Number: 42022513371	April 17, 2023 to April 17, 2033
224.	One Network A Savings Bank of BDO Unibank (horizontal logo in black & white) Registration Number: 42022513372	April 17, 2023 to April 17, 2033
225.	One Network A Savings Bank of BDO Unibank (vertical logo in black & white) Registration Number: 42022513373	April 17, 2023 to April 17, 2033
226.	One Network A Rural Bank of BDO (horizontal logo in black & white) Registration Number: 42022513374	April 17, 2023 to April 17, 2033
227.	www.onenetworkbank.com.ph (re-filed) Registration Number: 42022523082	May 25, 2023 to May 25, 2033
228.	www.e-onb.com.ph (re-filed) Registration Number: 42022523083	May 25, 2023 to May 25, 2033
229.	Dominion Holdings (logo, black font white background) Registration Number: 42023503743	June 15, 2023 to June 15, 2033
230.	Dominion Holdings (logo, white font black background) Registration Number: 42023503745	June 15, 2023 to June 15, 2033
231.	Dominion Holdings (logo, blue font white background) Registration Number: 42023503741	June 15, 2023 to June 15, 2033
232.	Dominion Holdings (logo, white font blue background) Registration Number: 42023503742	June 15, 2023 to June 15, 2033
233.	Cash Agad Partner ng BDO Lahat ng ATM card, pwede! (logo)	October 30, 2023 to October 30, 2033

(vii) Governmental Approval of Principal Products or Services

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

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

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

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

This is not applicable to the Bank.

(x) Total Number of Employees

The Bank has a total of 41,647 employees as of 31 December 2023 broken down as follows:

	Non-Officers	Officers	TOTAL
Total for Parent Company	**17,746**	**16,437**	**34,183**
Head Office	2,471	9,338	**11,809**
Branches	15,275	7,099	**22,374**
Total for Subsidiaries	**2,216**	**5,248**	**7,464**
TOTAL EMPLOYEES	**19,962**	**21,685**	**41,647**

The Bank's Collective Bargaining Agreement (**CBA**) with Banco De Oro Employees Association (**BDOEA**) covers staff level employees, except those as expressly excluded in the Agreement. The Agreement is effective for a period of two (2) years from 1 November 2023 to 31 October 2025. BDOEA is affiliated with Associated Labor Unions (**ALU**).

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

The Bank anticipated having approximately 42,000 total employees (in all levels; including those not included in the CBA) by 31 December 2023.

(xi) Risk Management

Risk management at BDO begins at the highest level of the organization. At the helm of the risk management infrastructure is the Board of Directors who is responsible for establishing and maintaining a sound risk management system. The Board of Directors assumes oversight over the entire risk management process.

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

The Board of Directors has created committees tasked with key functions in the over-all risk framework of the Bank. The Risk Management Committee (**RMC**) is responsible for the development and oversight of the Bank's risk management program. The Executive

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

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

The Risk Management Committee is a Board-Level Committee composed of three (3) members of the Board of Directors, with Vipul Bhagat (Independent Director) as Chairman, Dioscoro I. Ramos (Lead Independent Director) and Walter C. Wassmer as members. Christopher A. Bell-Knight, Jones M. Castro, Jr. and Nestor V. Tan serve as Advisors.

Below is the attendance of the members for the Committee meetings in 2023:

	No. of Meetings Attended	Total No. of Meetings	Percentage
Vipul Bhagat	12	12	100%
Dioscoro I. Ramos	12	12	100%
Walter C. Wassmer *	8	8	100%
Nestor V. Tan **	4	4	100%

* Appointed as Member of RMC on April 19, 2023
*** Term as Member of the RMC ended on April 19, 2023*

Item 2 – Properties

Description of Property

(1) Principal Properties Owned

A. Presented below is a list of the Bank's principal properties as of 31 December 2023 owned by the Bank and utilized as Head Offices:

No.	NAME	ADDRESS
1	BDO Building (Radio Marine - MTech)	BDO Bldg., Sen. Gil Puyat Avenue corner Paseo de Roxas, Brgy. Bel-Air, Makati City
2	BDO Corporate Center – Ortigas	12 ADB Avenue Ortigas Center Mandaluyong City
3	BDO Salcedo-Tower	156 Valero St., Bel-air, Makati District 1, Makati City 1227
4	BDO Corporate Center – Makati *	87899 Makati Avenue cor. H.V. Dela Costa St., Makati City

** Building under Construction*

B. Presented below is a list of the Bank's principal properties as of 31 December 2023 owned or majority-owned by the Bank which are utilized as Head Offices and partly tenanted:

No.	NAME	ADDRESS
1	BDO Towers Paseo	8741 Paseo de Roxas Cor. Villar St. Salcedo Village Makati
2	BDO Towers Valero	Valero corner Villar St., Salcedo Village, Makati City, Metro Manila
3	Dagupan Vicar	Vicar Hotel Bldg. along A.B. Fernandez Ave. Brgy. Herrero Perez Dagupan City, Pangasinan

4	BDO Equitable Bank Tower	8751 Paseo de Roxas, Makati City
5	Pacific Star Building	Makati Avenue, Makati City
6	Robinsons Equitable Tower	ADB Avenue, Ortigas Center, Pasig City

C. Presented below is a list of the Bank's real properties as of 31 December 2023 owned by the Bank and utilized as BDO branches:

(a) Metro Manila Branches

No.	BRANCH	ADDRESS
1	A. Santos - St. James	8406 A. Santos Avenue, Brgy. BF Homes, Parañaque City
2	ADB Avenue Ortigas	Robinsons PCIBank Tower, ADB Avenue, Ortigas Center, 1600 Pasig City
3	Airport Road	Airport Road corner Quirino Avenue, Baclaran, Parañaque City
4	Alfaro - Salcedo Village	G/F PCCI Bldg., 118 Leviste Street (Formerly Alfaro St.) , Salcedo Village, Makati City
5	Arranque - T. Alonzo	733 T. Alonzo St., Brgy. 299, Zone 29, Sta. Cruz, Manila
6	Asia Tower - Paseo	G/F Asia Tower corner Paseo De Roxas & Benavides St.,1229 Makati City
7	Aurora Blvd - Notre Dame	0137 Aurora Blvd. corner Notre Dame St. Cubao, 1110 Quezon City
8	Aurora Blvd - Yale	Aurora Blvd. corner Yale St. Cubao, Quezon City
9	Baclaran - Redemptorist Road	Redemptorist Road, Baclaran, Parañaque, Metro Manila
10	Bagtikan - Chino Roces Avenue	Unit 102 G/F Pryce Center Condominium, 1179 Chino Roces Avenue corner Bagtikan St., San Antonio Village, Makati City
11	BDO Corporate Center	G/F, BDO Towers Paseo, 8741 Paseo de Roxas corner Villar St., Salcedo Village, Bel-Air, Makati City 1200

No.	BRANCH	ADDRESS
12	Bel Air - Gil Puyat	Country Space 1 Condominium Bldg., Sen. Gil Puyat Avenue, Bel-Air Village, 1209 Makati City
13	BGC – Fort Victoria	Unit 108B, G/F, Fort Victoria Condominium, 5th Avenue cor. Rizal Avenue, Bonifacio Global City, Fort Bonifacio, Taguig City
14	Bicutan – Doña Soledad Ave. Ext.	Lot 3 Block 1, Doña Soledad Avenue Extension, Better Living Subd., Brgy. Don Bosco, Parañaque City
15	Blumentritt – Laong Laan	Laong Laan St corner Blumentritt St., Brgy 516, Zone 051, Sampaloc, Manila
16	Blumentritt - San Juan	Lot 11-B, Blk. 127 Blumentritt corner Sto. Toribio St., San Juan City
17	Boni - Maysilo	74 Maysilo Circle corner Boni Avenue, Mandaluyong City
18	C. Palanca - Quiapo	132 Carlos Palanca St., Quiapo, Manila
19	C. M. Recto	C.M. Recto Avenue corner Nicanor Reyes St., Manila
20	C. M. Recto - San Sebastian	2070 C.M. Recto St.,1008 Sampaloc, Manila
21	Caloocan - Sangandaan	628 A. Mabini St., 1408 Sangandaan, Caloocan City
22	Corinthian Gardens	BDO Leasing Center, Ortigas Avenue, Quezon City
23	Dasmariñas St. - Binondo	BDO Bldg., Dasmariñas St., Binondo, 1006 Manila
24	Dian - Gil Puyat	G/F EPCIB Bldg., Sen. Gil Puyat Avenue corner Dian St., Makati City
25	E. Rodriguez	1162 E. Rodriguez Sr. Avenue, New Manila, Quezon City
26	Edsa - Reliance St.	G/F Paragon Plaza, corner Reliance St., Mandaluyong City
27	Fairview	Don Mariano Marcos Avenue Fairview, Quezon City
28	Gandara	7/F, 321 Dasmariñas St. cor. Marquina St. Brgy. 290, Binondo, Manila

No.	BRANCH	ADDRESS
29	Grace Park - 8th Avenue	259 Rizal Avenue Extension, Grace Park, Caloocan City
30	Grace Park - 9th Avenue	414 Rizal Avenue Extension, Grace Park, 1400 Caloocan City
31	Grace Park - 10th Avenue	359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City
32	Greenhills - Roosevelt	EBC Bldg., Ortigas Avenue corner Roosevelt Avenue, Greenhills, San Juan City
33	Greenhills North	Unit 102-103 Sunrise Condominium, Ortigas Avenue, 1500 San Juan City
34	Ilaya - M. De Santos	632 M. de Santos St., Manila
35	Kalentong	MRDC Bldg., Shaw Blvd. corner Gen. Kalentong St., Mandaluyong City
36	Las Piñas - Pamplona	1741 Alabang-Zapote Road, Pamplona Dos, Las Piñas
37	Las Piñas - Philamlife Avenue	Alabang-Zapote Road, Pamplona Tres, 1740 Las Pinas City
38	Leveriza - Libertad	212 Libertad St., Pasay City
39	Luneta - T.M. Kalaw	707 T.M. Kalaw St. corner Churruca St., Ermita, Manila
40	Makati - Pasay Road	845 One Corporate Plaza Condominium, A. Arnaiz Avenue, San Lorenzo, Makati City
41	Makati Avenue - Ayala	L.V. Locsin Bldg., Ayala Avenue corner Makati Avenue, 1228 Makati City
42	Makati Cinema Square	Makati Cinema Square, Pasong Tamo, 1229 Makati City
43	Malabon	725 Rizal Avenue, San Agustin, Malabon City
44	Malabon - Rizal Avenue	694 Rizal Avenue, 1470 Malabon, Metro Manila
45	Marikina - Bayanbayanan	48 Bayanbayanan Avenue, Brgy. Concepcion Uno, Marikina City
46	Marikina - Concepcion	17 Bayan-bayanan Avenue, Concepcion, Marikina City
47	Marikina - Sumulong Highway	Corner E. Dela Paz St. Amang Rodriguez Avenue, Sto. Nino, Marikina City

No.	BRANCH	ADDRESS
48	Marulas – MacArthur Highway	Lot 16 & 17 McArthur Highway Valenzuela, Metro Manila
49	Medical Plaza - Legaspi Village	Unit 101, G/F Medical Plaza Makati, Amorsolo St. corner Dela Rosa St. Legaspi Village, Makati City
50	Greenhills - Missouri	12 Missouri St., Northeast Greenhills, Brgy. Greenhills, San Juan City
51	Muntinlupa - National Highway	8 National Highway cor. Aguila St., Brgy. Putatan, Muntinlupa
52	N. Domingo - Araneta Avenue	71 N. Domingo St. corner Katubusan St., Brgy. Rivera, San Juan City
53	Novaliches - Forest Hills	Lot 2 D 1 Quirino Avenue, Novaliches, Quezon City
54	Ortigas Avenue	209 Ortigas Avenue Greenhills, San Juan, MM
55	Ortigas - Exchange Road	G/F, PSE Center, Exchange Road, Ortigas Commercial Complex, Pasig City
56	Paco - A. Linao	1635-1641 A. Linao St., Paco, Manila
57	Padre Faura - A. Mabini	A .Mabini corner Padre Faura St., 1000 Ermita, Manila
58	Pasay	Libertad corner Colayco St., Pasay City
59	Paseo - Gil Puyat	BDO Building, 381 Sen. Gil Puyat Avenue corner Paseo de Roxas, Brgy. Bel-Air, Makati City
60	Paseo Tower - Makati	Equitable Bank Tower, 8751 Paseo de Roxas, Makati City
61	Pasig - Danny Floro	125 Shaw Blvd. corner Danny Floro St. Pasig City
62	Pasig - Manggahan	Amang Rodriguez Avenue, Manggahan, Pasig City
63	Pasig – Market Avenue	8 Market Avenue, Brgy. Palatiw, Pasig City
64	Pasig - Sixto Antonio Ave. Pilapil	Lot 2 B, Sixto Antonio Ave., Brgy. Kapasigan, Pasig City
65	Perea – Paseo	G/F Universal Re Bldg. 106 Paseo de Roxas 1228 Makati City

No.	BRANCH	ADDRESS
66	Pioneer Highlands - Madison	Unit 01 (facing Madison St.) LG/F Globe Telecom Plaza 1 Bldg., Pioneer St. Corner Madison St., Mandaluyong City
67	Pitimini - Roosevelt	EBC Bldg. Roosevelt Avenue corner Pitimini St., SFDM, Quezon City
68	Plaza Sta. Cruz - Dasmariñas St.	377 Plaza Sta. Cruz, Brgy. 303, Zone 29, Sta. Cruz, Manila
69	President's Avenue - BF Parañaque	President's Avenue corner J. Elizalde St., BF Homes Parañaque, Metro Manila
70	Quezon Avenue - Heroes Hill	1052 Quezon Avenue, 1103 Quezon City
71	Quezon Avenue - West Triangle	Lot 3-B, Quezon Ave. Extension, Brgy. West Triangle, Quezon City
72	Quiapo - Quinta Market	Quezon Blvd. corner C. Palanca St., Quiapo, Manila
73	Reposo - Makati	EBC Bldg., JP Rizal corner N. Garcia (Formerly Reposo), Makati City
74	Rizal Avenue	2502-2504 Rizal Avenue corner Cavite St. Sta. Cruz, Manila
75	Rockwell Center - Makati	Lot 3 Block 7, Rockwell Drive, Rockwell Center, Poblacion, Makati City
76	Salcedo Tower	G/F, BDO Salcedo Tower, 156 Valero St., Bel-Air, Makati District 1, Makati City 1227
77	Shaw Blvd. - Stanford	EBC Bldg., Shaw Blvd. corner Stanford St., Mandaluyong City
78	St. Ignatius - Katipunan	BDO Bldg., 137 Katipunan Avenue, St. Ignatius, Quezon City
79	Strata 100 - Ortigas	G/F Strata 100 Bldg., Don Francisco Ortigas Jr., Pasig City
80	Taft Avenue – Estrada St.	2F, Bankard Bldg., 2422 Taft Avenue, Brgy. 727, Zone 79, Malate, 1004, Manila
81	Taft - Vito Cruz	Bankard Bldg. 2422 Taft Avenue, 1004 Malate, Manila
82	Timog – South Triangle	G/F President Tower, 81 Timog Ave. corner Scout Ybardolaza St., Brgy. South Triangle, Diliman, Quezon City
83	Tomas Morato - Kamuning	Corner Kamuning & Tomas Morato, Quezon City

No.	BRANCH	ADDRESS
84	Tutuban	DS 17-18 Tutuban Primeblock, Tutuban Center, CM Recto, Manila
85	U.N. Avenue - J. Bocobo	EBC Bldg., UN Avenue corner J. Bocobo St., Ermita, Manila
86	V.A. Rufino – Valero	G/F Chattam House, Herrrera St. corner Valero & San Agustin St., Salcedo Village, Makati City
87	Valenzuela – Malanday MacArthur Highway	656 MacArthur Highway, Brgy. Malanday, Valenzuela City 1444
88	West Trade Center - West Avenue	Unit #1, G/F West Trade Center, West Avenue, Quezon City
89	Yakal - Chino Roces Avenue	Units 2 & 3, G/F Tower 2 Bldg. Avida Towers Makati West Condominium cor. Yakal, Lumbayao and Malugay Sts., San Antonio Village, Makati City

(b) Provincial Branches

No.	BRANCH	ADDRESS
1	Angeles – Balibago	BDO Building along Ramon Tang Avenue, Diamond Subd., Balibago, Angeles City, Pampanga
2	Angeles - MacArthur Highway	Lot 1, MacArthur Highway corner Magalang Avenue, Brgy. Salapungan, Angeles City, Pampanga
3	Angeles - Miranda	BDO Bldg., Miranda St., Sto. Rosario, Angeles City, Pampanga
4	Antique	Corner Gov. Villavert St. & Gov. Gella St., San Jose, Antique 5700
5	Bacolod - Capitol Shopping	Benigno Aquino Drive, Capitol Shopping 6100 Bacolod City, Negros Occidental
6	Bacolod - Gatuslao	26 & 28 Gov. V. Gatuslao St., Bacolod City, Negros Occidental
7	Bacolod - Lacson	Lacson corner Galo St., 6100 Bacolod City, Negros Occidental

8	Bacolod - Plaza	Araneta corner Gonzaga St., 6100 Bacolod City, Negros Occidental
9	Bacolod - Rosario Lacson	Lot 296-B-7, Lacson St. corner Rosario St., Bacolod City, Negros Occidental
10	Balanga - A. Banzon	A. Banzon St., Brgy. Poblacion, Balanga City, 2100 Bataan
11	Baliwag – JP Rizal	J.P. Rizal St., San Jose, Baliwag, Bulacan
12	Batangas - Nasugbu	JP Laurel St., Brgy. Poblacion, Nasugbu, Batangas
13	Batangas - Sto. Tomas	Maharlika Highway, San Antonio, Sto. Tomas, Batangas
14	Batangas City - Rizal Avenue	Rizal Avenue corner P. Burgos St., 4200 Batangas, Batangas City
15	Biñan	A. Bonifacio St., Barrio Canlalay, Biñan, Laguna
16	Bukidnon - Valencia	M.L. Quezon St. corner G. Laviña Avenue, Valencia City, Bukidnon 8709
17	Cabanatuan - Maharlika Road	Maharlika Road, near corner Sanciangco St., Brgy. Sanbermicristi, Cabanatuan City, Nueva Ecija
18	Cabanatuan - Maharlika South	BDO Building, Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija
19	Cagayan - Aparri	Rizal St. corner R.F Balisi St., Centro 8, Aparri, Cagayan
20	Cagayan de Oro - Lapasan	C.M. Recto Highway, Lapasan, 9000 Cagayan de Oro City, Misamis Oriental
21	Cagayan de Oro - Velez	Velez Road corner Abejuela St., Cagayan de Oro
22	Calamba Crossing	G/F, BDO Bldg., Old National Highway, Crossing, Brgy. Uno, Calamba City, Laguna 4027
23	Cavite - Dasmariñas Techno Park	Governor's Drive, Brgy. Paliparan I, Dasmariñas, Cavite
24	Cavite - General Trias Gateway	Gateway Business Park, C. Delos Reyes Avenue, 4107 Gen. Trias, Cavite
25	Cavite – GMA Congressional Road	Lot 4 Block C-5-CL, Congressional Road, Brgy. Poblacion 1, Gen. Mariano Alvarez (GMA) Cavite
26	Cavite - Imus Anabu	Gen. Aguinaldo corner Ambrosia Road Anabu I, Imus, Cavite

27	Cavite City - P. Burgos	Corner P. Burgos & P. Julio St., Caridad, 4100 Cavite City
28	Cebu - Borromeo	Borromeo corner Magallanes St., Cebu City
29	Cebu - F. Gonzales	F. Gonzales corner Magallanes St., Cebu City
30	Cebu - Gorordo	Gorordo Avenue, Lahug 6000 Cebu City, Cebu
31	Cebu Mandaue – National Highway	National Highway, M.C. Briones St., Guizo, Mandaue City, 6014 Cebu
32	Cebu - Magallanes Plaridel	Magallanes corner Plaridel St., 6000 Cebu City
33	Cebu - North Reclamation	Blk. 20-A corner Port Centre Avenue & Juan Luna Avenue, North Reclamation Area, Cebu City
34	Cebu Mandaue – M.C. Briones	M.C. Briones St., National Highway, Brgy. Bakilid, Mandaue City, Cebu
35	Cotabato - Kidapawan	Quezon Blvd., 9400 Kidapawan, North Cotabato
36	Cotabato - Makakua	Makakua St., 9600 Cotabato City, Maguindanao
37	Dagupan - Fernandez	A.B. Fernandez Avenue, Brgy. Pantal, Dagupan City, 2400 Pangasinan
38	Davao JP Laurel	Landco-PDCP Corporate Center, JP Laurel Avenue, Bajada, Davao City
39	Davao - Claveria	BDO Building No. 30 C.M. Recto Ave., Poblacion, Davao City
40	Davao - C.M. Recto	383 Claro M. Recto St., Davao City
41	Davao - Digos	Rizal Avenue, Zone II, Digos, Davao Del Sur
42	Davao - Mati	Rizal corner Mabini St., 8200 Mati, Davao Oriental
43	Davao - Tagum	577 Rizal St., 8100 Tagum, Davao Del Norte
44	Davao - Toril	Agton St., Toril, Davao City
45	Dipolog – Quezon Ave.	Quezon Avenue, 7100 Dipolog City, Zamboanga Del Norte

46	Dumaguete – Colon	Colon St. fronting Bldg. V of City Public Market, Poblacion 003, Dumaguete City
47	General Santos – Makar	Hadano Avenue (Makar Wharf), Purok Bagong Silang, Brgy. Labangal, General Santos City, South Cotabato 9500
48	General Santos - Pioneer	Pioneer Avenue, General Santos City, 9500
49	General Santos – Quezon Avenue	Lot 4670. Ts-217, Quezon Avenue, Brgy. Dadiangas West, General Santos City, South Cotabato
50	General Santos - Santiago St.	Ireneo Santiago Blvd., 9500 General Santos St., South Cotabato
51	Iligan - Del Pilar	BC Labao corner Del Pilar St., Iligan City
52	Iloilo - Iznart	Iznart St., 5000 Iloilo City, Iloilo
53	Iloilo - Valeria	Valeria St., Brgy. Danao, Iloilo City
54	Isabela - Roxas	23 Osmeña Road., Bantug, Mallig Plain, 3320 Roxas, Isabela
55	Isabela Santiago – City Road	BDO Building, City Road cor. Guzman St., Brgy. Calao West, Santiago City, Isabela
56	Isabela Santiago - Maharlika Highway	BDO Building, No. 57 Maharlika Highway corner Quezon Avenue St., Brgy. Victory Norte, Santiago City, Isabela
57	Koronadal - Gensan Drive	NE of Gensan Drive, Zone 1, Koronadal City, South Cotabato
58	Koronadal – R. Alunan Avenue	R. Alunan Avenue corner Osmeña St., 9506 Koronadal, South Cotabato
59	La Union San Fernando – Quezon Avenue	Quezon Avenue cor. Gen. Luna St., Brgy. 4, City of San Fernando, 2500 La Union
60	Laoag - Balintawak	Rizal St. corner Balintawak St., Brgy. 9, Laoag City, 2900 Ilocos Norte
61	Leyte - Maasin	Juan Luna St. cor. Enage St., Brgy. Tunga-tunga, Maasin, Southern Leyte
62	Leyte - Ormoc	Corner Burgos & Rizal St., 6541 Ormoc City, Leyte

63	Lipa – CM Recto	131 C. M. Recto St., 4217 Lipa City, Batangas
64	Lipa – Rotonda	Ground Floor, BDO Lipa Regional Building, C.M. Recto Avenue, Brgy. 04, Lipa City, Batangas
65	Lucena – Merchan	Lot 2903 Merchan St. cor. C.M. Recto St. cor. Cabana St., Brgy. IV, Lucena City
66	Malolos - Congreso	Paseo Del Congreso, San Agustin, Malolos City, 3000 Bulacan
67	Meycauayan - Zamora	Zamora St., Brgy. Calvario, Meycauayan, Bulacan
68	Naga - Plaza Rizal	Gen. Luna St., 4400 Naga City, Camarines Sur
69	Negros Occ - Cadiz	Cabahug St., 6121 Cadiz, Negros Occidental
70	Negros Occ - Escalante	National Highway, Escalante City, 6124 Negros Occidental
71	Negros Occ - Kabankalan	Guanzon St., Kabankalan, 6111 Negros Occidental
72	Negros Occ – Silay	Figueroa corner Rizal St., Silay City, 6116 Negros Occidental
73	Nueva Ecija - Gapan	Tinio St., Brgy. San Vicente, Gapan City, 3105 Nueva Ecija
74	Nueva Ecija - Guimba	Afan Salvador St., Brgy. Sto. Cristo, Guimba, Nueva Ecija
75	Nueva Ecija - Muñoz	T. Delos Santos St., Brgy. Poblacion West, Science City of Munoz, Nueva Ecija
76	Ozamiz – Gallardo	Cebedo St. corner Gallardo St. 50th District (Pob), Ozamiz City, Misamis Occidental
77	Pagadian	F.S. Pajares Avenue, Pagadian City, 7016 Zambonga Del Sur
78	Pampanga – Apalit	MacArthur Highway, Brgy. San Vicente, Apalit, Pampanga
79	Pampanga - Guagua	Lot 4876, Brgy. Plaza Burgos, Guagua, 2003 Pampanga
80	Puerto Princesa – Rizal	261 Rizal Avenue, 5300 Puerto Princesa City, Palawan
81	Quezon - Candelaria	Rizal corner Valle St., Candelaria, Quezon 4323

82	Roxas - Roxas Avenue	Roxas Avenue, Roxas City, Capiz
83	San Pablo - Rizal St	2/F Equitable PCI Bldg., Rizal St. corner P. Alcantara, San Pablo City, Laguna
84	Sta. Rosa - South Expressway	National Road Pulong Sta. Cruz, 4026 Sta Rosa, Laguna
85	Sultan Kudarat - Isulan	075 National Highway, Kalawag 2, Isulan, Sultan Kudarat
86	Sultan Kudarat - Tacurong	Alunan Highway, 9800 Tacurong, Sultan Kudarat
87	Tarlac – F. Tañedo	27 F. Tañedo St., Brgy. Poblacion, Tarlac City, 2300 Tarlac
88	Tarlac - J. Luna	Juan Luna St. near corner MacArthur Highway, Brgy. Sto. Cristo, Tarlac City, 2300 Tarlac
89	Tarlac - Luisita	MacArthur Highway across Robinsons Complex, Brgy. San Miguel, Tarlac City, 2301 Tarlac
90	Tuguegarao - Bonifacio St.	135 Bonifacio St., Centro 6, Tuguegarao City, Cagayan
91	Urdaneta - Alexander	Amadeo R. Perez Jr. Avenue, Brgy. Poblacion, Urdaneta City, 2428 Pangasinan
92	Vigan - Quezon Avenue	Quezon Avenue corner Bonifacio St., Brgy. III, Vigan City, 2700 Ilocos Sur
93	Zamboanga - Rizal St.	Rizal St., Zamboanga City, 7000 Zamboanga Del Sur

D. Presented below is a list of the Bank's real properties as of 31 December 2023 owned by the Bank and utilized as Warehouses and Staffhouses:

No.	NAME	ADDRESS
1	Baguio Staffhouse	Poblete Ext. South Drive, Baguio Country Club, Baguio City
2	Howmart Warehouse	63 & 65 Howmart St., Brgy. Apolonio Samson, Quezon City
3	Malabon General Luna	Gen. Luna St., Barangay San Agustin, Malabon City

No.	NAME	ADDRESS
4	Presidents Tower (Unit G3)	Ground Floor Presidents Tower, 81 Timog Ave. corner Scout Ybardolaza St., Brgy. South Triangle, Diliman, Quezon City
5	Taguig Warehouse	Arthuro cor. Franco Drive, Sta. Maria Industrial Estate, Barrio Bagumbayan, Taguig, Metro Manila

E. Presented below is a list of the Bank's real properties (vacant lots and/or buildings) as of 31 December 2023 owned by the Bank reserved for Lease or for future Bank use:

No.	NAME	ADDRESS
1	Gercon Plaza	Lot 5 & 6 Gercon Plaza along Makati Ave., Brgy. Bel Air, Makati City
2	Greenhills Missouri	14 Missouri Street, Brgy. Greenhills, San Juan City, Metro Manila
3	Juan Luna Binondo	J. Luna/Quintin Paredes & Hormiga Sts., Binondo, Manila
4	Malungon Gensan	Brgy. Upper Balulang, Cagayan de Oro City
5	Nuvali Sta. Rosa	Lot 6 Block 9, Nuvali, Sta. Rosa, Laguna
6	Premises Management Division (Binondo)	411 Quintin Paredes St., Binondo, Manila
7	Premises Management Division (Blumentritt)	2325 Rizal Ave. cor Antipolo St., Brgy. 356, Zone 36, District 3, Sta. Cruz, Manila
8	Premises Management Division (Cebu Fuente - Circle)	Fuente Osmena Rotonda, Cebu City
9	Premises Management Division (Cebu Fuente - Tower)	Lot 526-B, Fuente Rotonda, Brgy. Capitol Site, Cebu City
10	Property Leasing Dept. (Potrero)	110 MacArthur Highway corner Riverside St. Potrero Malabon
11	PSE Tower	One Bonifacio High Street, 28th Street corner 5th Avenue, Bonifacio Global City, Taguig
12	RBSJ Tarlac Building (Monarch)	Lot 3-H & 3-I-2 Sto. Cristo, J.P. Rizal Extension, Tarlac City

(2) Leased Properties

A list of these leased properties is as follows:

(a) Utilized as Head Offices as of 31 December 2023:

No.	NAME	ADDRESS
1	BDO Towers Valero (34th Floor)	Valero corner Villar St., Salcedo Village, Makati City, Metro Manila
2	Customer Contact Center – Davao Sasa	Ground Floor, BDO Network Banks Inc - Building Kilometer 9, Sasa, Davao City
3	Customer Contact Center – Meridian Park	8th - 9th Floors Tower 1 Double Dragon Plaza, Meridian Park, Macapagal cor. Edsa Extn, Pasay City
4	Customer Contact Center – SM North Tower	12th floor SM North Tower 1 Edsa cor. North Ave. Quezon City
5	The Podium West Tower	37th-41st SMKL, The Podium West Tower, 12 ADB Avenue corner Julia Vargas, Ortigas Center Mandaluyong City

(b) Utilized as Representative Offices located abroad as of 31 December 2023:

No.	NAME	ADDRESS
1	Dubai Representative Office	Ground Floor, DUTCO House Building 44 Al Ittihad Road Diera, Dubai
2	Korea Representative Office	23rd Floor Seoul Finance Center, 136 Sejongdaero Jung-gu, Seoul 100-768 Korea
3	Milan Representative Office	Piazza del Duomo 17, 20121 Milan, Italy
4	Paris Representative Office	PARIS 16EME, 46 Paul Valery Street
5	Taipei Representative Office	Hung Kuo Building 7F-A-167 Tun Hua North Road, Song Shan District, Taipei, Taiwan
6	Xiamen Representative Office	Unit 244-246, SM City Mall No.468- Jiahe Road, Xiamen No.1351 Xianyue Rd.

(c) Utilized leased lot and/or buildings as ATM offsite location as of 31 December 2023:

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

(d) Utilized as Regional Offices as of 31 December 2023:

No.	NAME	ADDRESS
1	Cash Hub – Ayala Business Center	N. Bacalso Avenue, Brgy. Nicolas, Cebu City
2	Cash Hub – FCIE	Governor's Drive, Brgy. Langkaan, Dasmariñas, Cavite
3	Cash Hub – Tagaytay Offsite	Brgy. East Tolentino, Tagaytay City
4	CBG Office – Batangas P. Burgos	PBC Building, Brgy. 13 P. Burgos St. Batangas City
5	CBG Office – Cebu Ayala Business Park	9th floor, Unit 905 FLB Corporate Center, Bohol Avenue and Archbishop Reyes Avenue, Cebu Business Park, Barangay Luz Cebu City
6	CBG Office – Cebu Sky Tower	9th Floor, Skytower Building, #88 Acasia St., Brgy. Kamputhaw, Cebu City, Cebu, Philippines
7	CBG Office – Crosstown Mall Sta. Rosa	Crosstown Mall, Purok 4, Sta. Rosa Tagaytay Road, Pulong Sta. Cruz City, Sta. Rosa, Laguna
8	CBG Office – Laoag Ilocos Norte	G/F Insular Life Bldg, Balintawak St. Laoag City Ilocos Norte
9	CBG Office - Legaspi Albay	2/F City Enterprise Building Landco Business Park F. Imperial St., Bgy. Capantawan, Legazpi City, Albay
10	CBG Office – Madrigal Plaza	7th Floor, Paz Madrigal Plaza CBG Office - Alabang
11	CBG Office – Malolos Bulacan	2F of a Commercial Building, Mabini Street, Brgy. Guinhawa, Malolos City, Bulacan
12	CBG Office – MM East (SM Taytay)	B1, Bldg B - SM Taytay Manila East Road Brgy Dolores Taytay Rizal
13	CBG Office – San Pablo Laguna	2nd & 3rd Floor, Liangelo Bldg., Maharlika Highway, San Rafael, San Pablo City, Laguna
14	CBG Office - SM Cebu Consolacion	Unit 282, 2F SM City Consolacion, National Road, Brgy. Lamac, Consolacion, Cebu City
15	CBG Office – SM City Gensan	Unit 327A-328B-1, 3rd Floor, SM General Santos City
16	CBG Office – SM City Iloilo	LG/F SM City Iloilo, Benigno Aquino Avenue, Barangay Boliao, Mandurriao, Iloilo City
17	CBG Office - SM North Tower	10th & 11th Floor, SM North Tower 1, EDSA cor North Ave., Quezon City
18	CBG Office – SM Olongapo	410B-410D, 4F, SM City Olongapo Magsaysay Drive cor. Gordon Ave. Brgy Pag-Asa, Olongapo City, Zambales
19	CBG Office - Tuguegarao	2F Sychangco Bldg. Bonifacio Street, Tuguegarao City Cagayan
20	CBG Office – Two E-com	6th Floor, Four Ecom Center, East Tower Bldg., JW Diokno

No.	NAME	ADDRESS
		Boulevard, Pasay City
21	CBG Office – Waltermart Calamba	2nd Floor Waltermart Makiling, Brgy. Makiling National Highway Calamba Laguna
22	IBG Combank Legazpi	PVLB Building 7, Benny Imperial Street, Barangay 16, Kawit, East Washington Drive, Legazpi City
23	SM Delgado Regional Office	Ground Floor, Annex Building, SM Delgado Iloilo City

(e) Metro Manila Branches

1. Lot leased

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

15	Quezon City – Kalayaan Avenue	108 Kalayaan Avenue, Brgy. Central, Central, Quezon City
16	Visayas Avenue - Project 6	57 Visayas Avenue (Near Sanville Subdivision), Quezon City

2. Building leased

No.	BRANCH	ADDRESS
1	6780 Ayala Avenue	G/F 6780 Ayala Avenue Bldg., 6780 Ayala Avenue, Brgy. San Lorenzo, Makati City
2	A Place - Coral Way	G/F A Place, Coral Way Drive, MOA Complex, Central Business Park 1, Island A, Pasay City
3	A. Arnaiz - Paseo	G/F Joni's Bldg., 832 Arnaiz Ave. cor. Edades St., Brgy. San Lorenzo, Makati City
4	A. Arnaiz - San Lorenzo Village	L & R Bldg., 1018 A. Arnaiz Avenue, Makati City
5	A. Bonifacio Ave. - Cloverleaf	2/F, Ayala Malls Cloverleaf, A. Bonifacio Avenue, Brgy. Balingasa, Quezon City
6	A. Mabini – Gen. Malvar	Unit R1 G/F, Hollywood Garden Square Bldg., 1709 A. Mabini St. corner Gen. Malvar St. Brgy. 699, Zone 076, Malate, Manila
7	ABS CBN - Mother Ignacia St.	Stall No. 22, East Wing, G/F ELJCC Bldg., Sgt. E.A. Esguerra Avenue corner Mother Ignacia St., Brgy. South Triangle, Quezon City
8	Acropolis - E. Rodriguez Jr.	G/F The SPA Bldg., E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
9	Adriatico – Sta. Monica	1347 Adriatico near cor. Sta. Monica across Robinson's Place Manila, Brgy. 669, Ermita, Manila
10	Alabang Hills	Unit G02 UG/F Madison Galleries, No. 398 Don Jesus Blvd., Brgy. Cupang, Alabang Hills, Muntinlupa City
11	Alabang – Finance Street	Unit 3 & 4, Paz Madrigal Plaza, Alabang Zapote Road corner Finance Street, Brgy. Ayala Alabang, Madrigal Business Park, Ayala Alabang, Muntinlupa City
12	Alabang - Madrigal Avenue	Molito 2 Bldg., Units 1, 2 & 3, Alabang-Zapote Road corner Madrigal Avenue, Alabang, Muntinlupa City
13	Alabang Town Center	1139 Lower Ground Floor, New Entertainment Complex Alabang Town Center, Brgy. Ayala – Alabang, Muntinlupa City 1780
14	Anonas - Kamias	Anonas St. corner K-6 St., East Kamias, 1102 Quezon City
15	Araneta Center – Ali Mall II	Level 2, A202019-202020R, Ali Mall II, P. Tuazon Avenue, Araneta Center, Brgy. Socorro, Cubao, Quezon City

No.	BRANCH	ADDRESS
16	Araneta Center – Gateway Mall	00016 Gateway Mall, Gen. Malvar Avenue, Brgy. Socorro, Cubao, Quezon City
17	Arranque	1359-1361 Soler St., Sta. Cruz, Manila
18	Aseana – Monarch Parksuites	Space 118 Monarch Parksuites, Bradco Avenue, Aseana Business Park, Brgy. Baclaran, Parañaque City
19	Aurora Blvd. - Anonas	Manahan Bldg., Aurora Blvd. corner Anonas Avenue, Quezon City
20	Aurora Blvd. - New Manila	669 Aurora Blvd. Broadway Heights Bldg., Brgy. Mariana, New Manila, Quezon City
21	Aurora Blvd. - Princeton Residences	SMDC Princeton Residences (LC 102a-103d), Aurora Blvd., Brgy. Valencia, Quezon City
22	Ayala Alabang	G/F Condominium C Unioil Center Bldg. Acacia Avenue corner Commerce Avenue, Ayala Alabang, Muntinlupa
23	Ayala Alabang - Richville Center	Richville Center, 1314 Commerce Avenue Extension, Madrigal Business Park, Ayala Alabang, Muntinlipa
24	Ayala Avenue	6805 Multinational Bancorporation Bldg., Ayala, Makati City
25	Ayala Avenue - People Support	G/F People Support Center Amorsolo St. corner Ayala Avenue, Makati City
26	Ayala Avenue - SGV 1 Bldg.	G/F SGV 1 Building, 6760 Ayala Avenue, Makati City
27	Ayala Avenue Extension – Alphaland Makati Place	Unit G10-G11, The Shops at Alphaland Makati Place, 7232 Ayala Avenue Ext. cor., Malugay St., Brgy. Bel-Air, Makati City
28	Ayala Triangle 1	GM-B G/F Tower 1, Ayala Triangle, Ayala Avenue, Makati City
29	Ayala - Rufino	G/F Rufino Bldg., Ayala Avenue corner Herrera St., 1226 Makati City
30	Baclaran	2987 Taft Avenue Extension, Pasay City
31	Balubaran – MacArthur Highway	G/F Bldg. 1, Arca Strip Commercial Center, 32 MacArthur Highway, Brgy. Dalandanan, Valenzuela City 1443
32	Banawe - Agno	202-204 Banawe corner Agno St., 1103 Quezon City
33	Banawe - Amoranto	650 N. S. Amoranto Avenue corner Banawe St., Quezon City
34	Banawe - Kitanlad	23-25 Banawe corner Kitanlad, Quezon City
35	Banawe - N. Roxas	71 Nicanor Roxas St. corner Banawe St., Quezon City

No.	BRANCH	ADDRESS
36	BDO Corporate Center Ortigas	G/F The Podium, ADB Avenue, Brgy. Wack-Wack, Mandaluyong City
37	Bel-Air – SM Cyberzone 1	G/F SM Makati Cyberzone 1, along Sen. Gil Puyat Avenue, Makati City
38	Better Living - Bicutan	43 Doña Soledad Avenue, Better Living Subdivision, Don Bosco, Parañaque City
39	BF Homes - Aguirre	RGM Bldg., 326 Aguirre Avenue, BF Homes, Parañaque
40	BF Homes - Puregold Southpark	Units 4 & 5, G/F Puregold Avelino, President's Avenue, BF Homes, Parañaque City
41	BF Homes – Teoville	G/F Aurora Comm Bldg., President's Ave., Teoville Subd., Brgy. BF Homes, Paranaque City
42	BGC – Crescent Park West	Arthaland & Century Pacific Tower, 30th St. corner 4th Avenue, Crescent Park West, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig
43	BGC – Net Park	Net Park, 4th Avenue, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
44	BGC – One Park Drive	G/F Retail Unit Nos. 1 & 2, One Park Drive, 9th Avenue cor 11th Drive, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
45	Bicutan – East Service Road	Prime Corporate Center, Km. 15 East Service Road corner Marian Road 2, Brgy. San Martin de Porres, Parañaque City
46	Bicutan – Sun Valley	RA024-RA026, Aria A Amaia Steps Bicutan, Sun Valley Drive, Brgy. Sun Valley, Parañaque City
47	Bicutan - West Service Road	HRDC Bldg., KM. 16 South Super Highway cor. Acsie Road, Severina Industrial Estate, Brgy. Marcelo Green, Parañaque
48	Binondo	Lot 34 and 35, Blk. 2012, Quintin Paredes St., Brgy. 289, Zone 27, Binondo, Manila
49	Binondo – Rosario	483 – 485 G/F Quintin Paredes St., Binondo, Manila
50	Binondo – San Fernando	Units 1-6, G/F, 500 San Fernando St., San Nicolas, 026, Brgy.282, Manila
51	Boni – Dansalan	G/F Exbonytz, Inc. Bldg., Boni Avenue corner M. Vicente St., (formerly Dansalan St), Mandaluyong City
52	Boni - Ligaya	654 Boni Avenue, 1550 Mandaluyong City
53	BGC - 9th Avenue	Active Fun Bldg., 9th Avenue corner 28th St., Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
54	BGC - Burgos Circle	Unit 1-F & 1-E G/F, Crescent Park Residences, 2nd Avenue corner Burgos Circle, Bonifacio Global City, Taguig City

No.	BRANCH	ADDRESS
55	BGC - Ecotower	G/F Ecotower, 32nd St. corner 9th Avenue, Bonifacio Global City, Taguig City
56	BGC - Fort Legends	G/F Fort Legends Tower corner 31st St. & 3rd Avenue, Bonifacio Global City, Taguig City
57	BGC - Grand Hamptons Tower	Grand Hamptons Tower, 1st Avenue corner 31st St., Bonifacio Global City, Taguig City
58	BGC - Inoza Tower	G/F, Inoza Tower, 39th Street, Bonifacio North Triangle, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
59	BGC - J.Y. Campos Center	G/F J.Y. Campos Center, 30th St. corner 9th Avenue, Bonifacio Global City, Taguig City
60	BGC - Market Market	Space No. 101, Market Market, Bonifacio Global City, Fort Bonifacio, Taguig, MM
61	BGC - MC Home Depot	G/F MC Home Depot, 32nd St. corner Bonifacio Avenue, Bonifacio Global City, Taguig
62	BGC - One Mckinley Place	G/F One McKinley Place, 4th Avenue corner 25th St., Bonifacio Global City, Taguig
63	BGC - Phil. Stock Exchange	5/F One Bonifacio High Street Bldg., 28th St. corner 5th Avenue, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
64	BGC - Picadilly Star	G/F Picadilly Star Corporate Center, 4th Avenue corner 27th St., Bonifacio Global City, Taguig
65	BGC – Shangri-La The Fort	Unit G/F 22, G/F Shangri-La at the Fort Manila, 30th St. cor. 5th Ave., Brgy. Fort Bonifacio, Bonifacio Global City, Taguig
66	BGC - St. Luke's	St. Luke's Medical Center, Rizal Drive corner 5th Avenue & 32nd St., Fort Bonifacio Global City, Taguig
67	BGC - The Infinity Tower	Unit 103 The Infinity Tower, 26th St., Brgy. Fort Bonifacio, Bonifacio Global City, Taguig
68	BGC - University Parkway	G/F Avecshares Center, 1132 University Parkway, Bonifacio North Triangle, Bonifacio Global City, Taguig
69	BGC - World Plaza	G/F, Unit 6, World Plaza, 4th Avenue, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
70	Blumnetritt – Yuseco	G/F & 2F, Cut Salon Main Office, 1581 F. Yuseco St. corner Rizal Avenue, Brgy. 358, Sta. Cruz, Manila 1012
71	Bonny Serrano Avenue	Unit 11 & 12, Aguinaldo Corporate Centre 125 Col. Bonny S. Serrano Avenue Brgy. Socorro, Quezon City
72	Bonny Serrano West Crame	G/F, Skylights Center, No. 314 Col. Bonny Serrano Avenue corner 2nd West Crame, Brgy. West Crame, San Juan City
73	Buendia - Taft	401 Sen. Gil Puyat Ave. cor. Dominga St., Brgy. 48, Pasay City

No.	BRANCH	ADDRESS
74	C. M. Recto - Reina Regente	1059 CM Recto Avenue corner Reina Regente St., Binondo, Manila
75	Cainta – Sumulong Highway	Along Sumulong Highway, Brgy. Balanti, Cainta, Rizal
76	Calle Industria – Circulo Verde	G/F Unit I-102, Industria, Circulo Verde, No. 70 Calle Industria, Brgy. Bagumbayan, Quezon City
77	Caloocan	Rizal Avenue Extension near corner 11th Avenue, Grace Park, Caloocan City
78	Caloocan - A. Mabini	G/F Corazon Bldg., 432 A. Mabini St., Poblacion, Caloocan City
79	Caloocan – Primark Deparo	Primark Town Center Gilmar's Place Subd, BF Homes, Brgy. 168, Deparo, Caloocan City
80	Caloocan 7th Ave.	Rizal Avenue Extension corner 7th Avenue, Caloocan City
81	Carmen Planas	Nos. 822, 824 & 826 Carmen Planas St., Brgy. 269, Zone 25, District 3, Manila
82	Carmen Planas - P. Rada	1033-1035 C. Planas St., 1012 Tondo, Manila
83	Carmen Planas - Zaragosa	921 Carmen Planas St. corner Zaragosa St., Tondo, Manila
84	Cash & Carry	G/F Unit No. G01A, Cash & Carry Mall, South Super Highway & Filmore St., Makati City
85	Central Market - V. Fugoso	1724 V. Fugoso St., Brgy. 311 Zone 31, District 3, Sta. Cruz, Manila
86	Chino Roces Avenue	Units 3 & 4 La Fuerza Plaza, Chino Roces, Makati City
87	Chino Roces Avenue – Dela Rosa	Unit 101 & 102, G/F, One Oculus Center, 2120 Chino Roces Avenue, Brgy. Pio del Pilar, Makati City
88	Chino Roces Avenue – V.A. Rufino	G/F Pacifica One Center, 2178 Don Chino Roces Avenue, Brgy. Pio Del Pilar (North Arnaiz), Makati City
89	Chino Roces Extension – Lumbang	G/F Dacon Bldg., 2281 Chino Roces Ave., Ext., Brgy. Magallanes, Makati City
90	City of Dreams Manila	2nd Level, City of Dreams Manila, Aseana cor. Roxas Blvd., Brgy. Tambo, Parañaque City
91	Commonwealth	G/F Teresita Bldg., Holy Spirit Drive, Don Antonio Heights, Quezon City
92	Commonwealth - Don Antonio	Don Antonio Sports Center, Don Antonio (former Holy Spirit Drive), Don Antonio Heights Subdivision, Quezon City

No.	BRANCH	ADDRESS
93	Commonwealth – Ever Gotesco	Ever-Gotesco Commonwealth Center, Don Mariano Avenue corner Don Antonio Road, Brgy. Batasan Hills, Quezon City
94	Commonwealth – Shopwise	Units A3 and A4, G/F, Shopwise Commonwealth, Commonwealth Avenue, Brgy. Holy Spirit, Quezon City
95	Congressional Ave. Ext. – T.M. Kalaw	Blk. 3 Lot 6 Mira Nila Homes, Congressional Ave. Ext.,Brgy. Pasong Tamo, Quezon City
96	Congressional Avenue	The Excelland System I Congressional Avenue, Quezon City
97	Congressional Avenue – Project 8	149 Congressional Ave., Brgy. Bahay Toro, Project 8, Quezon City
98	Cubao - P. Tuazon	MEC Tower, P. Tuazon Ave. cor. 21st St., Cubao, Quezon City
99	Dapitan St. - A. H. Lacson Ave.	Dioresa Plaza, Dapitan St. corner A.H. Lacson Avenue, Sampaloc, Manila
100	Del Monte Avenue	63 Del Monte Avenue, Brgy. Manresa, Quezon City
101	Del Monte - Araneta Avenue	641 Del Monte Avenue, San Francisco Del Monte, Quezon City
102	Del Monte - Sienna	409 Del Monte Avenue, Quezon City 1105
103	Dela Rosa - Gallardo	G/F Unit 15 Tropical Palms Condominium, 103 Dela Rosa St. cor. Gallardo St. cor. Perea St., Brgy. San Lorenzo, Legaspi Village, Makati City
104	Dela Rosa - Rada	Ace Bldg., corner Dela Rosa & Rada St., Legaspi Village, 1229 Makati City
105	Diliman - Capitol Hills	16 Capitol Hills Drive, Old Balara, Diliman, Quezon City
106	Diliman - Matalino	G/F Suntrust Capitol Plaza, Matalino St. cor. City Hall Drive cor. Makatarungan St., Brgy. Central, Diliman, Quezon City
107	Divisoria – Juan Luna	744 - 746 Ilaya St., San Nicolas 025, Brgy. 268, Tondo, Manila
108	Divisoria - Sta. Elena	668 Sta. Elena St., Binondo, Manila
109	Dr. A. Santos Avenue – Amaia Steps	Units R108-R112, Amaia Steps Sucat, Dr. A. Santos Ave., Brgy. San Antonio, Parañaque City
110	Dr. A. Santos Avenue – Puregold Evacom	Commercial Units No. 8-10, Puregold San Dionisio, Dr. A. Santos Avenue, Brgy. San Dionisio, Parañaque City
111	Dr. A. Santos Avenue – UPS 5	G/F Omniworx Business Center, 0060 Dr. A. Santos Avenue, Brgy. San Isidro, Parañaque City

No.	BRANCH	ADDRESS
112	E. Rodriguez - Welcome Rotonda	G/F AEK Bldg., 40 E. Rodriguez Sr. Avenue, Don Manuel, Quezon City
113	E. Rodriguez Jr. Ave. - Bridgetowne	Shop 2-6 Tera Tower at Bridgetowne, E. Rodriguez Jr. Ave., Libis, Quezon City
114	E. Rodriguez Sr. - Hillcrest	G/F Rhodium Square Bldg., 1659 E. Rodriguez Sr. Avenue, Brgy. Pinagkaisahan, Quezon City
115	Eastwood City - E. Rodriguez Jr. Avenue	Magnitude Commercial Arcade, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City
116	Eastwood City - IBM Plaza	G/F IBM Plaza, Eastwood City, E. Rodriguez Jr., Avenue, Bagumbayan, Quezon City
117	Eastwood City - Olympic Heights	G/F Olympic Heights, Eastwood City Cyberpark, Bagumbayan, Quezon City
118	Echague	116-120 C. Palanca St. Quiapo, Manila
119	EDSA – Boni Avenue	LG/F, Phinma Properties Center, No. 29 EDSA Brgy. Barangka Ilaya, Mandaluyong City 1500
120	EDSA Cubao	596 Simeon Medalla Bldg., corner Gen. McArthur Avenue, EDSA, Quezon City
121	EDSA East - Caloocan	L & E Bldg. EDSA corner Gen. Concepcion St, Caloocan City
122	EDSA POEA	POEA Bldg., EDSA corner Ortigas Avenue, Mandaluyong City
123	EDSA - A. De Jesus	474 EDSA corner B. Serrano & A. De Jesus St, 1403 Caloocan City
124	EDSA - Balintawak	G/F, 1310 EDSA, Brgy. Apolonio Samson, Balintawak, Quezon City
125	EDSA - Bangkal	3 EDSA, Brgy. Bangkal, Makati City
126	EDSA - Eton Centris	Retail B, Cyberpod Centris Three, Eton Centris, EDSA corner Quezon Ave., Brgy. Pinyahan, Quezon City
127	EDSA – Kalayaan Avenue	G/F Palmyra Bldg., Kalayaan Avenue corner EDSA, Brgy. Pinagkaisahan, Makati City
128	EDSA - New Farmers Plaza	Unit FPGF038R & FPGF054R, G/F New Farmers Plaza, General Roxas Avenue, Araneta City, Brgy. Socorro, Cubao, Quezon City
129	EDSA – New York	EDSA corner New York St., Cubao 1111 Quezon City
130	EDSA – Ortigas	Maranaw Plaza, 187 Edsa, Brgy. Wack-Wack, Greenhills East, Mandaluyong City
131	EDSA – Panorama Technocenter	G-02 Panorama Technocenter, 1029 EDSA, Brgy Veterans Village I, Muñoz, Quezon City

No.	BRANCH	ADDRESS
132	EDSA - Pasay	507 EDSA corner B. Garcia St., 1300 Pasay City
133	EDSA – Skysuites Towers	927 The Skysuites Towers, Quezon Ave., cor. EDSA, Brgy West Triangle, District 1, Quezon City
134	Elcano	SHC Tower 619 Elcano St. San Nicolas, Manila
135	Emerald Avenue	G/F Unit 101 Taipan Place, Don Francisco Ortigas Jr. Road, Pasig City
136	Escolta	303 Escolta St., Brgy. 291, Binondo, Manila
137	España	Carmen Bldg., Espana corner G. Tolentino St., Sampaloc, Manila
138	España – Basilio	España St. corner Basilio St. corner Instruccion St., Brgy 512, Manila
139	España – Blumentritt	2101-2103 España Avenue corner Blumentritt St., 1008 Sampaloc, Manila
140	España – Grand Residences 2	C1-C2, Grand Residences España Tower 2, 958 A.H. Lacson St., Brgy. 479, Zone 47, Sampaloc, Manila
141	España - M. Dela Fuente	Esperanza Place, España Blvd. corner M. Dela Fuente St., Sampaloc, Manila
142	Evangelista - Makati	1695 Evangelista St corner Gen. Lacuna St., Bangkal, Makati City 1233
143	F. Ortigas Jr. Road	G/F Ortigas Center Association, Inc. Bldg., F. Ortigas Jr. Road, Brgy. Oranbo, Ortigas Center, Pasig City
144	Fairview – Ayala Terraces	UG/F Space No. U066, Ayala Fairview Terraces, Quirino Highway corner Maligaya Drive, Brgy. Pasong Putik, Novaliches, Quezon City
145	Fairview - Brittany Square	G/F IL 103, Brittany Square, Belfast St. corner Mindanao Avenue Extension, Brgy. Pasong Putik, Fairview, Quezon City
146	Fairview – Doña Carmen	Shopking Doña Carmen Commercial Center, Commonwealth Avenue, Brgy. North Fairview, Quezon City
147	Fairview – Fairmont	Regalado Avenue, Brgy. North Fairview, Novaliches, Quezon City
148	Fairview – Peacock Plaza	Peacock Plaza, Lot 1 Bkl 2, Commonwealth Ave. cor. Peacock St., Brgy. Fairview Park, Quezon City
149	Fairview – Dahlia	No. 49, MDY Centre, Dahlia Avenue corner Jaguar St., West Fairview, Brgy. Fairview, Quezon City
150	Filinvest Avenue	G/F BC Group Bldg., Filinvest Ave. corner Commerce Ave., Brgy. Ayala Alabang, Filinvest Corporate City, Alabang, Muntinlupa

No.	BRANCH	ADDRESS
151	Filinvest - Alabang	G/F Tower 1, Insular Life Corporate Center, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City
152	Filinvest – Civic Drive	Units 7 & 8, AA Corporate Plaza, Civic Drive, Filinvest Corporate City, Brgy. Alabang, Muntinlupa City
153	Filinvest – Northgate Aeon Center	Space 2, Aeon Center, Alabang Zapote Road corner North Bridgeway, Filinvest Corporate City, Brgy. Alabang, Muntinlupa City
154	Filinvest – Spectrum Midway	Space 3 & 4, Polaris Bldg., Spectrum Midway St., Filinvest Corporate City, Brgy. Alabang, Muntinlupa City
155	Five E-comCenter	G/F FiveE-com Center, Pacific Drive cor. Bayshore Ave., Brgy. 76, Zone 10, Mall of Asia Complex, Pasay City
156	Fort Bonifacio - Bayani Road	Bayani Road corner M. Roxas St., Fort Bonifacio, Taguig
157	Fort Bonifacio - Mckinley Hill	G/F Three World Square, McKinley Hill, Fort Bonifacio, Taguig
158	Fort Bonifacio – McKinley West	LG/F Shops 3-5, Cyber Sigma, Lawton Avenue, McKinley West, Brgy. Fort Bonifacio, Taguig City
159	G. Araneta - Brixton Hill	G/F ILO Bldg., 195 G. Araneta Avenue, Quezon City
160	Gandara - Soler	1268 Soler St. corner S. Padilla St., 1006 Binondo, Manila
161	GC Corporate Plaza - Legaspi St.	150 GC Corporate Plaza, Legaspi St., Legaspi Village, Makati City
162	General Luis	297 Gen. Luis St., Barrio Kaybiga, Caloocan City
163	Gil Puyat - Filmore	1320 Filmore St., Brgy. Palanan, Makati City
164	Gil Puyat - Harrison	Unit IC, ID & IE, No. 53 Gil Puyat Avenue, Brgy. San Rafael, Pasay City
165	Gil Puyat - Metro House	Metro House Building, 345 Sen. Gil J. Puyat Avenue, Brgy. Bel-Air, Makati City
166	Gil Puyat - Taft	336-338 Gil Puyat Avenue, Brgy. 49, Pasay City
167	Gil Puyat – TechZone	G/F TechZone Philippines Bldg., 213 Sen. Gil Puyat Ave., Brgy. San Antonio , Makati City
168	Grace Park	G/F A & R Bldg., 213 Rizal Avenue Extension, Grace Park, Caloocan City
169	Grace Park - 11th Avenue	1619 Rizal Avenue, Extension corner 11th Avenue, 1400 Caloocan City

No.	BRANCH	ADDRESS
170	Grass Residences	Unit 101-102B, The Strip at Grass Residences, Misamis St. corner Nueva Ecija and Nueva Vizcaya Sts., Sto. Cristo 3, Quezon City
171	Greenbelt – Legazpi St.	G/F 108 Legapi St. corner Paseo de Roxas, Pioneer House Bldg., Legazpi Village, Makati City
172	Greenhills Shopping Center	G/F Jeweller Center, Greenhills Shopping Center, Ortigas Avenue, San Juan, Metro Manila
173	Greenhills - Annapolis	Unit 101, G/F Vasquez-Madrigal Plaza, Annapolis, Greenhills, San Juan
174	Greenhills - Connecticut	287 Connecticut St., Greenhills East, Brgy. Wack Wack, Mandaluyong City
175	Greenhills - O Square	G/F Unit OS-105, O Square Greenhills Shopping Center, Ortigas Avenue, Brgy. Greenhills, San Juan City
176	Greenhills - West	101 Limketkai Bldg., Ortigas Avenue, San Juan, MM
177	Greenhills - Wilson	227 Wilson St. corner Don Miguel St., San Juan, MM
178	H.V. Dela Costa	120 Westgate Plaza Condominium, Salcedo Village, Makati City
179	Ilaya	1049-1051 Ilaya St., Divisoria, Manila
180	Ilaya - Padre Herrera	1089 Ilaya St., Brgy.3, Zone 01, Tondo, Manila
181	Intramuros	G/F Chamber of Commerce Bldg., 3 Magallanes Drive, Intramuros, Manila
182	J. Abad Santos	G/F Ching Leong Temple, J. Abad Santos Avenue, Tondo, Manila
183	JAS – Antipolo	G/F Intercast Corporate Tower 2230 J. Abad Santos Avenue, Tondo, Manila
184	JAS – Padre Algue	G/F, Unit C-4, Cintiley Residences, 1278 J. Abad Santos Ave., Brgy. 259, Zone 023, Tondo, Manila
185	Juan Luna	262 Juan Luna Street, Binondo, Manila
186	Julia Vargas – IBP Tower	G/F IBP Tower, Doña Julia Vargas Avenue and Jade Drive, Ortigas Center, Brgy. San Antonio, Pasig City
187	Julia Vargas – Ortigas Technopoint One	Unit Nos. G04-07, OTP Bldg. 1, No. 01, Julia Vargas Avenue, Ugong, Pasig City
188	Julia Vargas – Valle Verde	Units L1-01 & L1-02, Silver City, Frontera Verde, Brgy Ugong, Pasig City
189	Jupiter - Reposo	G/F CEI Headquarters, 158 Jupiter St. corner N. Garcia St., Bel-Air Village, Makati City

No.	BRANCH	ADDRESS
190	Kamagong	2567 P. Ocampo (Vito Cruz Extension) corner Madre Perla St. Manila
191	Kamias Road	Trinidad Bldg., Kamias Road corner K- J St., Quezon City
192	Karrivin Plaza - Chino Roces Avenue Ext.	G/F Building A, Karrivin Plaza, 2316 Chino Roces Avenue Extension, Makati City
193	Karuhatan - MacArthur Highway	KM. 13 MacArthur Highway, 1441 Karuhatan, Valenzuela, Metro Manila
194	Katipunan	Regis Center, No. 327 Katipunan Avenue corner F. dela Rosa St., Loyola Heights, Quezon City
195	Katipunan – Blue Ridge	G/F, Place One Building, 205 Katipunan Avenue, Brgy. Milagrosa, Quezon City
196	Katipunan – Loyola Heights	De Borja Commercial Bldg., 299 Katipunan Avenue, Brgy. Loyola Heights, Quezon City
197	Katipunan – Xavierville	G/F Xavierville Square Condominium, 38 Xavierville Avenue, Loyola Heights, Quezon City
198	Katipunan Avenue – U.P. Town Center	Second Level, Phase 2, Space No. 278a, Ayala Malls U.P. Town Center, Katipunan Avenue, Brgy. U.P. Campus, Quezon City
199	Las Piñas - Almanza	Alabang-Zapote Road, Almanza Uno, Las Piñas, Metro Manila
200	Las Piñas - Evia Daang Hari	Evia Lifestyle Center, Daang Hari Road, Tindig na Mangga, Brgy. Almanza Dos, Las Piñas City
201	Las Piñas - J. Aguilar Avenue Casimiro	Blk. 1 Lot 9 J. Aguilar Avenue, Casimiro Village 3, Brgy BF International, Las Piñas City
202	Las Piñas - Marcos Alvarez Avenue	B-2 L-19 Kimberkay Bldg., Marcos Alvarez Ave., Brgy. Talon Cinco, Las Piñas City
203	Las Piñas - Naga Road	Near corner Naga Road and Main Access Road, E.T. Homes 2, Pulanglupa 2, Las Piñas City
204	Las Piñas - Pamplona Tres	Unit 101-104, G/F, Lot G & H, Torre Sur, Alabang Zapote, Brgy. Pamplona Tres, Las Piñas City
205	Las Piñas - Talon	G/F Motiontrade Bldg, Alabang-Zapote Road, Talon, Las Piñas City
206	Lavezares	321-325 Garden City Condominium corner Lavezares & Camba St., San Nicolas,Manila
207	Legaspi Village - C. Palanca	G/F Colonade Residences, No. 132 Legaspi Village, Makati City
208	Legaspi Village - Gamboa	KL Tower, 117 Gamboa Street, Legaspi Village, Brgy. San Lorenzo, Makati City
209	Legaspi Village - Salcedo St.	Maxicare Tower, 203 Salcedo St., Legaspi Village, Makati City

No.	BRANCH	ADDRESS
210	Leon Guinto – Gen. Malvar	Wynn Plaza Commercial Unit 2, 1674 Leon Guinto cor. Gen. Malvar & Agoncillo Sts., Brgy. 694, Zone 075, Malate, Manila
211	Leon Guinto – San Andres	G/F Unit A Queen Rose Bldg, 911 San Andres St. cor. Leon Guinto St., Brgy 723, Malate, Manila
212	Loyola Heights - Berkeley Residences	G/F Berkeley Residences, Katipunan Ave. corner Escaler St., Loyola Heights, Quezon City
213	Macapagal Blvd. - Aseana 3	G/F, Shop 3, Aseana 3, Pres. Diosdado Macapagal Blvd. Corner Asean Avenue, Aseana City, Brgy. Tambo, Parañaque City
214	Macapagal Blvd. - Bay Area	Space Number 2013, Ayala Malls Manila Bay, Diosdado Macapagal Blvd. Corner Asean Avenue, Brgy. Tambo, Parañaque City
215	Macapagal Blvd. - Meridian Park	G/F, Double Dragon Plaza, DD Meridian Park, Macapagal Ave. cor. EDSA Ext., Bay Area, Brgy. 76, Zone 10, Pasay City
216	Macapagal Blvd. - Pearl Drive	Unit Nos. 105 & 106, Scape Bldg., Diosdado Macapagal Avenue corner Pearl Drive, Brgy. 76, San Rafael, Mall of Asia Complex, Pasay City
217	Macapagal Blvd. - W Mall	G/F W-Mall, Diosdado Macapagal Avenue corner Coral Way, Brgy. 76, Zone 10, Pasay City
218	Magallanes Village	Unit 104 The Gate Way Center, Paseo de Magallanes, Magallanes Village, Makati City
219	Makati Avenue - Zuellig	G/F Zuellig Building, Paseo de Roxas corner Makati Avenue, Makati City
220	Makati Medical Center	G/F Makati Medical Center Bldg., Salcedo St. corner Dela Rosa St., Legaspi Village, Makati City
221	Makati Shangrila Hotel	Unit 191 Shangrila Hotel Manila, Ayala Center, Makati City
222	Makati – Circuit Mall	Level 2, L2 049-L2 050, Ayala Malls Circuit, Circuit Makati, Hippodromo St., Brgy. Carmona, Makati City
223	Makati – Evangelista Macabulos	G/F QS Bldg., Evangelista St. corner General Macabulos St., Brgy. Bangkal, Makati City
224	Makati - Esteban	G/F A & V Crystal Tower, 105 Esteban St., Legaspi Village, Makati
225	Makati – Gramercy Residences	G/F Gramercy Residences, The Century City, Salamanca St., Brgy. Poblacion, Makati
226	Makati – Jazz Residences	G/F Jazz Residences, Jupiter St. corner N. Garcia St., Brgy. Bel-Air, Makati City
227	Makati – Metropolitan Avenue	G/F Metropolitan Terraces, Metropolitan Avenue corner Sacred Heart St., (formerly Dao St), Makati City
228	Malabon – Concepcion	G/F Teresita Bldg., No. 4 Gov. Pascual Avenue, Brgy. Baritan, Malabon City 1470

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

No.	BRANCH	ADDRESS
247	Marikina - JP Rizal	265 Jose Rizal St., Sta. Elena 1800, Marikina City
248	Marikina - Katipunan	G/F 107 Guerdon Commercial Center, Katipunan Avenue cor. Rainbow St., Brgy. Concepcion Dos, Marikina City
249	Marikina - Lamuan	J. P. Rizal St. near corner Malaya St., Brgy. Lamuan, Marikina City
250	Marikina - Nangka	Unit 1A G/F Bldg 2 Citi Centre Nangka, J.P.Rizal Avenue corner Puerto Rico Avenue, Nangka, Marikina City
251	Marikina - Parang	105 Gen. B. G. Molina St., Brgy. Parang, Marikina City
252	Marikina – Xeland Gil Fernando Ave.	LS1-04 Xeland, Mayor Gil Fernando Avenue, brgy. Sto. Niño, Marikina City
253	Masangkay	Lun Hong Townmates Association Bldg., 1226 Masangkay Sta. Cruz, Manila
254	Masangkay - CM Recto	1029-1031 JP. Bldg., Masangkay corner Tronqued St., Sta. Cruz, Manila
255	Masangkay - Luzon St.	907 Luzon St. corner Masangkay St., Tondo, Manila
256	Mascardo - Chino Roces Avenue	1101 Chino Roces corner Mascardo St., Brgy Sta. Cruz, Makati City
257	Mayon - N. Roxas	241 Mayon Avenue corner Nicanor Roxas St., 1161 Quezon City
258	Maysilo Circle – F. Martinez Avenue	No. 315 Maysilo Circle, Brgy. Plainview, Mandaluyong Cty
259	Meralco - Ortigas	Meralco Compound, Ortigas Avenue, 1604 Pasig City
260	Meralco Avenue – Millenium Place	Unit 102 Millennium Place, Meralco Ave., Brgy. San Antonio, Pasig City
261	Mezza Residences	G/F Mezza Residences, Aurora Blvd. corner Araneta Avenue, Guirayan St., Brgy. Doña Imelda, Quezon City
262	Mindanao Ave. Ext. - Brittany	EC Center Bldg., Mindanao Ave. Extension cor. Commonwealth Ave., Brgy. Pasong Putik, Quezon City
263	Mindanao Avenue – Bagong Pag-asa	Golden Sun Realty Bldg. II, No. 29 Mindanao Avenue, Brgy. Bagong Pag-asa, Quezon City
264	Mindanao Avenue - St. Charbel	G/F, Lot 2 Block 1, Mindanao Avenue, Brgy. Tandang Sora, Quezon City
265	Mindanao Avenue – Tandang Sora	G/F & 2/F, No.18 Mindanao Avenue, Brgy. Tandang Sora, Quezon City
266	Monumento	G/F Sunhope Bldg., 78 MacArthur Highway, Brgy. 81, Caloocan City

No.	BRANCH	ADDRESS
267	Mother Ignacia – M Place	SMDC M Place Sotuh Triangle (LC 106-107), Mother Ignacia corner Panay Avenue, Brgy. South Triangle, Quezon City
268	Muñoz - Roosevelt	328 Mesa Holding Bldg., San Francisco Del Monte, Quezon City
269	Muntinlupa – Ayala South Park	First Floor, Unit 1008-1011, 1014, Ayala Mall South Park, National Road, Brgy. Alabang, Muntinlupa City
270	Muntinlupa – East Bay Residences	Ground Floor, East Bay Residences, KM21, East Service Road, Brgy. Sucat, Muntinlupa City
271	Muntinlupa - Poblacion	G/F, Elizabeth Center Bldg., National Road, Putatan, Muntinlupa
272	Muntinlupa – W Mall	G/F, W Mall Muntinlupa, Km 21 West Service Road, Brgy. Sucat, Muntinlupa City
273	N. Domingo – Gilmore Avenue	G/F Gilmore Tower, No. 2 Gilmore Ave. corner N. Domingo St., Brgy. Valencia, New Manila, Quezon City
274	N. Domingo - M. Paterno	G/F Maxsteel Bldg., No. 266 N. Domingo St., Brgy. Pasadena, San Juan City
275	NAIA 1	Arrival Area, Ninoy Aquino International Airport, Ninoy Aquino Avenue, 1705 NAIA, Parañaque City
276	NAIA 3	Stall No.13, Arrival Lobby of Terminal 3, Ninoy Aquino International Airport, Andrews Avenue, Brgy. Villamor, Pasay City
277	Navotas	514 Northbay Blvd. Corner Lacson St., Brgy. Bangkulasi, Navotas City 1485
278	Neptune - Makati Avenue	101 Neptune St. corner Makati Avenue 1209 Makati City
279	New Manila - E. Rodriguez Sr.	Unit 1G & 2E, 284 Dona Anita Bldg., E. Rodriguez Sr. Avenue, Quezon City
280	Newport City	G/F Newport Office Building 1, Newport City, Pasay City
281	Newport City – Plaza 66	Unit Retail 13a, Plaza 66, Newport City, Manlunas St., Brgy. 183, Villamor Airbase, Pasay City
282	Northbay - Virgo Drive	Melandrea V Bldg., Honorio Lopez Blvd. near corner Virgo, North Bay, Navotas City
283	Novaliches - Quirino Highway Bagbag	612 Quirino Highway, Brgy. Bagbag, Novaliches, Quezon City
284	Novaliches - Regalado Avenue	G/F, Lot 11 Block 114 Regalado Avenue, Brgy. Greater Lagro, Novaliches, Quezon City
285	Novaliches – S&R Commonwealth Ave.	G/F, Unit 1, S&R Commonwealth, Commonwealth Avenue corner Quirino Highway, Brgy. Kaligayahan, Novaliches, Quezon City

No.	BRANCH	ADDRESS
286	Novaliches - Zabarte	G/F C.I. Plaza, 1151 Quirino Highway corner Zabarte Road, Brgy. Kaligayahan, Novaliches, Quezon City
287	Okada Manila Pearl Wing	Hotel Pearl Wing, Okada Manila, Atlantic Drive, Asiaworld City, Boulevard 2000, Brgy. Tambo, Parañaque City
288	Old Sta. Mesa - Albina	Newton Plaza, Old Sta. Mesa corner Albina St., Sampaloc, Manila
289	OneE-comCenter	G/F One E-com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City
290	Ongpin	Unit ABC Imperial Sky Garden Ongpin St. corner T. Pinpin St. Binondo, Manila
291	Ongpin - T. Alonzo	G/F Anchor Skysuites, No. 827 Ongpin St., Brgy.300, Zone 29, Sta. Cruz, Manila
292	Ongpin-Tomas Mapua	1004-1006 Ongpin St. Sta. Cruz, Manila
293	Ortigas Avenue – E. Rodriguez, Jr.	Units A-D, G/F L & Y Plaza Bldg., 120 E. Rodriguez Jr. Avenue corner Ortigas Avenue, Brgy. Ugong, Pasig City
294	Ortigas Avenue Ext. - Pace Bldg	Pace Bldg., 98 Granada St., Ortigas Avenue Extension, Brgy. Valencia, Quezon City
295	Ortigas Avenue Ext. - Pasig	Along Ortigas Avenue Extension, Rosario, Pasig City
296	Ortigas – Garnet Road	Unit 1 G/F Cyberscape Alpha Bldg., Garnet & Sapphire Rds., Ortigas Central Business District, San Antonio, Pasig City
297	Ortigas - Octagon Centre	G/F Octagon Centre, San Miguel Avenue, Ortigas Center, Pasig City
298	Pablo Ocampo Sr. St. - Arellano Avenue	Barko Bldg., P. Ocampo Sr. St. corner Arellano Avenue & Enrique St., Malate, Manila
299	Pacific Star - Makati	G/F Pacific Star Bldg., Sen. Gil Puyat Avenue corner Makati Avenue, Makati City
300	Paco	1054-1060 Pedro Gil St., Paco, Manila
301	Padre Rada	Gosiupo Bldg. 480-482 Padre Rada corner Elcano St. Tondo, Manila
302	Parañaque - La Huerta	0422 Quirino Avenue corner J. Ferrer St., La Huerta, Parañaque City
303	Parañaque - Moonwalk	G/F Seal I Bldg., Armstrong Avenue corner Yosemite St., Moonwalk Subdivision, Parañaque City
304	Parañaque - Moonwalk E. Rodriguez Ave.	15413 A&M Bldg., E. Rodriguez Ave. cor. Daang Batang St., Brgy. Moonwalk, Parañaque City

No.	BRANCH	ADDRESS
305	Parañaque - NAIA Road	G/F Park N' Fly Carpark Bldg. 2, NAIA (MIA) Road cor. Mayuga St., Brgy. Tambo, Parañaque City
306	Parañaque - Pascor Drive	Sky Freight Bldg., Ninoy Aquino Avenue near corner Pascor Drive, St. Niño, Parañaque City
307	Parañaque - San Antonio Valley 1	San Antonio Plaza, Blk 6 Lot 20 & 21, San Antonio Ave., Brgy. San Antonio Valley 1, Sucat, Parañaque
308	Parañaque - Sto. Niño	Units U & V, Columbia Airfreight Complex, No. 707 Ninoy Aquino Avenue, Brgy. Sto. Niño, Parañaque City
309	Pasay - Domestic Road	Caltex Compound (PDSC/Park 'N Fly Bldg.), NAIA corner Domestic Road, 1300, Pasay City
310	Pasay - Two Shopping Center	2nd Level. Retail Shops Area, Two Shopping Center, Taft Avenue, Pasay City
311	Pasig - 106 Shaw Boulevard	106 Shaw Blvd., Brgy. Kapitolyo, Pasig City
312	Pasig - A. Sandoval Ave.	G/F Isagabanna Bldg., A. Sandoval Ave. corner Col. R. Fernandez St., Villa Alegre Subd., Brgy. Pinagbuhatan, Pasig City
313	Pasig - C. Raymundo Ave.	JEMCO Bldg., Raymundo Ave. cor. Bernal St., Rosario, Pasig City
314	Pasig – Amang Rodriguez Caruncho Road	Retail 1, Acacia Escalades, Amang Rodriguez corner Caruncho Road, Brgy. Manggahan, Pasig City
315	Pasig - Capitol Commons Estancia	Estancia Mall, Capitol Commons, Pasig City
316	Pasig Blvd. - E. Rodriguez Jr.	G/F P & J Bldg., Pasig Blvd corner E. Rodriguez Jr. Ave., Brgy. Ilog, Pasig City
317	Pasig – Felix Ave. Karangalan	G/F, Hanlu Bldg., Felix Avenue, Karangalan Village, Brgy. Manggahan, Pasig City
318	Pasig - Kapasigan	Mariposa Arcade, A. Mabini corner Dr. Pilapil St., Pasig City
319	Pasig - Maybunga	G/F Armal Bldg. 3, Blk 1 Lot 1-3, C. Raymundo Avenue, Maybunga, Pasig City
320	Pasig – San Antonio Meralco Ave.	Iriz One Corporate Center, No. 35 Meralco Ave. cor. Gen. Segundo St., Brgy. San Antonio, Ortigas Center, Pasig
321	Pasig - Meralco Avenue	G/F One Corporate Centre, Julia Vargas Avenue corner Meralco Avenue, Pasig City
322	Pasig - Mercedes Avenue	628 MK Building, Mercedes Avenue, Brgy. San Miguel, Pasig City
323	Pasig - Oranbo Drive	G/F A.B. Sandoval Bldg., Shaw Blvd. corner Oranbo Drive, Pasig City

No.	BRANCH	ADDRESS
324	Pasig - Pioneer	Pioneer Centre, Pioneer St. corner United & Brixton St., Kapitolyo, Pasig City
325	Pasig - Pioneer Shaw Blvd.	CVFC Corporate Center, Pioneer St. corner San Rafael St., Brgy. Kapitolto, Pasig City
326	Pasig - Puregold San Joaquin	G/F Puregold, 165 M. Concepcion St., Brgy. Buting, Pasig City
327	Pasig - Sixto Antonio Ave. Bedaña	Sixto Antonio Avenue corner R. Bedaña St., Pasig City
328	Pasig - Sixto Antonio Ave. - Stella Maris	478 G/F CLM Bldg., Dr. Sixto Antonio Avenue, Brgy. Maybunga, Pasig City
329	Pasig – The 30th Meralco Avenue	LG/F, Space No. L0060-61, Ayala Malls The 30th, Meralco Avenue, Brgy. Ugong, Pasig City 1604
330	Pasig - The Grove Rockwell	G/F The Grove by Rockwell, 117 E. Rodriguez Jr. Avenue, Brgy. Ugong, Pasig City
331	Pasig - Valle Verde Country Club	Valle Verde Country Club, Capt. Henry P. Javier St. corner St. Martin St., Brgy. Oranbo, Pasig City
332	Pasig – The Vantage Kapitolyo	The Vantage at Kapitolyo, 50 West Capitol Drive corner United St., Brgy. Kapitolyo, Pasig City
333	Pasong Tamo Ext.	G/F Allegro Center, Pasong Tamo Extension, Makati City
334	Pateros - Poblacion	77 M. Almeda St., Brgy. San Roque, Pateros
335	Pedro Gil - Adriatico	Adriatico St. near corner Pedro Gil St., Malate, Manila
336	Pedro Gil - A. Mabini	1567-1571 Salud Bldg., Pedro Gil corner A. Mabini St. Ermita, Manila
337	Philam Tower – Valero	G/F Philamlife Tower, 8767 Paseo de Roxas, Brgy. Bel-Air, Makati City
338	Plaza Calderon - Pedro Gil	G/F Unit C, Harmonic Seven Bldg., 2332- 2334 Pedro Gil corner Vesta St., Sta. Ana, Manila
339	Port Area - South Harbor	G/F Velco Center, R.S. Oca corner A. C. Delgado St., Port Area, Manila
340	Potrero	G/F Panco Square, 67 MacArthur Highway, Malabon City 1475
341	Quezon Avenue - Araneta	G/F CSP Bldg., 815 Quezon Avenue, Quezon City
342	Project 8 - Shorthorn	BDO Bldg., No. 41 Shorthhorn Street, Brgy. Toro, Project 8, Quezon City
343	Quezon Avenue - Cordillera	37 Quezon Avenue corner Cordillera St., Quezon City

No.	BRANCH	ADDRESS
344	Quezon Avenue – D. Tuazon	Unit 101 & 103, Bernmann Centre, No. 28 Quezon Ave., Brgy. Doña Josefa, Quezon City
345	Quezon Avenue – Examiner	G/F Maxmor Bldg., Examiner St. corner Quezon Ave., Brgy. West Triangle, Quezon City
346	Quezon Avenue – Fisher Mall	UB-Bank 1, Fisher Mall, Quezon Ave. corner Roosevelt Ave., Brgy. Sta. Cruz, Quezon City
347	Quezon Avenue – Prima Residences	G/F Prima Residences, 243 Quezon Avenue, Brgy. Tatalon, Quezon City
348	Quezon Avenue – South Triangle	Unit LG02-03, SKC Service Center Bldg., 1320 Quezon Avenue, Brgy. South Triangle, Quezon City
349	Quiapo - Quezon Blvd.	Quezon Blvd., 1001, Quiapo, Manila
350	Quintin Paredes	524 Enterprise Bldg., Quintin Paredes St. corner Carvajal St., Binondo, Manila
351	Quirino Paco	CRS Tower, corner Perdigon St., Pres. Quirino Avenue, Paco, Manila
352	Rada – Legaspi Village	G/F One Legaspi Park, Rada St., Legaspi Village, Makati City
353	Newport World Resorts	18 B, G/F, Newport World Resorts, Villamor Airbase, Brgy. 183, Pasay City
354	Rizal Avenue - Bambang	1607 Alvarez St. corner Rizal Avenue, Sta. Cruz, 1003 Manila
355	Rizal Avenue - Batangas St.	2200 Rizal Avenue corner Batangas St., Sta. Cruz, Manila
356	Robinsons - Metro East	Level 1 (L1 160 & 162), Robinsons Metro East Mall, Brgy. Dela Paz, Marcos Highway, Pasig City 1611
357	Robinsons – Magnolia	Level 1, Unit 107B, Robinsons Magnolia, Aurora Boulevard corner Dona Hemady St., and N. Domingo St., Brgy. Kaunlaran, New Manila, Quezon City 1112
358	Robinsons Galleria - Ortigas	LG/F Basement Westwing, Robinsons Galleria Mall, Brgy. Ugong, Norte Ortigas Avenue, 1602 Quezon City
359	Robinsons Place - Manila	G/F Robinsons Mall corner Pedro Gil and Maria Orosa St., Ermita, 072 Brgy. 669, Manila
360	Roces Avenue	57 (Don A.) Roces Avenue, Brgy. Laging Handa, Quezon City
361	Rockwell - Ortigas	Level 1, Tower 3 (South), The Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, Pasig City
362	Rockwell – Power Plant	G/F Power Plant Mall, Rockwell Center , Amapola corner Estrella St., Makati City
363	Rockwell – Proscenium	G/F, Stall No. LOR-GO1, The Proscenium Retail Row at Lorraine Tower, Rockwell Center, Poblacion, Makati City

No.	BRANCH	ADDRESS
364	Roxas Blvd. - Admiral Baysuites	G/F Admiral Baysuites, 2138 Aldecoa St. corner M.H. Del Pilar St., Brgy. 701, Malate, Manila
365	Roxas Blvd. - Breeze Residences	Unit 101-102, G/F SMDC Breeze Residences, Roxas Blvd., Brgy. 5, Zone 2, Pasay City
366	Roxas Blvd. - Coast Residences	Lot 3 & 4, Block 5, Coast Residences, Roxas Blvd. corner Dapitan St., Brgy. 7, Pasay City
367	Roxas Blvd. - Crowne Bay Tower	Unit 101 Crowne Bay Tower, along Roxas Blvd., Brgy. Baclaran, Parañaque City
368	Roxas Blvd. - R. Salas	S & L Bldg., Roxas Blvd. St. corner Romero Salas St., Ermita, Manila
369	Roxas Blvd. - Radiance Manila Bay	Retail No. 3, Radiance Manila Bay, Roxas Blvd., Brgy 001, Pasay City
370	Salcedo - Dela Rosa	Golden Rock Bldg., 168 Salcedo St., Legaspi Village, Makati City
371	Salcedo - Gamboa	Optima Building, Salcedo St. near corner Gamboa St., Legaspi Village, Makati City
372	Sales St. - Raon	545 Sales St. corner G. Puyat St. (Raon) 1016 Sta. Cruz, Manila
373	Sampaloc – A.H. Lacson	G/F JHL Centre Bldg., 519 A.H. Lacson St., Brgy 434, Zone 44, Sampaloc, Manila
374	Sampaloc – Legarda	G/F Legarda Place Bldg., 2327 Legarda St., Sampaloc 042, Brgy. 416, Manila
375	Sampaloc – Pureza	TP Building, No. 0414 Pureza Extension, Brgy. 425, Zone 043, Sampaloc, Manila
376	Samson Road	G/F, Veacon Hope Sports Center, No. 209 Samson Road corner J.P. Bautista Avenue, Brgy. 80, Caloocan City
377	San Andres	San Andres corner A. Linao St., Malate, Manila
378	San Juna – P. Guevarra	G/F No. 299 P. Guevarra St., Brgy. Little Baguio, San Juan City
379	San Juan – Pinaglabanan	G/F, Benson Apartelle, No. 627 & 629 Pinaglabanan St., Brgy. Corazon de Jesus, San Juan City 1500
380	San Juan – Santolan Town Plaza	G/F Santolan Town Plaza, 276 Santolan Road, Brgy. Little Baguio, San Juan City
381	Savemore Novaliches	Savemore Novaliches, General Luis St., Novaliches, Quezon City
382	Savemore - Amang Rodriguez	G/F Savemore Amang Rodriguez, GBU Bldg., Amang Rodriguez Avenue corner Evangelista St., Brgy. Santolan, Pasig City
383	Savemore - Marulas	NF-5 & NF-6, G/F Savemore Marulas Valenzuela, 40 Pio Valenzuela St., Brgy. Marulas, Valenzuela City 1440

No.	BRANCH	ADDRESS
384	Savemore - Nagtahan	G/F Savemore Nagtahan, Magsaysay Blvd. corner Nagtahan Road, Brgy. 634, Sampaloc, Manila
385	Savemore - Project 8	Savemore Project 8, Benefit St. corner Redemption and Grant St., Brgy. Sangandaan, Project 8, Quezon City
386	Scout Albano - Quezon Avenue	1488 Quezon Avenue, 1103 South Triangle, Quezon City
387	Scout Limbaga - T. Morato	102 & 103 The Forum, Tomas Morato Avenue corner Scout Limbaga St., 1103, Quezon City
388	Shangri-La Plaza Mall - EDSA	Unit 516-517, Level 5 Shangri-La Plaza Mall, EDSA cor. Shaw Blvd., Brgy. Wack-Wack, Mandaluyong City
389	Shaw - Pasig Blvd.	BDO Place, 145 Shaw Blvd., Brgy. Pineda, Pasig City
390	Shaw Blvd. - Beacon Plaza	UG 105-UG 106 Beacon Plaza, Shaw Blvd. corner Ideal St., Mandaluyong City
391	Shaw Blvd.- High Pointe Center	G/F Units 125 -128 High Pointe Center, Shaw Boulevard corner M. Yulo St., Brgy. Bagong Silang, Mandaluyong City
392	Shaw Blvd. - Mandala Park	G/F Units 1 & 2, Bldg. B, Shaw Blvd, Mandala Park, Brgy. Pleasant Hills, Mandaluyong City
393	Shaw Blvd.-Wack-Wack	Unit A, BCC Showroom, 545 Shaw Blvd., Brgy. Wack-Wack, Mandaluyong City
394	Silver City - Pasig	G/F Silver City Building 3, Frontera Verde, Ortigas Center, Pasig City
395	SM Aura Premier	LG/F SM Aura Premier, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City
396	SM Center Las Piñas	LG/F SM Center Las Piñas, Alabang-Zapote Road, Brgy. Pamplona Dos, Las Piñas City
397	SM Center Muntinlupa	UG/F SM Center Muntinlupa, Brgy. Tunasan, National Road, Muntinlupa City
398	SM Center Sangandaan	G/F SM Center Sangandaan, Marcelo H. Del Pilar St. corner Samson Road, Brgy. 003, 1408 Caloocan City
399	SM Cherry Congressional	LC 004-006 & 111-113, SM Cherry Congressional, Congressional Ave., Brgy. Bahay Toro, Quezon City
400	SM Cherry Shaw	SM Cherry Foodarama Shaw Blvd. (LC CS 1-09), Shaw Blvd. corner Old Wack-Wack Rd., Brgy. Pleasant Hills, Mandaluyong City
401	SM City BF Parañaque	G/F SM City BF Parañaque, Dr. A. Santos Avenue, Brgy. BF Homes, Sucat, Parañaque City
402	SM City Bicutan	LG/F, MF and UG/F, SM City Bicutan, Dona Soledad Avenue corner West Service Road, Paranaque City

No.	BRANCH	ADDRESS
403	SM City East Ortigas	SM City East Ortigas (LC180-183) , Ortigas Avenue Extension, Brgy. Sta. Lucia, Pasig City
404	SM City Fairview A	Location Code AX3 175-179, LG/F SM City Fairview, Quirino Highway corner Ragalado St., Brgy. Greater Lagro, Fairview, Quezon City
405	SM City Fairview B	SM City Fairview, Quirino Highway corner Regalado Avenue, Fairview, Quezon City
406	SM City Fairview C	LG/F, Annex 2, SM City Fairview, Quirino Highway corner Regalado Avenue, Fairview, Quezon City
407	SM City Grand Central	LC 024B; 025-027, LG/F, SM City Grand Central, Rizal Avenue Extension, Grace Park East, Brgy. 88, Zone 8, District II, Caloocan City 1403
408	SM City Manila	LG/F SM City Manila, Concepcion corner Arroceros and San Marcelino St., Manila
409	SM City Marikina	G/F SM City Marikina, Brgy. Calumpang, Marikina City
410	SM City North EDSA A	GF & MF, The Block SM City North, EDSA corner North Avenue, Quezon City
411	SM City North EDSA B	SM City North EDSA Annex I Bldg., North Avenue corner EDSA, Quezon City
412	SM City North EDSA C	UG/F & M/F, SM Center Complex North EDSA, 1105 Quezon City
413	SM City North EDSA D	G/F BPO Tower 3, SM City North EDSA Complex, EDSA corner North Avenue, Brgy. Bagong Pag-asa, Quezon City
414	SM City Novaliches	G/F SM City Novaliches, Quirino Highway, Novaliches, Quezon City
415	SM City San Lazaro	Felix Huertas corner A.H. Lacson St., Sta. Cruz, Manila
416	SM City Sta. Mesa	SM City Sta. Mesa Annex Bldg., Aurora Blvd. Quezon City
417	SM City Sucat A	G/F SM Supercenter Sucat, Paranque City
418	SM City Sucat B	G/F Annex Bldg. B SM City Sucat, Dr. A Santos Avenue, Parañaque City
419	SM City Valenzuela	Unit 126 G/F SM City Valenzuela, McArthur Highway, Brgy. Karuhatan, Valenzuela City 1441
420	SM Retail HQ Bldg. A	SM Retail Headquarters Bldg. A Location Code 104-105 A, J. W. Diokno corner Seaside Blvd., Mall of Asia Complex, Brgy. 76 Pasay City
421	SM Retail HQ Bldg. B	SM Retail Headquarters Bldg. B LC 106-110B Sunrise Drive corner Bayshore Avenue Mall of Asia Complex, Brgy. 76, Pasay City

No.	BRANCH	ADDRESS
422	SM Araneta City	G/F, SM Araneta City, Araneta City, Brgy. Socorro, Cubao, Quezon City
423	SM Hypermarket Cubao	EDSA corner Main Street, Cubao, Quezon City
424	SM Hypermarket FTI Taguig	G/F SM Hypermarket FTI Taguig, Lot 85 A & B, DBP Avenue, FTI Complex, Brgy. Western Bicutan, Taguig City
425	SM Hypermarket Makati	SM Hypermarket Makati, 5560 Osmeña Highway corner Finlandia St, San Isidro, Makati City
426	SM Hypermarket Novaliches	G/F SM Hypermarket Novaliches, No. 402 Quirino Highway, Brgy. Talipapa, Novaliches, Quezon City
427	SM Center Pasig	G/F SM Supercenter Pasig, Frontera Verde, Ortigas Center, Pasig City
428	SM Hypermarket Sucat – Lopez	SM Hypermarket Sucat-Lopez (LC102-103), Dr. A. Santos Ave., Brgy. San Isidro, Sucat, Paranaque City
429	SM Makati	G/F (GF05) Shoemart Bldg., Ayala Center, Brgy. San Lorenzo, Makati City
430	SM Mall of Asia A	LC 3133-3135 MM, 3/F Main Mall, SM Mall of Asia, J.W. Diokno Blvd., Mall of Asia Complex, Brgy. 76, Zone 10, Pasay City
431	SM Mall of Asia B	G/F Entertainment Mall, SM Mall of Asia, J.W. Diokno Blvd., Mall of Asia Complex, Brgy. 76, Pasay City
432	SM Mega Tower	Unit No. 108, G/F, Mega Tower, SM Megamall, J. Vargas corner EDSA, Brgy. Wack-Wack, Mandaluyong City
433	SM Megamall A	UG/F SM Megamall Bldg. A (LC121a-1 & 121a-2), Brgy. Wack-Wack, Greenhills West, Ortigas Center, Mandaluyong City
434	SM Megamall B	Upper & Lower Ground Floors, SM Megamall Bldg. B, Julia Vargas corner EDSA ,Ortigas Center, Mandaluyong City
435	SM Megamall C	UG/F SM Megamall Bldg. A (LC 115A), Brgy. Wack-Wack, Greenhills West, Ortigas Center, Mandaluyong City
436	SM Southmall A	UG/F SM Southmall, Alabang - Zapote Road, Las Piñas City
437	SM Southmall B	UG/F SM Southmall, Alabang - Zapote Road, Las Piñas City
438	Solaire - Manila Resort	Solaire Manila, Bagong Nayong Pilipino Entertainment City, Parañaque City
439	Solaire - The Shoppes	Solaire Resorts and Casino Manila, Ang Bagong Nayong Pilipino Entertainment City, Brgy. Tambo, Parañaque City
440	Soler	U-1118 & 1120 Gracetown Bldg., corner Soler & Alvarado St., Binondo, Manila

No.	BRANCH	ADDRESS
441	Soler - Reina Regente	1087 Soler St., Binondo, Manila
442	Southgate Mall - EDSA	G/F Southgate Mall, EDSA corner Pasong Tamo Ext., Makati City
443	Sta. Ana – Xentro Mall	Space No. LS-02, Xentro Mall Sta. Ana City Market, Pedro Gil St.,Brgy 876, Zone 96, Sta. Ana, Manila
444	Sta. Mesa – P. Sanchez	Units G-04 & G-05, G/F, Doña Elena Tower, P. Sanchez St. corner 3rd St., Brgy. 606, Zone 60, Sta. Mesa, Manila
445	Sta. Mesa – V. Mapa	G/F & MF, Units H,I,J, LJS Logistics Center, No. 3331, V. Mapa St. cor. Second St., Brgy. 601, Sta. Mesa, Manila
446	Sta. Mesa – Silk Residences	G/F Retail 5, The Silk Residences, Ramon Magsaysay Boulevard corner Santol St., Zone 057, Brgy. 586, Sta. Mesa, Manila
447	Sta. Mesa Heights – D. Tuazon	G/F, Unit ABC, TCC Center, 190 D. Tuazon St., Brgy. Maharlika, Sta. Mesa Heights, Quezon City
448	Sto. Cristo	475-477 Kim Siu Ching Foundation Bldg., Sto. Cristo St., Binondo, Manila
449	Sto. Cristo - Commercio	686 Sto Cristo St., Binondo, Manila
450	Sto. Domingo	6 Sto. Domingo Avenue, Quezon City
451	Sto. Niño St. - Roosevelt	284 Roosevelt Avenue, San Francisco Del Monte, 1105 San Antonio, Quezon City
452	Sucat - Villa Mendoza	Dr. A. Santos Avenue corner Villa Mendoza Subdivision, Sucat Road, Parañaque City 1700
453	Sun Residences	G/F Sun Residences, España Blvd. corner Mayon St., Brgy. Sta. Teresita, Quezon City
454	Tabora	859-861 L & J Bldg. Tabora St., Divisoria, Manila
455	Taft - Libertad	2250 MCF Bldg., Taft Avenue corner College Road, Pasay City
456	Taft - Pedro Gil	1430 Taft Avenue, Manila
457	Taft Avenue - J. Nakpil	1747 Taft Avenue corner J. Nakpil St., Manila
458	Taft Avenue - Pres. Quirino	G/F FFW Bldg., 1943 Taft Avenue, Malate, Manila
459	Taguig – Grace Residences	Grace Residences (Location Code 131-132), Levi B. Mariano Avenue, Brgy. Ususan, Taguig City
460	Taguig - Levi Mariano Avenue	160 Levi Mariano Avenue, Brgy Ususan, Taguig City

No.	BRANCH	ADDRESS
461	Taguig – Vista Mall	G/F-108A Vista Mall Taguig, Camella Road, Brgy. Tuktukan (formerly Brgy. Sta. Ana), Taguig City
462	Tandang Sora - Commonwealth	Tierra Commercial Center Bldg., Commonwealth Ave. corner Tandang Sora Ave., Quezon City
463	Tandang Sora – Culiat	Royal Midway Plaza, No. 419 Tandang Sora Avenue, Brgy. Culiat, Quezon City
464	Tandang Sora – San Vicente de Paul	ERN Commercial Complex, Tandang Sora Avenue, Brgy. Tandang Sora, Quezon City
465	Tandang Sora - Tagumpay	M & J Bldg., 578 Tandang Sora Avenue corner Tagumpay St., Brgy. New Era, Quezon City
466	Tayuman	G/F Delton Bldg., 1808 Rizal Avenue, Sta. Cruz, Manila
467	Teacher's Village	115 Maginhawa St., Brgy. Teacher's Village, Quezon City
468	ThreeE-comCenter	Location Code 107, G/F, Three E-com Center, Block 21 Harbor Drive corner Bay Shore, Mall of Asia Complex, Brgy. 76 Zone 10, Pasay City
469	Timog	26 Cedar Executive Building, Timog Avenue corner Scout Tobias St., Quezon City
470	Timog - EDSA	G/F GEMPC Bldg., 132 Timog Avenue, Brgy. Sacred Heart, 1103 Quezon City
471	Timog - Rotonda	G/F Imperial Palace Suites, Tomas Morato corner Timog Avenue, South Triangle, Quezon City
472	Timog - Scout Torillo	Unit 11& 12, Timog Arcade, Timog Avenue corner Scout Torillo, Brgy. South Triangle, Quezon City
473	Timog - Victoria Towers	Unit F-2 & F-3 Victoria Towers, Timog Avenue corner Panay Avenue, Quezon City
474	Tomas Morato – Metrofocus Commercial	G/F, Units 101 & 102, Metrofocus Commercial Bldg., Tomas Morato Avenue, Brgy. Kristong Hari, Quezon City
475	Tondo - Gagalangin	2459 Juan Luna St. corner Paez St., Gagalangin, Tondo, Manila
476	Tondo - Pritil	1815 N. Zamora St., 1012 Tondo, Manila
477	Tordesillas - Gallardo	G/F Cambridge Centre, 108 Tordesillas corner Gallardo St., Salcedo Village, Makati City
478	Tordesillas - The Orient Mansion	G/F The Orient Mansion Condominium, 118 Tordesillas St. near corner H.V. dela Costa, Brgy. Bel-Air, Salcedo Village, Makati City
479	Trident - Gil Puyat	G/F Trident Tower Bldg., 312 Sen. Gil. Puyat Avenue, Makati City

No.	BRANCH	ADDRESS
480	UN Avenue	Puso ng Maynila Bldg., UN Avenue corner A. Mabini St., Ermita, Manila
481	UN Avenue – Times Plaza	Units 16 & 17 G/F, Units SC-3A & SC-8B 2F, Times Plaza Bldg., U.N. Avenue corner Taft Ave., Brgy. 666, Ermita, Manila
482	V. Luna - Kalayaan Avenue	Unit 101 Kalayaan Center Bldg., 65-67 V. Luna Road corner Kalayaan Avenue corner Maginoo St., Brgy. Pinyahan, Quezon City
483	V - Mall	G/F New V- Mall, Greenhills Shopping Center, San Juan, MM
484	V. A. Rufino - Sotto	115 YL Building, V.A. Rufino cor. Sotto St., Legaspi Village Brgy. San Lorenzo, Makati City
485	V.A. Rufino - Tuscan	G/F Tuscan Condominium, 114 V. A Rufino St., Legaspi Village, Makati City
486	Valenzuela	Km. 15 MacArthur Highway, Dalandanan, Valenzuela
487	Valenzuela - Gateway Complex	Valenzuela Gateway Complex, 318 GS Paso De Blas St., Brgy. Paso De Blas, Valenzuela City
488	Valenzuela - Gen. T. De Leon	Gen. T. De Leon St., Valenzuela City
489	Valenzuela – Happy Go Shopping Mall	Shop 2, Happy Go Shopping Mall, Ibaba St., Brgy. Bignay, Valenzuela City
490	Valero - Salcedo Village	G/F Pearlbank Center, 146 Valero St., Salcedo Village, Makati City
491	Villar - Salcedo Village	Eurovilla III Condominium 154 Villar St. corner L.P. Leviste St., Salcedo Village, Makati City
492	Visayas Avenue	30 Visayas Ave. near corner Congressional Ave., Brgy. Bahay Toro, Quezon City
493	Waltermart - North EDSA	G/F Walter Mart Center - North EDSA, Dangay St., Veterans Village, Quezon City
494	Waltermart - Bicutan	G/F Waltermart Bicutan, Km 16 East Service Road corner Mañalac Avenue, Brgy. San Martin de Porres, Bicutan, Parañaque
495	Waltermart - Caloocan	G11, Waltermart Caloocan, 1174 A. Mabini St., Brgy. 25, Zone 3, District II, Caloocan City
496	Waltermart – E. Rodriguez	WQCC 019, Waltermart E. Rodriguez, No. 222 Pacific Center E. Rodriguez Sr. Avenue, Brgy. Kalusugan, Quezon City
497	Waltermart - Sucat	G/F Waltermart Sucat, Dr. A Santos Ave, Paranaque City
498	Waltermart – The Junction Place Novaliches	G/F, Waltermart The Junction Place, 328 Quirino Highway, Brgy. Talipapa, Novaliches, Quezon City

No.	BRANCH	ADDRESS
499	Washington - Gil Puyat	G/F Keystone Bldg., 220 Gil Puyat Avenue, Makati City
500	West Avenue - Baler	G/F 118 Jafer Bldg., 118 West Avenue, Quezon City
501	West Avenue - Del Monte	40 West Avenue, 1104 West Triangle, Quezon City
502	West Avenue-East Maya	160 Ground floor Columbian Bldg., Near corner EDSA, West Avenue corner East Maya Drive, Philam, Quezon City
503	Zabarte – Kaligayahan	Lot 16 Block 5, Zabarte Road, Brgy. Kaligayahan, Quezon City
504	Zurbaran	Rizal Avenue corner Fugoso St., Sta. Cruz, Manila

(e) Provincial Branches:

1. Lot leased

No.	BRANCH	ADDRESS
1	Angono - National Highway	Lot 3 Blk. 4, M.L. Quezon Avenue, Brgy. San Isidro, Angono, Rizal
2	Bacoor - New Molino Blvd.	New Molino Blvd., Brgy. Molino 3, Bacoor , Cavite
3	Bacoor Molino - Bahayang Pag - asa	L-20 B-5 Avenida Rizal St., Bahayang Pag-asa Subd., Brgy. Molino 5, Bacoor, Cavite
4	Baliwag - Poblacion	B.S. Aquino corner J. Buizon, Brgy. Poblacion, Baliwag, Bulacan
5	Bataan - Mariveles FAB	Avenue of the Philippines cor. 8th Avenue Freeport Area of Bataan (the FAB), Brgy. Malaya, Mariveles, 2106 Bataan
6	Batangas - Mabini	National Road, Brgy. Pulong Niogan, Mabini, Batangas
7	Batangas - Rosario	BDO Bldg., G. Carandang St., Brgy. C Poblacion, Rosario, Batangas
8	Bocaue - MacArthur Highway	MacArthur Highway, Brgy. Wakas, Bocaue, Bulacan
9	Bohol Tagbilaran - Visarra	C.P. Garcia Avenue near corner Visarra St., Bohol, Tagbilaran City
10	Bulacan - Obando	224 J.P. Rizal St., Brgy Pag-asa, Obando, Bulacan
11	Cabanatuan - Sanciangco	261 Sanciangco St., Brgy. Sanbermicristi, Cabanatuan City, Nueva Ecija

No.	BRANCH	ADDRESS
12	Cagayan De Oro - Bulua	Zone 3 Upper Bulua, Butuan-Cagayan de Oro-Iligan Rd., Cagayan de Oro City, 9000 Misamis Oriental
13	Cagayan De Oro - Limketkai	L-6 B-2, Limketkai Ave., Limketkai Commercial Complex, Brgy. 31, Poblacion, Cagayan De Oro City, Misamis Oriental
14	Cavite - Dasmariñas Aguinaldo Highway	Gen. Emilio Aguinaldo Highway corner Natividad St., Dasmariñas, Cavite
15	Cavite - Dasmariñas FCIE	Governor's Drive, Brgy. Langkaan, Dasmariñas, Cavite
16	Cavite - EPZA	Cavite EPZA Compound, 4106 Rosario, Cavite
17	Cavite - Naic	Governor's Drive corner Soriano Highway, Naic, Cavite
18	Cavite - Silang	J.P. Rizal St. cor. Kiamzon St., Brgy. Poblacion III, Silang, Cavite
19	Cebu - Carcar	Dr. Jose Rizal St., Brgy. Poblacion, Carcar City, Cebu
20	Cotabato - Kabacan	Rizal Avenue, National Highway, 9407 Kabacan, North Cotabato
21	Cotabato Midsayap – Quezon Avenue	Quezon Avenue, Brgy. Poblacion 5, Midsayap, North Cotabato
22	Dumaguete - Silliman Campus	North National Highway, Dumaguete City, Negros Oriental
23	Iloilo - Central	Iznart St., Lot 317-B-2-A-1, 5000 Iloilo City, Iloilo
24	Iloilo - Molo	M.H. Del Pilar St., corner Jocson St., Molo, Iloilo City
25	Kawit - Binakayan	Lot 305 – B-3, 140 National Road, Brgy. Binakayan, Kawit, Cavite
26	Mactan - EPZA 1	Mactan-EPZA Compound, 6000 Lapu-Lapu City, Cebu
27	Masbate	Quezon St., Brgy. Pating, Masbate City
28	Meycauayan - MacArthur Highway	MacArthur Highway, Brgy. Calvario, Meycauayan, Bulacan
29	Ozamiz – Rizal Avenue	J.P. Rizal Avenue corner H.T. Feliciano St., 50th District, Ozamiz City, Misamis Occidental
30	Pangasinan – Lingayen	80 Avenida Rizal East, Brgy. Poblacion, Lingayen, 2401 Pangasinan
31	Quezon – Sariaya	Maharlika Road corner Rizal St. corner Quezon St.,Brgy. Poblacion, Sariaya, Quezon
32	San Pedro - Rosario Complex 1	Lots 11 & 12, Rosario Avenue Complex 1, San Pedro, Laguna
33	Tarlac – Paniqui	M.H. Del Pilar St., MacArthur Highway, Brgy. Estacion, Paniqui, 2307 Tarlac

2. Building leased

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

No.	BRANCH	ADDRESS
19	Antipolo - Sumulong Highway	BDO Bldg., Sumulong Highway, Masinag, Mayamot, Antipolo
20	Antipolo – Xentro Mall	LS01-05, Xentro Mall Antipolo, Sumulong Highway, Brgy. Mambugan, Antipolo City
21	Bacolod - Araneta	Cineplex Complex, Araneta St., Bacolod City
22	Bacolod - East Block IT Park	G/F Villa Angela East Block Bldg A, The Block IT Park, Carlos Hilado National Highway, Bacolod City
23	Bacolod - Goldenfield	Building 1, Goldenfield Commercial Complex, Araneta St., Brgy. Singcang, Bacolod City
24	Bacolod - Gonzaga	Gonzaga - Lopez Enterprise Bldg., Gonzaga St., Bacolod City
25	Bacolod - Hilado	Hilado corner F. Y. Manalo St., 6100 Bacolod City, Negros Occidental
26	Bacolod - Libertad	Corner Hernaez St. & Lopez Jaena St., Bacolod City, Negros Occidental
27	Bacolod - Mandalagan	G/F Sta. Clara Estate Bldg., Lacson St., Mandalagan, Bacolod City
28	Bacoor – Molino Town Center	Ground Floor, Unit B Molino Town Center, Molino – Paliparan Road, Brgy. Molino IV, Bacoor City, 4102 Cavite
29	Bacoor - Puregold Panapaan	G/F Commercial Unit No. 2-4, Puregold Bacoor Cavite, Aguinaldo Highway, Brgy. Panapaan, Cavite
30	Bacoor - Zapote	Zapote Centre, Aguinaldo Highway, Zapote Road, Brgy. Zapote 4, Bacoor, Cavite
31	Baguio - Abanao Square	Abanao Square Mall, Abanao St. corner Zandueta St., Brgy. AZKCO, Baguio City
32	Baguio - Bokawkan Road	69 Bokawkan Road, Brgy. Dizon Subdivision, Baguio City
33	Baguio - Harrison Road	G/F Our Lady of Lourdes Bldg., No.7 Harrison Rd., Brgy. Harrison Carantes Claudio, Baguio City
34	Baguio - Kennon Road	C & Triple A Bldg., Kennon Road corner Parisas St., Brgy. Camp 7, Baguio City
35	Baguio - Legarda	Our Lady of Fatima Bldg., Yandoc St., Kayang Extension, Brgy. Palma-Urbano, Baguio City
36	Baguio – Leonard Wood Road	ETCC Commercial Complex, Leonard Wood Road, Brgy. Cabinet Hill – Teachers Camp, Baguio City
37	Baguio - Luneta	Luneta Hill, Upper Session Road, Session Road-Governor, Brgy. Pack Road, Baguio City
38	Baguio - Marcos Highway Balsigan	G/F, ECCO Bldg., No. 39 Marcos Highway, Brgy. Imelda Marcos, Baguio City

No.	BRANCH	ADDRESS
39	Baguio - Marcos Highway Centerpoint	G/F Centerpoint Plaza, Marcos Highway, Brgy. Bakakeng Central, Baguio City
40	Baguio - Session Road	G/F, National Life Bldg., Session Road, Session Road- Governor, Brgy. Pack Road, Baguio City
41	Balanga - Capitol Drive	G/F, CT Edifice, Capitol Drive cor. Kinatawan Rd., San Jose, Balanga City, Bataan
42	Bataan - Orani	Provincial Road corner Calle Coronel Leyba, Brgy. Parang-Parang, Orani, Bataan
43	Batangas - Balayan	Antorcha St., Balayan, Batangas
44	Batangas - Bauan	Kapitan Ponso St., Bauan, Batangas
45	Batangas – Bauan Poblacion 2	Kapitan Ponso Street corner Sta. Cruz Street, Barangay Poblacion 2, Bauan, Batangas
46	Batangas - Diego Silang	Tom's Place, Diego Silang St. corner Maria de Jesus, Brgy. 15, Batangas City
47	Batangas - First Phil. Industrial Park	G/F Administration Bldg., First Philippine Industrial Park, Brgy. Sta. Anastacia, Sto. Tomas, Batangas
48	Batangas - Gulod	MB Bldg., Batangas Tabangao-Lobo Road, Brgy. Gulod Labac, Batangas City, Batangas
49	Batangas - Kumintang	Along National Highway, Brgy. Kumintang Ilaya, Batangas City, Batangas
50	Batangas - Lemery Ilustre	Ilustre Avenue corner Lakandula St., Lemery, Batangas
51	Batangas - Lemery Xentro Mall	G/F Xentro Mall Lemery, Brgy. Malinis, Lemery, Batangas
52	Batangas - Lima Technology Center	Units R08-S02, Block E, The Outlets at Lima Technology Center, Brgy. Bugtong na Pulo, Lipa City, Batangas 4217
53	Batangas - P. Burgos	P. Burgos St. corner Evangelista St., Brgy. Poblacion, Batangas City
54	Batangas - San Juan	Marasigan corner Kalayaan St., San Juan, Batangas
55	Benguet - La Trinidad	G/F VC Arcadain Bldg., Km. 5, La Trinidad, Benguet
56	Biñan Central Mall	G/F Biñan Central Mall, Units 8 & 9, Malvar St. corner Old National Highway, Biñan, Laguna
57	Biñan - A. Mabini	Rey Bldg., A. Mabini St., Poblacion, 4024 Binan, Laguna
58	Biñan – San Antonio	Alalmeda 2 Arcade, Tulay Bato Old National Highway, Brgy. San Antonio, Biñan City, Laguna

No.	BRANCH	ADDRESS
59	Bohol - Panglao	G/F Units 1-5, Hennan Resort Commercial Bldg., Panglao Circumferential Road, Brgy. Tawala, Panglao Island, Bohol
60	Bohol - Tagbilaran	CP Garcia Avenue., 6300 Tagbilaran City, Bohol
61	Bohol – Tubigon	Holy Cross Academy, National Highway, Brgy. Centro, Tubigon, Bohol
62	Bulacan - Balagtas	McArthur Highway, Brgy. San Juan, 3016 Balagtas, Bulacan
63	Bulacan - Bocaue	MacArthur Highway, Brgy. Biñang 1st, Bocaue, Bulacan
64	Bulacan - Bustos	LRM Complex, Hilario St., Brgy. Poblacion, Bustos, Bulacan
65	Bulacan - Hagonoy	Provincial Road, Brgy. Sto. Niño, Hagonoy, Bulacan
66	Bulacan - Norzagaray	G/F, Prince Ken Bldg. II, Circle, Gen. Alejo G. Santos Highway, Brgy. Poblacion, Norzagaray, Bulacan
67	Bulacan - Primark Plaridel	G/F, Primark Town Center Plaridel, Cagayan Valley Road, Brgy. Banga 1st,Plaridel, Bulacan
68	Bulacan - Pulilan	Doña Remedios Trinidad Highway, Sto. Cristo, Pulilan, Bulacan
69	Bulacan - Puregold Baliwag	G/F Puregold Baliwag, Benigno S. Aquino Ave., Brgy. Bagong Nayon, Baliwag, Bulacan
70	Bulacan - Puregold Bulakan	G/F Commercial Unit 1, Puregold Bulakan, Brgy. Bagumbayan, Bulakan, Bulacan
71	Bulacan – EB Town Center San Jose Del Monte	Unit 5, G/F, EB Town Center, Brgy. Graceville, San Jose Del Monte City, Bulacan
72	Bulacan - San Miguel	LV Bldg., Maharlika Highway, Brgy. Camias, San Miguel, Bulacan
73	Bulacan - San Rafael	Km. 59.5, Cagayan Valley Road, Brgy.Maguinao, San Rafael, Bulacan
74	Bulacan - Sapang Palay	G/F Elizabeth Place 1 Bldg., Bagong Buhay Ave., Brgy. Sapang Palay, San Jose Del Monte City, Bulacan
75	Bulacan - Sta. Maria M.G. De leon	15 M.G. De Leon St., Poblacion, 3022 Sta. Maria, Bulacan
76	Bulacan - Sta. Rita Guiguinto	126 Cagayan Valley Road, Brgy. Sta. Rita, Guiguinto, Bulacan
77	Bulacan Sta. Maria - Bagbaguin	NEM Bldg., Gov. F. Halili Avenue, Bagbaguin, Sta. Maria, Bulacan

No.	BRANCH	ADDRESS
78	Bulacan Sta. Maria - Pulong Buhangin	GRECON Bldg., Km. 38 National Road, Brgy. Pulong Buhangin, Sta. Maria, Bulacan
79	Butuan - Estacio Village	Butuan Doctor's College, J.C. Aquino Ave. cor. Victoria St., Brgy. Bayanihan, Butuan City, Agusan del Norte
80	Butuan - J.C. Aquino Avenue	D & V Plaza II Bldg., J.C. Aquino Avenue, Butuan City
81	Butuan - Montilla	Montilla Blvd. near corner Lopez Jaena St., Butuan City, Agusan Del Norte
82	Cabanatuan - Maharlika Highway North	G/F DGS Building, Along Maharlika Road, Brgy. Bitas, Cabanatuan City, Nueva Ecija
83	Cabanatuan - Paco Roman	Along Paco Roman St., Brgy. City Supermarket, Cabanatuan City, Nueva Ecija
84	Cagayan – CityMall Aparri	CityMall Aparri, Cagayan Valley Road, Barrio of Macanaya, Cagayan
85	Cagayan de Oro - Carmen	Max Y. Suriel St. corner V. Neri St., Carmen, Cagayan de Oro
86	Cagayan de Oro - Cogon	JR Borja St., Cogon, Cagayan de Oro City
87	Cagayan de Oro - Hayes	G/F Trendline Department Store, Arch James Hayes St., Cogon, Cagayan de Oro City
88	Cagayan de Oro - Osmeña	Pres. S. Osmeña corner Ramon Chavez St., Cogon, 9000 Cagayan de Oro, Misamis Oriental
89	Cagayan de Oro - R.N. Pelaez Blvd.	Georgetown Cyber Mall, Rodolfo N. Pelaez Blvd., Kauswagan, Cagayan de Oro City
90	Cagayan De Oro - Xavier	Library Annex Bldg., Corrales Avenue, Cagayan de Oro City
91	Cainta Junction	Hipolito Bldg., Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal
92	Cainta - A. Bonifacio Ave.	Ledor Commercial Center, A. Bonifacio Avenue corner Samonte St., Brgy. San Juan, Cainta, Rizal
93	Cainta – Felix Avenue	Felix Avenue near Cainta Junction, Brgy. Sto. Domingo, Cainta, Rizal
94	Cainta – Puregold	Puregold Cainta Junction, A. Bonifacio Ave., Brgy. Sto. Domingo, Cainta, Rizal
95	Calamba – CityMall	National Highway, Brgy. Lecheria, Calamba City, Laguna
96	Calamba – Halang National Highway	D'Verde Commercial Bldg., National Highway, Brgy. Halang, Calamba City, Laguna
97	Calamba - Paseo Uno	G/F Paseo Uno de Calamba, National Highway, Brgy. Paciano, Calamba City, Laguna

No.	BRANCH	ADDRESS
98	Mindoro – Puregold Calapan	Puregold Calapan Mindoro, J.P. Rizal St., Brgy. Camilmil, Calapan City, Oriental Mindoro
99	Camarines Norte - Daet	J. Lukban St. corner Moreno St., Poblacion, Daet, Camarines Norte
100	Camarines Sur - Calabanga	Galleria de Calabanga, Lot 2, Provincial Road, Brgy. San Francisco, Calabanga, Camarines Sur
101	Camarines Sur – GOA	Ground Floor, RCO Building, Rizal Street, Brgy. Panday, GOA, Camarines Sur
102	Camarines Sur - Nabua	Lot 374 CZA Bldg., National Rd. near cor. Maganda St., Brgy. San Antonio, Poblacion, Nabua, Camarines Sur
103	Camarines Sur - Pili	Santiago, Pili, Camarines Sur
104	Canlubang iMall	Don Bosco Ave. corner Silangan Industrial Park Road, Brgy. Canlubang, Calamba City, Laguna
105	Catanduanes - Virac	Rizal Avenue, Brgy. San Pedro, Virac, Catanduanes
106	Cavite - Dasmariñas Central Mall	Central Mall Dasmariñas, Emilio Aguinaldo Highway cor. Salitran St., Dasmariñas, Cavite
107	Cavite - Dasmariñas Salawag	EVY Commercial Bldg., Molino-Paliparan Rd., Brgy. Salawag, Dasmariñas, Cavite
108	Cavite - General Trias Manggahan	New Hall Commercial Center, Governor's Drive corner Crisanto delos Santos Ave., Brgy. Manggahan, General Trias, Cavite
109	Cavite - Gen. Trias San Francisco	Lot 1, along Arnaldo Highway, Brookside Lane, Brgy. San Francisco, Gen. Trias, Cavite
110	Cavite – Green 2 Residences Dasmariñas	G/F, Area Code 105-106, 109 Strip at Green 2 Residences, Governor Mangubat Ave., Brgy. Burol Main, Dasmariñas City, Cavite
111	Cavite - Imus Aguinaldo Highway	G/F DCR Bldg., Aguinaldo Highway, 4103 Imus, Cavite
112	Cavite - Imus Nueno Avenue	358 Exodus Bldg., Nueno Avenue, Imus, Cavite
113	Cavite - Puregold Buhay na Tubig	G/F Commercial Unit Nos. 4, 5 and 3A, Puregold Buhay na Tubig, Buhay na Tubig, Imus, Cavite
114	Cavite – Puregold GMA	Ground Floor and Second Floor, Puregold Building, Brgy. San Gabriel, Governor's Drive, GMA, Cavite
115	Cavite - Puregold Noveleta	Puregold Noveleta Cavite, National Road, Brgy. Magdiwang, Noveleta, Cavite
116	Cavite - Puregold Tanza	G/F Puregold Tanza, Provincial Road, Tanza, Cavite

No.	BRANCH	ADDRESS
117	Cavite - Silang Aguinaldo Highway	LS 42-43: CS-03 Premier Plaza, Emilio Aguinaldo Highway, Brgy. Lucsuhin, Silang, Cavite
118	Cavite - Trece Martires	L Paseo Arcade, near corner Indang-Trece Road, Trece Martires City, Cavite
119	Cavite – Unitop Mall Dasmariñas	Commercial Space 103 & 105, Ground Floor, Unitop Mall Dasmariñas, Governor's Drive cor. Paliparan – Silang Rd. Brgy. Paliparan 1, Dasmariñas City, Cavite
120	Cavite Imus – The District	Ground Floor Unit 109 Ayala Malls The District Imus, Aguinaldo Highway corner Daang Hari Road, Brgy. Anabu II-D, Imus City, Cavite
121	Cebu IT Park – TGU Tower	G/F TGU Tower, Salinas Drive corner J. M. Del Mar St., Asiatown IT Park, Apas, Cebu City
122	Cebu - Ayala Business Park	Cebu Towers, Mindanao corner Bohol Avenue, Cebu Business Park, Cebu City
123	Cebu - Ayala Mall	Stall R106 Ground Level, ACC Corporate Center, Ayala Center Cebu, Cebu Business Park, Cebu City
124	Cebu - Banilad	Gov. M. Cuenco Avenue, Banilad, Cebu City
125	Cebu - Bogo	P. Rodriguez corner San Vicente St., 6010 Bogo, Cebu City
126	Cebu - Capitol	Osmeña Blvd. corner Ma. Cristina St., 6000 Cebu City, Cebu
127	Cebu - CityMall Danao	T 10-12 CityMall Danao, Olivar Sr. Extension corner F. Ralota St., Brgy. Poblacion, Danao City, Cebu
128	Cebu - Colon	279 Colon St., Brgy. Kalubihan, Cebu City
129	Cebu - Consolacion	G/F Annex Bldg. Fooda Saversmart, Consolacion, Cebu
130	Cebu - Elizabeth Mall	G/F Elizabeth Mall, Leon Kilat corner South Expressway, Cebu City
131	Cebu - Escario	Cebu Escario St. Cebu City
132	Cebu - F. Cabahug	Unit 10 Northwood Square, F. Cabahug St., Brgy. Kasambagan, Panagdait, Cebu City
133	Cebu - F. Ramos	134 Borromeo Bldg., F. Ramos corner Arlington Pond, Cebu City 6000
134	Cebu - Guadalupe	R. Duterte corner V. Rama St., Guadalupe, Cebu City
135	Cebu - Insular Life Business Centre	G/F Insular Life Cebu Business Centre, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City

No.	BRANCH	ADDRESS
136	Cebu - Legaspi	Legaspi corner Zamora St., Cebu City
137	Cebu - Magallanes	Plaridel St. corner Magallanes St., Cebu City
138	Cebu - Mambaling	Grand Orchard Commercial Bldg., C. Padilla St., Mambaling, Cebu City
139	Cebu – Minglanilla	G/F, Unit B & C, Belmont One Commercial Bldg., Cebu South Road, Sitio Puntod, Brgy. Upper Calajoan, Minglanilla, Cebu
140	Cebu - Osmeña	JR Martinez Bldg., Osmena Blvd., Sta. Cruz, Cebu City
141	Cebu - Parkmall	Unit 29 - 31 Parkmall, No. 168 Ouano Avenue, Mandaue Reclamation Road, Mandaue City, Cebu
142	Cebu - Philam Life Center	Units 6 & 7, Philam Life Center, Cardinal Rosales Avenue corner Samar Loop, Cebu Business Park, Brgy. Luz, Cebu City
143	Cebu - Tabo-an	T. Abella St., San Nicolas Central 6000, Cebu City
144	Cebu IT Park – HM Tower	Units G01 and G02 HM Tower, Abad corner Geonzon St., Cebu IT Park, Brgy. Apas, Cebu City
145	Cebu Mandaue – A. C. Cortes	Units 1-4 Ibabao Square, A. Cortes Avenue, Brgy. Ibabao, Mandaue City, Cebu
146	Cebu Mandaue - A. S. Fortuna	RKD Bldg., 867 A.S. Fortuna St., Brgy. Banilad, Mandaue City, Cebu
147	Cebu Mandaue - North Road	G/F North Road Plaza, National Highway, Labogon, Mandaue City, Cebu
148	Cebu Mandaue - Subangdaku	La Fuerza Compound, Subangdaku, Mandaue City, Cebu
149	Cebu Mandaue - U.N. Avenue	The North Park, U.N. Avenue, Brgy., Alang-Alang, Mandaue City, Cebu
150	Cebu Tabunok	PBS Bldg., 2668 National Highway Tabunok Talisay, Cebu City
151	Clark – Philexcel Business Park	Philexcel Business Park, Manuel A. Roxas Highway, Clark Freeport Zone, Pampanga
152	Clark Center	Unit 1, 2, 9 & 10, Clark Center 14, Jose Abad Santos Avenue, Brgy. Sapangbato, Clark Freeport Zone, Pampanga
153	Cotabato - CityMall	Unit 157 CityMall Cotabato, Gov. Guituerrez Avenue, Brgy. Rosary Heights 7, Cotabato City
154	Cotabato - Midsayap	Jaycee St., 9410 Midsayap, North Cotabato

No.	BRANCH	ADDRESS
155	Cotabato – S. K. Pendatun	G/F Insular Life Bldg., Salipada K. Pendatun Ave., Brgy. Poblacion 5, Cotabato City, Maguindanao
156	Dagupan - Mayombo	G/F, BHF Family Plaza, MacArthur Highway, Brgy. Mayombo, Dagupan City, 2400 Pangasinan
157	Dagupan - Perez	386 Perez Blvd., Brgy. Pogo Chico, Dagupan City, 2400 Pangasinan
158	Dagupan - Tapuac	Units 8, 9, 10 Mother Goose Play School Bldg., MacArthur Highway, Brgy. Tapuac District, Dagupan City, 2400 Pangasinan
159	Davao Magsaysay	Ramon Magsaysay Avenue, Davao City
160	Davao - Agdao	Lapu- Lapu St., 8000 Agdao, Davao City
161	Davao – Poblacion Market Central	Ground Floor, Units 19, 20, 21 and 22, Poblacion Market Central, C. Bangoy St., Brgy. 4A, Poblacion, Davao City
162	Davao - Buhangin	KSS Bldg., Buhangin Road cor. Olive St., Brgy. Buhangin, Davao City
163	Davao – Gaisano Grand Citygate Mall	G/F Gaisano Grand Citygate Mall, Cabantian corner Tigatto Roads, Brgy. Buhangin, Davao City 8000, Davao Del Sur
164	Davao - Calinan	WTKC Realty Bldg., Davao-Bukidnon National Highway, Brgy. Calinan, Davao City
165	Davao - Felcris Centrale	Felcris Centrale, Quimpo Boulevard, Brgy. Bucana, Davao City
166	Davao - Lanang Insular Village	SJRDC Bldg., Insular Village 1 Commercial Area, Lanang, Davao City
167	Davao - Lizada	Ramon Magsaysay Avenue corner Lizada St., 8000 Davao City, Davao del Sur
168	Davao – Monteverde Gov. Sales	G/F Felcris Supermarket, Inc. Building, Gov. Sales Street, Brgy. 27 – C. Davao City, Davao Del Sur
169	Davao - Narra	Tomas Monteverde Avenue corner Narra St., Davao City
170	Davao - Panabo	National Highway, Brgy. Sto. Niño, Panabo City, Davao del Norte
171	Davao - Quirino Avenue	Nicolas 1 Bldg., Quirino Avenue, 8000 Davao City
172	Davao - Rizal	365 Farmar Building, Rizal St., Brgy. 3-A Poblacion, Davao City
173	Davao - Sta. Ana	Monteverde corner F. Bangoy St., 8000 Davao City, Davao del Sur

No.	BRANCH	ADDRESS
174	Davao - Sta. Ana Gempesaw	Sta. Ana Avenue corner Gempesaw St., Brgy. 015, Davao City
175	Davao - Toril Gaisano Grand Mall	G/FS 01-02, Gaisano Grand Toril, National Highway corner Saavedra St., Brgy. Lizada, Toril, Davao City
176	Davao - Wood Lane Diversion Road	Unit 1B G/F Bldg. 2, The Shoppes at Wood Lane, Diversion Road (Carlos P. Garcia Highway), Brgy. Ma-a, Davao City, Davao del Sur
177	Davao Digos - San Jose	G/F Ladera Bldg., Rizal Avenue, Brgy. Zone III, Digos City, Davao Del Sur
178	Davao Tagum - National Highway	BIBU Square, Liwayway Commercial Area, National Highway, Brgy. Magugpo East, Tagum City, Davao del Norte
179	Dipolog – Rizal Avenue	Rizal Avenue near corner Gonzales St., Brgy. Central, Dipolog City
180	Dumaguete – CityMall	Unit 03 CityMall Dumaguete, North National Highway, Brgy. Daro, Dumaguete City
181	Cotabato Kidapawan – Gaisano Grand Mall	G/F Gaisano Grand Mall Kidapawan, Quezon Blvd., Purok 1, Brgy. Lanao, Kidapawan City, North Cotabato
182	General Santos – J. P. Laurel	Santiago Blvd. corner J.P. Laurel St., Brgy. Dadiangas East, General Santos City, 9500
183	General Santos - National Highway	Tandem Center, Pasiliao Subdivision, National Highway, Brgy. City Heights, General Santos City, South Cotabato
184	General Santos – Robinsons Place	Level 1, Robinsons Place General Santos, J. Catolico Sr. Avenue, Purok 4, Brgy. Lagao, General Santos City
185	Iligan – Andres Bonifacio Avenue	Unit 101, Solana District, Andres Bonifacio Avenue, Brgy. San Miguel, Iligan City, Lanao Del Norte
186	Iligan - Quezon Avenue	Quezon Avenue, 9200 Iligan City, Lanao Del Norte
187	Ilocos Norte - Batac	Aoigan Building, Washington St., Brgy. 2 Ablan, City of Batac, 2906, Ilocos Norte
188	Ilocos Sur - Cabugao	MacArthur Highway, Brgy. Baclig, Cabugao, Ilocos Sur
189	Ilocos Sur - Candon	National Highway corner Abaya St., Brgy. San Jose, Candon City, 2710, Ilocos Sur
190	Ilocos Sur – Narvacan	National Road, Brgy. Sta Lucia, Narvacan, Ilocos Sur
191	Iloilo - Arevalo	Calle M.L. Quezon corner Gen. Yulo Drive, Brgy. Quezon, Arevalo, Iloilo City
192	Iloilo - CityMall Pavia	G/F, Units 01 & 02, Citymall Pavia, Iloilo R3 Road corner C1 Road, Brgy. Ungka, Pavia, Iloilo

No.	BRANCH	ADDRESS
193	Iloilo - General Luna	48 LPHTP Bldg., General Luna St., Iloilo City, 5000
194	Iloilo - Jaro	NB Bldg., Lopez Jaena St., Jaro, Iloilo City
195	Iloilo - La Paz	G/F INJAP Bldg. corner Luna St. & Huervana St., La Paz, Iloilo City
196	Iloilo - Ledesma	G/F Esther Bldg., Ledesma St., Iloilo City
197	Iloilo - Passi	G/F Fronthub Ventures Bldg. Simeon Aguilar St. (National Road) corner Commonwealth Drive, Brgy. Ilawod, Passi City, Iloilo
198	Iloilo - Quezon St.	Lots 3 & 5 Quezon St., Iloilo City
199	Iloilo - Tabuc Suba	Roger's Bldg., McArthur Highway, Tabuc Suba, Iloilo City
200	Iloilo Jaro - CityMall Tagbak	UO2 CityMall Tagbak Jaro Iloilo, MacArthur Highway, Brgy. Tagbak, Jaro, Iloilo City
201	Iriga City	Iriga Plaza Hotel, Msgr. Lanuza St., San Francisco, Iriga City, Camarines Sur
202	Iriga City – Puregold	G/F Commercial Unit 1, Puregold Iriga City, Highway 1, San Roque, Iriga City 4431
203	Isabela - Ilagan	Along Maharlika Highway, Brgy. Calamagui 2nd, City of Ilagan, Isabela
204	Isabela - Primark Cauayan	Primark Town Center, Maharlika Highway corner Cortes St., Brgy. San Fermin, Cauayan City, Isabela
205	Isabela - Primark Cordon	G04, G/F, Primark Cordon Isabela, Pan Philippine Highway, Brgy. Roxas, Cordon, Isabela
206	Isabela - Tumauini	National Highway, Brgy. San Pedro, Tumauini, Isabela
207	Isabela Cabagan - Xentro Mall	G/F Xentro Mall, Brgy. Ugad, Cabagan, Isabela
208	Isabela Santiago - Xentro Mall	G/F Xentro Mall corner National Highway & 4 Lanes Rd., Brgy. Villasis, Santiago City, Isabela
209	Kawit – Centennial Road	Unit 102, V Central Mall, Centennial Road, Brgy. Magdalo Putol, Kawit, Cavite
210	La Union - Agoo	CMC North Bldg., National Highway, Brgy. San Nicolas Sur, Agoo, La Union
211	La Union San Fernando - Manna Mall	G/F Manna Mall, National Highway corner Diversion Road, Brgy. Pagdaraoan, San Fernando City, La Union

No.	BRANCH	ADDRESS
212	La Union San Fernando - Rizal Avenue	Rizal Avenue corner Ortega St., Brgy. IV, City of San Fernando, La Union
213	Laguna - Alaminos	KCD Commercial Complex, National Highway, Brgy. II Poblacion, Alaminos, Laguna
214	Laguna - Cabuyao	G/F Lim-Bell Business Center, J.P. Rizal St., Cabuyao, Laguna
215	Laguna - Carmelray I	Administration Bldg., Carmelray Industrial Park I, Carmeltown, Canlubang, Calamba, Laguna
216	Laguna - Carmelray II	Ground Floor, RBF 5 Building, Makiling Drive, Carmelray Industrial Park II, Km. 54 National Highway, Brgy. Milagrosa, Calamba City, Laguna
217	Laguna - Pagsanjan	JP Rizal St. corner F. De San Juan St., Brgy. Dos, Poblacion, Pagsanjan, Laguna
218	Laguna - Sta. Cruz	Along Regidor St., Sta. Cruz, Laguna
219	Laguna - Sta. Cruz National Highway	G/F E Home Town Center, National Highway, Brgy. Pagsawitan, Sta. Cruz, Laguna
220	Laguna - Technopark	G/F Laguna Technopark, Admin. Bldg. 1, North Main Avenue, Laguna Technopark Biñan, Laguna
221	Laoag - Castro	Pichay Bldg., J.P. Rizal corner A. Castro St., Brgy. 16, San Jacinto, Laoag City
222	Legazpi City - Albay District	G/F & Mezzanine Floor, ZPC Bldg., Rizal St., Brgy. Baño, Old Albay, Legazpi City, Albay
223	Legazpi City - Rizal St.	Rizal corner Gov. Imperial St., Legaspi City
224	Legazpi City - Rotonda	Rizal St., 4500 Legaspi City, Albay
225	Legazpi City – Benny Imperial St.	PVLB Building 7, Benny Imperial St., Barangay 16, Kawit, East Washington, Legazpi City 4500
226	Leyte - Ormoc Gaisano	G/F Gaisano Capital Ormoc Riverside, Brgy. Alegria, Ormoc City, Leyte
227	Lipa - Ayala Highway	Casa Esparanza Bldg., Pres. JP Laurel Highway, Brgy. Mataas na lupa, Lipa City
228	Lipa – High 5 Square	High 5 Square, Ayala Highway, Mataas na Lupa, Lipa City, Batangas
229	Lipa Town Center	Unit Nos. 101 and 102, Lipa Town Center, JP Laurel Highway, Brgy. Sico, Lipa City, Batangas
230	Lipa – Puregold	G/F Puregold Lipa, Gen. Luna St., cor. D.P.Laygo St. & H.La Torre St., Brgy. 10, Lipa City, Batangas

No.	BRANCH	ADDRESS
231	Los Baños	Olivarez Plaza Cinema & Supermarket Complex, along National Highway, Brgy. Batong Malake, Los Baños
232	Lucena - Enriquez	Enriquez corner Evangelista St., Lucena City
233	Lucena - Gulang-Gulang	505 Quezon Avenue Extension, Brgy. Gulang-gulang, Lucena City
234	Lucena - Iyam	Space 4-6, Kester Bldg., Maharlika Highway corner Love St., RosarioVillage Subd., Brgy. Ilayang Iyam, Lucena City
235	Lucena – Mayao	Units 1 to 4, Ground Floor, JM-A Building, Maharlika Highway, Barangay Kanluran Mayao, Lucena City, 4301 Quezon
236	Lucena - Quezon Avenue	Quezon Avenue corner Profugo St., Lucena City, Quezon
237	Lucena - Tagarao	M.L. Tagarao St., Brgy. 5, Lucena City
238	Mactan - EPZA 2	Unit 204 NGA Bldg. 2, Pueblo Verde MEZ II, Basak, Lapu-lapu City
239	Mactan – Lapu-lapu GMC	Unit 9, The Arcade, ML Quezon Highway, Pajo, Lapu-lapu City
240	Mactan – Pajo National Highway	Hofuna Cresente Building, 2783 ML Quezon National Highway, Sangi, Pajo, Lapu-lapu City
241	Malolos - Crossing	G/F Margen Bldg., MacArthur Highway, Sumapang Matanda, Malolos City, Bulacan
242	Marcos - Sumulong Highway	Kingsville Commercial Arcade, Marcos Highway, 1870 Antipolo, Rizal
243	Marcos Highway	Town & Country Commercial Arcade, Marcos Highway corner Narra St., Cainta, Rizal
244	Marcos Highway – Feliz Mall	G/F Space No. 171, Ayala Malls Feliz, Marcos Highway, Brgy. Dela Paz, Pasig City
245	Marcos Highway - Vermont Park	Park Place Building, Marcos Highway corner Vermont Park, Brgy Mayamot, Antipolo City
246	Marilao - MacArthur Highway	Km. 23 MacArthur Highway, Brgy. Abangan Sur, Marilao, Bulacan
247	Masbate – F. Magallanes	Lot Nos. 1058 – B – 1 & 2, Quezon Street, Brgy. F. Magallanes, Masbate City, Masbate
248	Meycauayan - Malhacan	Supima Square Commercial Complex, Lukytex Compound, Malhacan Road, Meycauayan, Bulacan
249	Mindoro – Calapan	J.P. Rizal St., 5200 Calapan, Oriental Mindoro

No.	BRANCH	ADDRESS
250	Mindoro – CityMall Calapan	T-3, T-4 & T-5 CityMall – Calapan, A. Bonifacio corner Roxas Drive, Brgy. Ilaya, Calapan City, Oriental Mindoro
251	Misamis Occ. - Oroquieta	Mayor A. Enerio St., Oroquieta City, 7207 Misamis Occidental
252	Misamis Oriental - Gingoog	National Highway, Gingoog City, Misamis Oriental
253	Montalban – Puregold	G/F Units 3-5, Rodriguez Highway, Brgy. Rosario, Montalban, Rizal
254	Naga - Concepcion Grande	G/F Commercial Bldg., Maharlika Highway, Brgy.Concepcion Grande, Naga City
255	Naga - Diversion Road	Building 5, Stalls A and B, M Plaza Roxas Avenue, Diversion Road, Concepcion Pequeña, Naga City
256	Naga - Elias Angeles	Chua O. Co Bldg., Elias Angeles St., Brgy. San Francisco, Naga City, Camarines Sur
257	Naga - General Luna	Nos. 80-82 General Luna St., Dinaga, Naga City
258	Naga - Magsaysay Avenue	One Magsaysay Bldg., Magsaysay Avenue corner Reno St., Brgy. Concepcion Pequeña, Naga City
259	Naga - Panganiban Drive	G/F DECA Corporate Center, Panganiban Drive, Brgy Tinago, Naga City, Camarines Sur
260	Naga - San Francisco	Brgy. San Francisco, Peñafrancia Avenue, Naga City
261	Negros Occ - Bago	Araneta Avenue cor. Gen. Luna St., Bago City, Negros Occidental 6101
262	Negros Occ - Binalbagan	Biscom Compound, Binalbagan, Negros Occidental
263	Negros Occ – CityMall Kabankalan	Unit 07 & 08, CityMall – Kabankalan, Justice Perez Highway corner Noceco Road, Brgy. Talubangi, Kabankalan City, Negros Occidental
264	Negros Occ - Hinigaran	Aguinaldo corner Rizal St., Hinigaran, 6106 Negros Occidental
265	Negros Occ - La Carlota	Yunque St. corner Gurrea St., Brgy. 1, La Carlota City, Negros Occidental
266	Negros Occ - San Carlos	S. Carmona St. corner Rizal St., San Carlos City, Negros Occidental
267	Negros Occ - Talisay	Paseo Mabini St., Brgy. Poblacion, Zone 9, Talisay City, Negros Occidental
268	Negros Occ - Victorias	Osmeña Avenue, Victorias City, Negros Occidental, 6119

No.	BRANCH	ADDRESS
269	Negros Oriental - Bayawan	G/F NVF Bldg., 441 National Highway, Brgy. Poblacion, Negros Oriental
270	Nueva Ecija - Gapan Maharlika Highway	Units 3-7, Maharlika Highway corner Sampaguita St., Brgy. Bayanihan,Gapan, Nueva Ecija
271	Nueva Ecija – Primark Gapan	Primark Gapan, Maharlika Highway corner Abad Santos Avenue, Brgy. San Vicente, Gapan City, Nueva Ecija
272	Nueva Ecija - San Jose	Maharlika Road, Brgy. Rafael Rueda Sr., San Jose City, Nueva Ecija
273	Nueva Ecija - Sta. Rosa	Along Maharlika Highway, Brgy. Conjuangco, Sta. Rosa, Nueva Ecija
274	Nueva Ecija - Talavera	G/F RDL Square 1 Bldg., Maharlika Highway, Brgy. Marcos District, Poblacion, Talavera, Nueva Ecija
275	Nueva Ecija – CityMall Sta. Rosa	T-23 & 24, CityMall-Sta. Rosa, Maharlika Highway, Brgy. Rizal, Sta. Rosa City, Nueva Ecija
276	Nueva Ecija – Primark Cabiao	G/F Primark Cabiao, Jose Abad Santos Avenue, Brgy. San Roque, Cabiao, Nueva Ecija
277	Nueva Ecija – Zaragoza	`
278	Nueva Vizcaya – Bambang	G/F, Zen Galleria Bldg., National Highway, Brgy. Banggot, Bambang, Nueva Vizcaya
279	Nueva Vizcaya - Solano	Maharlika Highway, Brgy. Poblacion North, Solano, Nueva Vizcaya
280	Pampanga – Guagua Town Center	GTC Building, Lot 2, Olongapo-Gapan & Provincial Road, Brgy. San Matias, Guagua, Pampanga
281	Pampanga - Lubao	G/F, Mendoza-Diwa Bldg., Jose Abad Santos Avenue, Sta. Cruz, Lubao, Pampanga
282	Pampanga - Magalang	Pablo Luciano Avenue, Brgy. San Pedro 1, Poblacion, Magalang, Pampanga
283	Pampanga – Puregold Dau	G/F & 2/F, Puregold Dau, MacArthur Highway, Brgy. Dau, Mabalacat City, Pampanga
284	Pampanga San Fernando - Dolores	G/F, Rodriguez Bldg., MacArthur Highway, Dolores, City of San Fernando, Pampanga
285	Pampanga San Fernando - MacArthur Highway	G/F, Doña Isa Fel Bldg. II, MacArthur Highway, Dolores, San Fernando City, Pampanga
286	Pampanga San Fernando - Sindalan	Palm Bldg., MacArthur Highway, Sindalan, San Fernando City, Pampanga
287	Pampanga San Fernando – San Isidro	Kingspire Business Center, Mac Arthur Highway, Brgy. San Isidro, City of San Fernando, Pampanga
288	Pangasinan - Alaminos	Marcos Avenue, Brgy. Palamis, Alaminos City, 2404 Pangasinan

No.	BRANCH	ADDRESS
289	Pangasinan - Calasiao	G/F, Señor Tesoro Academy Bldg., Brgy. San Miguel, Calasiao, 2418, Pangasinan
290	Pangasinan - Carmen	MacArthur Highway, Brgy. Carmen East, Rosales, 2441 Pangasinan
291	Pangasinan - Mangaldan	Along Rizal Avenue, Brgy. Poblacion, Mangaldan, 2432 Pangasinan
292	Pangasinan - San Carlos	Palaris St., Brgy. Poblacion, San Carlos City, 2420 Pangasinan
293	Pangasinan - Tayug	Steve N Sons Bldg., Quezon Blvd., Brgy. B, Tayug, 2445 Pangasinan
294	Pangasinan – Bayambang	Rizal Avenue, Brgy. Zone II, Bayambang, 2423 Pangasinan
295	Pangasinan – Malasiqui	ARLU Bldg., Magsaysay St., Brgy. Poblacion, Malasiqui, 2421 Pangasinan
296	Pangasinan San Carlos – Magic Mall	G/F, Magic Mall, Roxas Blvd. Corner Zamora St., Brgy. Roxas Blvd., San Carlos City, Pangasinan 2420
297	Puerto Princesa – San Pedro	G/F Palawan Uno Hotel, National Highway, Brgy. San Pedro, Puerto Princesa City, Palawan
298	Quezon – CityMall Tiaong	Units T 3-5 CityMall- Tiaong, Maharlika Highway, Brgy. Lalig, Tiaong, Quezon
299	Quezon – Gumaca	JT Bldg., Maharlika Highway, Brgy. Peñafrancia, Gumaca, Quezon
300	Rizal - Montalban	G/F Montalban Town Center, Rodriguez Highway corner Lardizabal St., Brgy. San Jose, Rodriguez, Rizal
301	Rizal – Primark Cainta	G05-G06, Primark Cainta Rizal, Ortigas Avenue Extension cor. Don Celso Tuazon Ave., Brgy. San Juan, Cainta, Rizal
302	Rizal – Primark Teresa	G03, Primark Teresa Rizal, R. Magsaysay Ave., Brgy. San Gabriel, Teresa, Rizal
303	Rizal - Tanay	Tanay Town Center, Sampaloc Road corner F.T. Catapusan St., Plaza Aldea, Tanay, Rizal
304	Rizal – Binangonan	Lexar Building, Manila East Road, Brgy. Calumpang, Binangonan, Rizal
305	Rizal – Morong	G/F & 2/F Morong Centerpoint, No. 58 T. Claudio St., Brgy. San Juan, Morong, Rizal
306	Rizal – San Mateo	G/F & Mezzanine Flr., Doña Isabel Bldg., No. 29 Gen. Luna St., Brgy. Guitnang Bayan 1, San Mateo, Rizal
307	Robinsons – Dumaguete	Level 2, Space No. 00244, Robinsons Dumaguete, Dumaguete Business Park, South Road, Barangay Calindagan, Dumaguete City

No.	BRANCH	ADDRESS
308	Robinsons Place - Lipa	Level 1, Space L1- 177, Robinsons Place-Lipa, Lipa Highway, Brgy. Mataas na Lupa, Lipa City, Batangas
309	Robinsons Place - San Nicolas	Unit 1-00144, Robinsons Place Ilocos, Brgy. 1 San Francisco, San Nicolas, Ilocos Norte
310	Robinsons Place – General Trias	Level 1 130-133, Robinsons Place General Trias, Antero Soriano Highway, EPZA, Bacao Diversion Road, Brgy. Tejero, General Trias, Cavite
311	Robinsons Place – Tuguegarao	Level 1 Tenant 1085-1086, Robinsons Place Tuguegarao, Maharlika Highway, Brgy. Tanza, Tuguegarao City, Cagayan
312	Robinsons Townville – Cabanatuan	G/F Unit RA1, Robinsons Townville, Brgy. H. Concepsion, Km. 111, Maharlika Highway, Cabanatuan City
313	Roxas – CityMall	CityMall-Roxas, Arnaldo Boulevard, Brgy. Baybay, Roxas City, Capiz
314	Roxas – Pueblo De Panay	G/F Hotel Veronica Bldg., Immaculate Heart of Mary Ave., Pueblo de Panay, Brgy. Lawa-an, Roxas City
315	Samar – Calbayog	Magsaysay Blvd. Corner Burgos St., Brgy. East Awang, Calbayog City, Samar
316	Samar - Catbalogan	Del Rosario St. corner Allen Avenue, 6700 Catbalogan, Samar
317	Samar – Catarman	E.B. Moore St. corner Anunciacion St., Brgy Lapu-Lapu, Catarman, Northern Samar
318	San Pablo – Angeles Heights	Ground Floor, Units 1-3, LLT Building, Maharlika Highway, Barangay 1-B, San Pablo City, Laguna
319	San Pablo - Maharlika Highway	G/F BienPaz Arcade, Maharlika Highway Junction, San Rafael, San Pablo City
320	San Pablo - Paulino	M. Paulino St., San Pablo City
321	San Pedro	National Highway Junction & Mabini St., Brgy. Nueva, San Pedro, Laguna
322	San Pedro – Robinsons Galleria South	Level 2 Robinsons Galleria South, National Highway, Brgy. Nueva, San Pedro City
323	San Pedro - Pacita	G/F M. Allen Bldg., Km 31, Old National, National Highway, San Pedro, Laguna
324	Savemore Market – EPZA	G/F Savemore Market EPZA General Trias, Diversion Road, EPZA, Brgy. Bacao Dos, General Trias, Cavite
325	SM CDO Downtown Premier	Location Code 112-114, G/F, SM CDO Downtown Premier, C.M. Recto corner Osmeña Sts., Brgy. Lapasan, Cagayan de Oro City
326	SM Center Angono	UG/F SM Center Angono, Manila East Road, Brgy. San Isidro, Angono, Rizal

No.	BRANCH	ADDRESS
327	SM Center Dagupan	Location Code 115, G/F, SM Center Dagupan, Herrero St., Brgy. Herrero- Perez, Dagupan City, 2400 Pangasinan
328	SM Center Imus	G/F, SM Center Imus (LC 163-164a, 173-174a), NIA and Alapan Road, Brgy, Bucandala, Imus, Cavite
329	SM Center Lemery	Location Code 127-130, G/F SM Center Lemery, Illustre Avenue corner Calle P. Gomez St., Brgy. District IV, Lemery, Batangas
330	SM Center Ormoc	G/F SM Center Ormoc (Location Code 123-125), Real St., Brgy. District 14, Ormoc City, Leyte
331	SM Center Pulilan	Location Code 140-142, G/F SM Center Pulilan, Plaridel-Pulilan Diversion Road, Brgy. Sto. Cristo, Pulilan, Bulacan
332	SM Center San Pedro	SM Center San Pedro, Ramon Magsaysay Avenue, Brgy. United Bayanihan, San Pedro City Laguna
333	SM Center Tuguegarao Downtown	LC 117-119, G/F & 246B & 247A, SM Center Tuguegarao Downtown, Luna St. corner Mabini St. Brgy. Ugac Sur, Tuguegarao City
334	SM Cherry Antipolo	UG/F 122, 123 & 124, SM Cherry Foodarama Antipolo, Marcos Highway, Brgy. Mayamot, Antipolo City
335	SM City Bacolod	G/F South Wing Bldg. SM City Bacolod, Poblacion Reclamation Area, Bacolod City
336	SM City Bacolod North	G/F SM City Bacolod North Wing Bldg., Brgy. 12, Poblacion, Reclamation Area, Bacolod City
337	SM City Bacoor	UG/F SM City Bacoor, Gen. Aguinaldo Highway corner Tirona Highway Bacoor, Cavite
338	SM City Baguio	Location Code 176-179, Upper Ground Floor, SM City Baguio, Luneta Hill, Upper Session Road, Session Road-Governor, Brgy. Pack Road, Baguio City 2600
339	SM City Baliwag	G/F, SM City Baliwag (LC EX 101-102, 105b-107b), DRT Highway, Brgy. Pagala, Baliwag, Bulacan
340	SM City Bataan	G/F, Area Code 1085b & 1088, SM City Bataan, Lerma St., Brgy. Ibayo, City of Balanga, Bataan
341	SM City Batangas	G/F SM City Batangas, Brgy. Pallocan West, Batangas City
342	SM City Butuan	Location Code 178-181 A, Ground Floor, SM City Butuan, Jose C. Aquino Avenue corner Jose Rosales Avenue, Brgy. Lapu Lapu, Butuan City
343	SM City Cabanatuan	UG/F SM City Cabanatuan, Maharlika Highway, Brgy. Hermogenes C. Concepcion Sr., Cabanatuan City, Nueva Ecija

No.	BRANCH	ADDRESS
344	SM City Cagayan De Oro	G/F SM City Cagayan de Oro, Pueblo de Oro Business Park, Upper Canituan, Cagayan de Oro, Misamis Oriental
345	SM City Calamba	G/F SM City Calamba, National Highway, Brgy. Real, Calamba City, Laguna
346	SM City Cauayan	G/F & 2/F SM City Cauayan, Maharlika Highway, Brgy. San Fermin, Cauayan, Isabela
347	SM City Cebu	SM City Cebu North Reclamation Area, Cebu City
348	SM City Cebu B	UG/F The Northwing - SM City Cebu, North Reclamation Area, San Jose dela Montaña corner M.J. Cuenco Avenue, Cebu City
349	SM City Clark A	LC 101-104, G/F, SM City Clark, M.A. Roxas St., Malabanias, Angeles City, Pampanga
350	SM City Clark B	G/F SM City Clark BPO Tower 1&2 (LC B1-101-107), Brgy. Malabanias, Pampanga
351	SM City Consolacion Cebu	G/F SM City Consolacion Cebu, Cebu North Road, Brgy. Lamac, Consolacion, Cebu
352	SM City Daet	G/F, SM City Daet, Purok 1, Brgy. Lag-on, Vinzons Avenue, Daet, Camarines Norte
353	SM City Dasmariñas A	Upper Ground Floor, SM City Dasmarinas , Barrio Pala-Pala, Dasmarinas, Cavite
354	SM City Dasmariñas B	LG/F SM City Dasmarinas, Governor's Drive, Brgy. Pala-Pala, Dasmariñas, Cavite
355	SM City Davao	UG/F SM City Davao, Brgy. Matina, Davao City
356	SM City Davao Annex	G/F and M/F Annex Bldg., SM City Davao, Brgy. Matina, Davao City
357	SM City General Santos	G/F SM City General Santos, Santiago Boulevard corner San Miguel St., General Santos City
358	SM City Iloilo	UG/F SM City Iloilo, Benigno Aquino Avenue, Mandurriao, Iloilo City
359	SM City Iloilo B	UG/F SM City Iloilo Expansion Bldg. (LC1053A-1053F), Benigno Aquino Avenue, Brgy. Bolilao, Mandurriao, Iloilo City 5000
360	SM City Legazpi	G/F SM City Legazpi (Location Code 1045-1047), Imelda Roces Avenue, Zone 9, Brgy. 37 Bitano, Legazpi City, Albay
361	SM City Lipa	G/F SM City Lipa, Ayala Highway, Lipa City, Batangas
362	SM City Lucena	G/F SM City Lucena (LC - 177- 178) Pagbilao National Road, Lucena City

No.	BRANCH	ADDRESS
363	SM City Marilao	G/F SM City Marilao, MacArthur Highway, Marilao, Bulacan
364	SM City Masinag	G/F SM City Masinag, Marcos Highway, Mayamot, Antipolo City
365	SM City Mindpro	Ground Floor, SM City Mindpro, La Purisima Street, Brgy. Zone III, Zamboanga City
366	SM City Molino	G/F SM City Molino, Brgy. Molino 4, Bacoor, Cavite
367	SM City Naga	G/F SM City Naga, Brgy. Triangulo, Central Business District II, Naga City
368	SM City Olongapo	G/F SM City Olongapo (Location Code EXP 105-106), Magsaysay Drive corner Gordon Ave., Pag-asa, Olongapo City, Zambales
369	SM City Olongapo Central	Location Code 125-129, G/F, SM City Olongapo Central, Rizal Avenue, Brgy. East Tapinac, Olongapo City
370	SM City Pampanga A	G/F, SM City Pampanga, Brgy. San Jose, City of San Fernando, Pampanga
371	SM City Pampanga B	G/F & M/F, SM City Pampanga Annex Bldg. 4, Brgy. Lagundi, Mexico, Pampanga
372	SM City Puerto Princesa	LG/F SM City Puerto Princesa, Malvar corner Lacao Sts., Brgy. San Miguel, Puerto Princesa City, Palawan
373	SM City Rosales	G/F, SM City Rosales, Brgy. Carmen East, Rosales, 2441 Pangasinan
374	SM City Rosario	G/F SM City Rosario, General Trias Drive, Brgy. Tejero, Rosario, Cavite
375	SM City Roxas	1101 B – 1102 Ground Floor, SM City Roxas, Arnaldo Blvd., Brgy. Baybay, Roxas City, Capiz 5800
376	SM City San Fernando	G/F, SM City San Fernando Downtown, V. Tiomico St., Sto. Rosario, City of San Fernando, Pampanga
377	SM City San Jose Del Monte	Unit 164-167, G/F, SM City San Jose Del Monte, Quirino Highway, Brgy. Tungkong Mangga, San Jose Del Monte City, Bulacan
378	SM City San Mateo	SM City San Mateo, General Luna, Brgy. Ampid 1, San Mateo, Rizal
379	SM City San Pablo	G/F SM City San Pablo, National Highway, Brgy. San Rafael, San Pablo City, Laguna
380	SM City Sorsogon	Unit nOs. 173-176, Ground Floor, SM City Sorsogon, Maharlika Highway, Brgy. Balogo, East District, Sorsogon City 4700
381	SM City Sta. Rosa	G/F SM City Sta. Rosa, Barrio Tagapo, Sta. Rosa, Laguna

No.	BRANCH	ADDRESS
382	SM City Sto. Tomas	Ground Floor, Units 1072 -1073, SM City Sto. Tomas, Maharlika Higway, Brgy. San Bartolome City of Sto. Tomas, Batangas 4234
383	SM City Tanza	Ground Floor, Area Code 1117, SM City Tanza, Antero Soriano Highway, Brgy. Daang Amaya II, Tanza, Cavite
384	SM City Tarlac	UG/F, SM City Tarlac, MacArthur Highway, Brgy. San Roque, Tarlac City, 2300 Tarlac
385	SM City Taytay	G/F Bldg. A, SM City Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal
386	SM City Telabastagan	184-185, Ground Floor, SM City Telabastagan, MacArthur Highway, Brgy. Telabastagan, 2000 City of San Fernando, Pampanga
387	SM City Trece Martires	UG/F SM City Trece Martires (LC 33A-135A), Brgy. San Agustin, Trece Martires, Cavite
388	SM City Tuguegarao	G/F, Area Code 179-180-181, 189A, SM City Tuguegarao, Bagay Road corner Diversion Road, Brgy. Caritan Norte, Tuguegarao City, Cagayan
389	SM City Urdaneta Central	LC 155-157, G/F, SM City Urdaneta Central, MacArthur Highway, Brgy. Nancayasan, Urdaneta City, 2428 Pangasinan
390	SM Delgado	G/F SM Delgado Bldg., Valeria St., Iloilo City
391	SM Hypermarket Cainta	SM Hypermarket Cainta, Felix Huerta Ave., Cainta, Rizal
392	SM Hypermarket Daet	G/F SM Hypermarket Daet, Vinzons Avenue, Brgy. IV, Daet, Camarines Norte
393	SM Hypermarket Mabalacat	G/F, SM Hypermarket Pampanga, MacArthur Highway, Brgy. Camachiles, Mabalacat City, Pampanga
394	SM Lanang Premier	UG/F SM Lanang Premier, J.P. Laurel Avenue, Brgy. San Antonio Bajada, Lanang, Davao City
395	SM Market Mall Dasmariñas	G/F Dasmariñas Bagong Bayan Resettlement Project Area B (DBB-B), Congressional Road, Kadiwa, Dasmarinas, Cavite
396	SM Megacenter Cabanatuan	UG/F SM Megacenter Cabanatuan, Gen. Tinio & Melencio Sts., San Roque Norte, Cabanatuan City
397	SM Savemore Davao Bangkal	G/F SM Savemore Market Bangkal, Davao Km. 7 MacArthur Highway, Brgy. Bangkal, Davao City
398	SM Savemore Tacloban	G/F SM Savemore Tacloban, Justice Romualdez St., Brgy. 13, Tacloban City
399	SM Seaside City Cebu A	LG/F SM Seaside City Cebu, Brgy. Mambaling, South Road Reclamation Area, Cebu City

No.	BRANCH	ADDRESS
400	SM Seaside City Cebu B	2/F SM Seaside City Cebu, Brgy. Mambaling, South Road Reclamation Area, Cebu City
401	Sorsogon – Primark J.P. Rizal	Primark Sorsogon 3, J.P. Rizal St. corner De Vera St., Brgy. Talisay, Sorsogon City
402	Sorsogon City	Ground Floor, St. Matthew's Building, Magsaysay St., Brgy. Almendras, East District, Sorsogon City 4700
403	South Cotabato – Gaisano Polomolok	G/F 3, 5 and 6 Gaisano Grand Mall, Polomolok, National Highway, Brgy. Magsaysay, Polomonok, South Cotabato
404	Sta. Lucia East - Cainta	Sta. Lucia East Grand Mall, Marcos Hi-Way corner Felix Avenue, 1900 Cainta, Rizal
405	Sta. Lucia East – Felix Avenue	G/F Phase 1, Sta. Lucia Grand Mall, Marcos Highway corner Felix Avenue, Cainta
406	Sta. Rosa – Arcadia	Unit Anchor 2, Arcadia Bldg., Greenfield City, Tagaytay- Balibago Road, Brgy. Don Jose, Sta. Rosa City, Laguna
407	Sta. Rosa - Don Jose	PCC Bldg., Sta. Rosa Tagaytay Road, Brgy. Don Jose, Sta. Rosa, Laguna
408	Sta. Rosa - Puregold Tagapo	Puregold Sta. Rosa - Tagapo, Rizal Blvd., Brgy. Tagapo, Sta. Rosa, Laguna
409	Subic – Puregold SBMA	G/F, Commercial Units 1-3, Puregold Duty Free Subic, Argonaut Highway, Subic Port District, Brgy. Asinan, Subic Bay Freeport Zone, Olongapo City, Zambales
410	Subic - Times Square	420 Rizal Highway, Subic Bay Freeport Zone, 2200 Olongapo City, Zambales
411	Sultan Kudarat – Primark Tacurong	G10, G/F, Primark Town Center, Magsaysay Avenue corner Bonifacio St., Purok 1, Brgy. Poblacion, Tacurong City, Sultan Kudarat
412	Surigao	Magallanes corner San Nicolas St., 8400 Surigao City
413	Tacloban - Justice Romualdez	Philamlife Bldg., Justice Romualdez St. corner P. Paterno St., Tacloban City
414	Tacloban - Rizal Avenue	Rizal Avenue, Brgy. 41, Tacloban City
415	Tacloban - Zamora	Carlos Chan Bldg., P.Zamora St., Tacloban City
416	Tagaytay - Mendez Junction	E. Aguinaldo Hi-way, Mendez Crossing, Tagaytay City
417	Tagaytay - Rotonda	Frablyn Tower (Tolentino Bldg.), Emilio Aguinaldo Highway, Tagaytay (near Tagaytay Rotonda)

No.	BRANCH	ADDRESS
418	Tagaytay - Wind Residences	G/F Tower 2, SM Wind Residences, Aguinaldo Highway, Brgy. Maharlika West, Tagaytay City
419	Tanauan - A. Mabini	A. Mabini St., Tanauan 4232, Batangas
420	Tanauan - JP Laurel Highway	Pres. J. P. Laurel Highway corner Sixto Castillo St., Poblacion, Tanauan, Batangas
421	Tarlac - Camiling	Romulo St., Brgy. Poblacion A, Camiling, 2306 Tarlac
422	Tarlac - Capas	San Trope Bldg., No. 57 MacArthur Highway, Brgy. Sto. Domingo 1st, Capas, 2315 Tarlac
423	Tarlac - Concepcion	L. Jaena St., Brgy. San Nicolas Poblacion, Concepcion, 2316 Tarlac
424	Tarlac – MacArthur Highway	Block 7, MacArthur Highway, Brgy. San Nicolas, Tarlac City, 2300 Tarlac
425	Tarlac - San Roque	1567 Zamora St., Brgy. San Roque, Tarlac City, 2300 Tarlac
426	Tarlac – CityMall	T-01, CityMall-Tarlac, MacArthur Highway, Brgy. San Rafael, Tarlac City, 2300 Tarlac
427	Tarlac – Gerona	Nick Hotel Commercial Complex, MacArthur Highway, Brgy. Abagon, Gerona, 2302 Tarlac
428	Taytay - National Highway	Korte Rosario Restaurant, Taytay National Highway, Ilog Pugad, Brgy. San Juan, Taytay Rizal
429	Taytay - Manila East Road	BDO Bldg., East Road, Taytay, Rizal
430	Tuguegarao – Buntun	Luna St., Brgy. Buntun, Tuguegarao City, Cagayan
431	Tuguegarao – CityMall	CityMall Tuguegarao, Pan-Philippine Highway, Brgy. Leonarda, Tuguegarao City, Cagayan
432	Urdaneta - MacArthur Highway	182 LIS Bldg., MacArthur Highway, Brgy. San Vicente, Urdaneta City, 2428 Pangasinan
433	Urdaneta – Nancayasan	587 MacArthur Highway, Phinma UPang College Building, Brgy. Nancayasan, Urdaneta City, 2428 Pangasinan
434	Vigan - Plaza Maestro	G/F, Plaza Maestro Commercial Complex, Burgos St., Brgy. 1, Vigan City, Ilocos Sur
435	Vigan – Puregold	Puregold Vigan, Jose Singson St., Brgy VIII, Sta. Elena, Vigan City, Ilocos Sur
436	Virac Town Center	G/F Virac Town Center, Rizal Avenue, Brgy. Gogon Sirangan, Virac, Catanduanes
437	Waltermart – Antipolo	G/F, Waltermart Antipolo, L. Sumulong Memorial Circle, Brgy. San Roque, Antipolo City

No.	BRANCH	ADDRESS
438	Waltermart – Bacoor	Ground Floor, Waltemart Bacoor, Molino Blvd., Brgy. Mamabog IV, Bacoor City, Cavite
439	Waltermart – Balanga	Location Code WBLN 040, G/F, Waltermart Balanga, Roman Superhighway, Brgy. Tenejero, Balanga City, Bataan
440	Waltermart – Batangas City	G/F, Waltermart Batangas, P. Burgos St., Brgy. Calicanto, Batangas City, Batangas
441	Waltermart – Baliwag	G/F, Waltermart Baliwag, Doña Remedios Trinidad Highway, Brgy. Sabang, Baliwag, Bulacan
442	Waltermart - Bel-Air Sta. Rosa	G/F Waltermart Bel-Air Sta. Rosa, Tagaytay National Highway, Brgy. Pulong , Sta. Cruz, Sta. Rosa, Laguna
443	Waltermart – Candelaria	Ground Floor, Waltermart Candelaria, Sambat, Maharlika Highway, Brgy. Malabanban Norte, Candelaria Quezon
444	Waltermart – Capas Tarlac	G/F Waltermart Capas, MacArthur Highway, Brgy. Sto. Domingo 1, Capas, Tarlac 2315
445	Waltermart - Guiguinto	Waltermart Guiguinto Bulacan, MacArthur Highway, Brgy. Ilang-ilang, Guiguinto, Bulacan
446	Waltermart – Malolos	G/F, Waltermart Malolos, Km 44, MacArthur Highway, Brgy. Longos, Malolos City Bulacan
447	Waltermart - Pampanga	G/F Waltermart San Fernando, MacArthur Highway, San Agustin, City of San Fernando, Pampanga
448	Waltermart - Sta. Maria	G/F Waltermart Sta. Maria, Provincial Road corner By-Pass Road, Brgy.Sta.Clara, Sta. Maria, Bulacan
449	Waltermart - Sta. Rosa	San Lorenzo Drive corner Balibago Road, Brgy. Balibago, 4026 Sta. Rosa, Laguna
450	Waltermart – Balayan	G/F Waltermart Balayan, Balibago-Balayan Highway corner Paz St., Brgy. Caloocan, Balayan, Batangas
451	Waltermart – Cabanatuan	G/F Waltermart Cabanatuan, Brgy. Dicarma, Cabanatuan City, Nueva Ecija
452	Waltermart – Carmona	G/F Waltermart Carmona, Macaria Business Center, National Highway, Brgy. Mabuhay, Carmona, Cavite
453	Waltermart – Concepcion Tarlac	G/F Waltermart Concepcion (LC WCON 033), L. Cortez St., Brgy. Alfonso, 2316 Concepcion, Tarlac
454	Waltermart – Dasmariñas	G/F Waltermart Dasmariñas, National Highway, Brgy. Barrio Burol, Dasmariñas, Cavite
455	Waltermart – Nasugbu	Location Code WNAS 017, G/F Waltermart Nasugbu, J.P. Laurel Highway, Brgy. Lumbangan, Nasugbu, Batangas
456	Waltermart – Paniqui	G/F, Waltermart Paniqui, MacArthur Highway, Brgy. Estacion, Paniqui, Tarlac 2307

No.	BRANCH	ADDRESS
457	Waltermart – San Jose	G/F, Waltermart San Jose, Pan Philippine Highway, Brgy. Malasin, San Jose, Nueva Ecija
458	Waltermart – San Pascual Batangas	Ground Floor, Waltermart San Pascual, Lumang Kalye, Barangay San Anotnio, San Pascual, Batangas
459	Waltermart – Subic	G/F, Waltermart Subic, National Highway, Brgy. Mangan- Vaca, Subic, Zambales
460	Waltermart – Talavera	Unit WMT G-32, G/F Waltermart Talavera, Maharlika Highway, Brgy. La Torre, Talavera, Nueva Ecija 3114
461	Waltermart – Tanauan	G/F Waltermart Tanauan, Pres. J.P. Laurel Highway, Brgy. Darasa, Tanauan City, Batangas
462	Waltermart – Taytay	LG/F Waltermart Taytay, Ortigas Avenue Extension, Brgy. San Isidro, Taytay, Rizal
463	Waltermart Center - Makiling	G/F Waltermart Center Makiling, National Highway, Brgy. Makiling, Calamba, Laguna
464	Waltermart Center – Cabuyao	G/F Waltermart Center Cabuyao, Km 47 National Highway, Brgy. Banlic, Cabuyao, Laguna
465	Zambales - Castillejos	G/F RM Mall, National Highway, Brgy. San Nicolas, Castillejos, Zambales
466	Zambales - Iba	Zambales - Pangasinan Provincial Road, Brgy. Sagapan, Iba, Zambales
467	Zamboanga - Ipil	National Highway, Ipil, 7001 Zamboanga Del Sur
468	Zamboanga – Canelar	Mayor Jaldon Avenue, Brgy. Canelar, Zamboanga City
469	Zamboanga – City Mall Tetuan	U33 CityMall Tetuan Zamboanga, Gov. Alvarez Extension, Tetuan, Zamboanga City
470	Zamboanga – La Purisima	La Purisima St., Brgy. Zone II, Zamboanga City
471	Zamboanga – Veterans Avenue	G/F Wee Agro Commercial Bldg., Veterans Avenue, Brgy. Camino Nuevo, Zamboanga City

(3) Limitations on Property

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

(4) Properties to be acquired

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

5) Properties of Subsidiaries

The Bank's subsidiaries own and lease several real properties for corporate leases, for sale and for investments.

Lease on such premises are for various periods and terms, and are renewable upon the mutual agreement of the parties. Lease terms ranges from 1 to 20 years. Some contracts provide for renewal options subject to mutual agreement of the parties. Rental rates are based on prevailing market rental rates for the said properties. Please refer to Notes 2.17, 13, and 34.2 of the accompanying Notes to Financial Statements for further details on Lease.

6) Limitations on Property

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

Item 3. Legal Proceedings

The Bank is a party to various legal proceedings which arise in the ordinary course of its operations. Following existing regulatory requirements, no such legal proceedings, either individually or in the aggregate, are expected to have a material adverse effect on the Bank or its consolidated financial condition. A discussion of the other legal proceedings of the Bank is found in Note 34.1 of the accompanying Notes to Financial Statements as of the year ended 31 December 2023.

Others

The Group is also a defendant in various cases pending in courts for alleged claims against the Group, the outcome of which are not fully determinable at present. As of 31 December 2023 management believes that, liabilities or losses, if any, arising from these claims would not have a material effect on the financial position and results of operations of the Group and will be taken up if and when a final resolution by the courts is made on each claim.

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

None.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

1) Stock Prices

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

	High	Low
First Quarter 2022	140.40	119.00
Second Quarter 2022	137.50	110.50
Third Quarter 2022	131.50	110.20
Fourth Quarter 2022	136.00	105.50
First Quarter 2023	129.60	105.50
Second Quarter 2023	144.90	123.70
Third Quarter 2023	151.40	127.60
Fourth Quarter 2023	142.70	122.00

Source: www.edge.pse.com.ph

As of December 31, 2023, the closing price of the Bank's common shares is ₱ 130.50.

2) Holders of Securities

The number of common shareholders of record as of December 31, 2023 was 12,260. Common shares outstanding as of December 31, 2023 stood at 5,268,357,304. The top twenty (20) common shareholders are as follows:

Rank	Name of Stockholder	Nationality	No. of Shares Owned	Percent of Ownership
1	SM Investments Corporation (SMIC)	Filipino	2,144,616,778 *	40.71%
2	PCD Nominee Corporation	Foreign	1,480,657,953	28.10%
3	PCD Nominee Corporation	Filipino	762,143,312 **	14.47%
4	Multi-Realty Development Corporation (MRDC)	Filipino	349,815,643 *	6.64%
5	Sybase Equity Investments Corporation (SEIC)	Filipino	282,712,350 *	5.37%

Rank	Name of Stockholder	Nationality	No. of Shares Owned	Percent of Ownership
6	Shoemart, Inc. (now SM Prime Holdings, Inc.)	Filipino	108,029,274	2.05%
7	DFC Holdings, Inc.	Filipino	36,516,409	0.69%
8	Dacon Corporation	Filipino	32,540,142 *	0.62%
9	Sysmart Corporation	Filipino	11,795,405 *	0.22%
10	Executive Optical Inc.	Filipino	3,269,489 *	0.06%
11	Edilberto Narciso	Filipino	3,138,542	0.06%
12	DHS Investment	Filipino	2,805,322	0.05%
13	Lucky Securities, Inc.	Filipino	2,399,724	0.05%
14	Cedar Commodities, Inc.	Filipino	1,293,775 *	0.02%
15	Ernest Lee Go	Filipino	1,250,548	0.02%
16	Hong Eng Tan	Filipino	1,036,200	0.02%
17	Jonathan Dee Co	Filipino	800,000	0.02%
18	Regina Capital Development Corp.	Filipino	724,574	0.01%
19	Teresita T. Sy	Filipino	640,233 *	0.01%
20	Harley T. Sy	Filipino	615,748	0.01%
Total			5,226,801,421	99.21%

* Inclusive of PCD-lodged shares

** Exclusive of PCD-lodged shares of SMIC, MRDC, SEIC, Sysmart Corporation, Executive Optical Inc., Dacon Corporation, Cedar Commodities, Inc., and Chairperson Teresita T. Sy

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

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

Title of Class	Name, address of record owner and relationship with BDO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	SM Investments Corp. (SMIC) 10th Floor One E-Com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City/ Parent Company	Sy Family (Substantial Stockholders)	Filipino	2,144,616,778 *	40.71%
Common	PCD Nominee Corp. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas,	Various stockholders	Foreign	1,480,657,953 **	28.10%

Title of Class	Name, address of record owner and relationship with BDO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
	Makati City/Various stockholders				
Common	PCD Nominee Corp. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/ Various stockholders	Various stockholders	Filipino	765,429,031	14.53%
Common	Multi-Realty Development Corporation (MRDC) 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	SM Investments Corp. (Subsidiary)	Filipino	349,815,643 *	6.64%
Common	Sybase Equity Investments Corporation (SEIC) 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	282,712,350 *	5.37%
TOTAL (COMMON)				5,023,231,755	95.35%

* Inclusive of PCD-lodged shares of SMIC, MRDC, and SEIC
** Exclusive of PCD-lodged shares of SMIC, MRDC and SEIC

Preferred	Sybase Equity Investments Corporation 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	469,680,000	76.00%
Preferred	SM Investments Corp. 10th Floor One E-Com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City/ Parent Company	Sy Family (Substantial Stockholders)	Filipino	148,320,000	24.00%
TOTAL (PREFERRED)				618,000,000	100.00%

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

As of December 31, 2023, the following are known to BDO as the PCD participants holding 5% or more of BDO's voting securities:

Member	Name and Address	No. of Shares	Percent of Shareholdings
SCBK Clients' Account	Standard Chartered Bank 20th Floor, Ayala Triangle Gardens Tower Two, Paseo de Roxas corner Makati Avenue, Makati City	528,852,539	10.04%
BDO Securities Corporation Clients' Accounts	BDO Securities Corporation 33rd Floor BDO Towers Valero 8741 Paseo de Roxas, Salcedo Village, Makati City 1226	407,295,135	7.73%
HSBC Clients' Account	The Hong Kong and Shanghai Banking Corporation HSBC Securities Services 12th Floor, The Enterprise Center Tower 1, 6766 Ayala Avenue corner Paseo de Roxas, Makati City 1200	337,338,536	6.40%
	TOTAL	1,273,486,210	24.17%

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

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

On voting rights, each shareholder holding Common Shares and Series A Preferred Shares (each, a "Voting Share/s") as of the record date is entitled to as many votes as there are directors to be elected. Thus, if there are

eleven (11) directors to be elected, each Voting Share is entitled to eleven (11) votes. Such shareholder may cumulate and cast all his votes in favor of one candidate or distribute them among as many candidates as he shall see fit, provided that the total number of votes cast by him does not exceed the number of shares owned by him multiplied by the number of directors to be elected.

As of 31 December 2023, the Bank has a public float level of 44.12%.

3) Dividends

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

On January 28, 2023, the Board of Directors of BDO approved the declaration of annual cash dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P407 million. The dividends were paid on February 20, 2023.

The Board of Directors approved the declaration of quarterly cash dividends in the amount of P0.75 per common share for the first, second, third and fourth quarters of 2023 on February 24, 2023, May 27, 2023, August 25, 2023 and December 6, 2023, respectively. The dividends were paid on March 31, 2023, June 30, 2023, September 29, 2023 and December 29, 2023, respectively.

On January 29, 2022, the Board of Directors of BDO approved the declaration of annual cash dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P339 million. The dividends were paid on February 22, 2022.

The Board of Directors approved the declaration of quarterly cash dividends in the amount of P0.30 per common share for the first, second, third and fourth quarters of 2022 on February 24, 2022, May 28, 2022, August 26, 2022 and December 3, 2022, respectively. The dividends were paid on March 31, 2022, June 30, 2022, September 30, 2022 and December 29, 2022, respectively.

On March 26, 2022, the Board of Directors approved the declaration of stock dividends equivalent to 20% of the Bank's outstanding capital stock, as well as an increase in its authorized capital stock (common shares) from 5,500,000,000 to 8,500,000,000 shares. This was ratified by the Bank's stockholders representing at least two-thirds (2/3) of the outstanding capital stock on April 22, 2022. The stock dividends were issued on December 29, 2022.

On April 22, 2022, the Board of Directors approved the declaration of a special cash dividend in the amount of P1.00 per common share for a total of P4.4 billion. The dividends were paid on May 31, 2022.

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

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

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

On January 28, 2022, BDO issued P52.7 billion worth of Peso-denominated Fixed-Rate Association of Southeast Asian Nations (ASEAN) Sustainability Bonds. The issue was intended to diversify the Bank's funding sources and finance/refinance eligible assets under the Bank's Sustainable Finance Framework.

On May 16, 2022, the Bank issued its maiden Blue Bond amounting to US$100 million. The issuance will expand financing for projects that help prevent marine pollution and preserve clean water resources, while supporting the country's climate goals.

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

1) Management's Discussion and Analysis

Balance Sheet – 2023 vs. 2022

Total Resources expanded 10% to P4.5 trillion led by growth in gross customer loans and Investment Securities, which increased 9% and 29% to P2.9 trillion and P931.9 billion, respectively. Cash and Other Cash Items went up 14% to P94.3 billion following deposit growth. Due from BSP declined 13% to P335.1 billion as the Bank reinvested excess liquidity into higher yielding Investment Securities. Due from Other Banks jumped 42% to P86.0 billion from higher levels of placements and working balances with correspondent banks.

Equity Investments went down 29% to P3.9 billion as the Bank purchased the entire equity interests of Keppel Philippines Properties, Inc. and Opon-KE Properties, Inc. in SM Keppel Land, Inc. (**SMKL**), making SMKL a wholly-owned subsidiary, consolidated on a line-by-line basis. This also resulted to an increase in Investment Properties by 121% to P46.8 billion. Deferred Tax Assets dropped 91% to P491 million primarily from write-off of deferred tax assets associated with past retirement service costs which will no longer be realized. Other Assets went down 5% to P45.2 billion owing to lower levels of non-current assets held for sale and foreign currency notes and coins.

Deposit Liabilities climbed 11% to P3.6 trillion owing to growth in Demand and Time Deposits. Insurance Contract Liabilities surged 20% to P77.2 billion on higher BDO Life business volumes.

Total Equity expanded 12% to P518.6 billion from bottomline profits.

Contingent Accounts – 2023 vs. 2022

Total Contingent Accounts grew 12% to P3.1 trillion with material movements from the following accounts:

- Trust Department Accounts hiked 9% to P2.0 trillion from a larger portfolio of funds managed.
- Outstanding Guarantees Issued and Export L/Cs Confirmed declined 26% and 8% to P1.7 billion and P13.6 billion, respectively, as of the cut-off date.

- Late Deposits and Payments Received, jumped 65% to P2.3 billion on higher outstanding transactions as of year-end 2023.
- Treasury trading activities yielded increases in levels of Spot Exchange Bought and Sold as well as Forward Exchange Bought and Sold, while outstanding Interest Rate Swap Receivable and Payable declined year-on-year.

Income Statement – For the years Ended December 31, 2023 vs. 2022

The Bank registered a Net Income attributable to Equity holders of the Parent Company of P73.4 billion in 2023, 29% higher than the previous year's P57.1 billion. Net Interest Income jumped 25% to P186.4 billion brought about by an expansion in earning assets and an improvement in margins owing to higher interest rates resulting from policy rate hikes implemented by the BSP. Other income also increased 17% to P84.0 billion due to Trading Gain, growth in Service Charges and Fees, as well as unrealized gain on the SMKL purchase.

Operating Expenses went up 20% to P156.8 billion from the following:

- Employee Benefits rose 9% from salary increases and a higher manpower headcount.
- Occupancy expenses climbed 15% owing to improvements in premises and investments in the Bank's various distribution channels.
- Taxes and Licenses surged 46% from Gross Receipt Taxes on a higher income base as well as higher Documentary Stamp Tax on increased Time Deposit levels.
- Insurance expenses grew 12% following higher deposit levels.
- Advertising expenses hiked 64% from higher marketing, promotional and advertising expenditures.
- Litigation/Assets Acquired dropped 19% due to lower costs associated with litigation and maintenance of acquired assets.
- Insurance Benefits and Claims rose 24% on higher BDO Life business volumes, while Policy Reserves declined 22% from lower Unit Linked premiums.
- Security, Clerical and Janitorial expenses as well as Other expenses rose 15% and 36%, respectively, on increased business volumes and a wider distribution network.

Tax Expense hiked 48% to P23.6 billion on higher taxable income and write-off of deferred tax assets.

Comprehensive Income – For the years Ended December 31, 2023 vs. 2022

From a Consolidated Net Income of P73.6 billion, Total Comprehensive Income for 2023 registered at P71.8 billion, which included a P7.6 billion unrealized mark-to-market gains on fixed income investments at FVOCI, a P16 million translation adjustment related to foreign operations, a negative remeasurement of life insurance reserves of P4.1 billion, an actuarial loss on remeasurement of retirement benefit obligation amounting to P5.5 billion and P160 million unrealized mark-to-market gains on equity investments at FVOCI. The Total Comprehensive Income registered a 51% improvement from P47.4 billion in 2022.

Key Performance Indicators – 2023 vs. 2022

	2023	2022	Inc/(Dec)
Return on Average Common Equity	15.2%	13.0%	2.2%
Return on Average Equity	15.0%	12.9%	2.1%
Return on Average Assets	1.7%	1.5%	0.2%
Net Interest Margin	4.6%	4.1%	0.5%
Capital to Risk Assets	14.9%	14.5%	0.4%
Basic Earnings Per Share	13.86	10.77	3.09
Liquidity Ratio	34.4%	34.2%	0.2%
Solvency Ratio (Debt-to-Equity)	763.5%	783.0%	-19.5%
Asset-to-Equity Ratio	863.5%	883.0%	-19.5%
Interest Rate Coverage Ratio	280.6%	468.9%	-188.3%
Profit Margin	22.7%	23.8%	-1.1%

Return on Average Common Equity, Return on Average Equity, Return on Average Assets and Basic Earnings Per Share improved to 15.2%, 15.0%, 1.7% and 13.86, respectively, owing to a higher Net Income.

Net Interest Margin rose to 4.6% from earning asset expansion in a higher interest rate environment.

Capital to Risk Assets slightly went up to 14.9% as the increase in capital outpaced the growth in risk weighted assets.

Liquidity Ratio inched up to 34.4% as excess funds were channeled to liquid assets.

Solvency Ratio and Asset-to-Equity Ratio declined to 763.5% and 863.5%, respectively, as the change in total equity outpaced increases in both liabilities and total assets.

Interest Rate Coverage and Profit Margin dropped to 280.6% and 22.7%, respectively, due to higher interest expense brought about by a higher interest rate environment.

Balance Sheet – 2022 vs. 2021

Total Resources increased 12% year-on-year to P4.1 trillion as gross customer loans grew 9% to P2.6 trillion while Investment Securities climbed 17% to P722.8 billion. Cash and Other Cash Items as well as Due from BSP rose 20% to P82.9 billion and 27% to P385.8 billion, respectively, owing to deposit growth. Due from Other Banks went down 14% to P60.5 billion owing to lower levels of placements and working balances with correspondent banks.

Equity Investments went up 6% to P5.5 billion due to earnings from associates. Investment Properties expanded 13% to P21.2 billion coming from foreclosures and dacion payments. Deferred Tax Assets fell 21% to P5.4 billion primarily from loan write-offs. Other Assets jumped 30% to P47.3 billion on account of higher margin deposits, outstanding credit card transactions, Foreign Currency on Hand and non-current assets held for sale as of the cut-off date.

Deposit Liabilities hiked 14% to P3.2 trillion as Demand, Savings and Time deposits expanded 14%, 4% and 64%, respectively. Other Liabilities increased 19% to P129.1 billion owing to increases in outstanding acceptances from trade transactions, accrued expenses and accounts payable as well as bills purchased contra account.

Total Equity grew 9% to P461.5 billion from continued profitable operations.

Contingent Accounts – 2022 vs. 2021

Total Contingent Accounts rose 3% to P2.8 trillion with material movements from the following accounts:

- Unused L/Cs and Export L/Cs Confirmed soared 25% and 218% to P94.9 billion and P14.8 billion, respectively, following higher volume of trade transactions.
- Outstanding Guarantees Issued declined 46% to P2.3 billion as of the cut-off date.

- Bills for Collection, as well as Late Deposits and Payments Received, jumped 72% and 207% to P14.9 billion and P1.4 billion, respectively, after higher outstanding transactions as of year-end 2022.
- Treasury trading activities yielded declines in levels of Spot Exchange Bought and Sold, Forward Exchange Bought, Interest Rate Futures Sold as well as Interest Rate Swap Receivable and Payable.

Income Statement – For the years Ended December 31, 2022 vs. 2021

The Bank registered a Net Income attributable to Equity holders of the Parent Company of P57.1 billion in 2022, 33% higher than from the previous year's P42.8 billion. Net Interest Income improved 14% to P149.2 billion from an expansion in earning assets coupled with an improvement in margins from rising interest rates brought about by policy rate hikes implemented by the BSP. Other income hiked 17% to P71.5 billion due to year-on year growth in Service Charges, Trust Fees, FX Gain and Insurance Premiums.

Operating Expenses rose 9% to P131.2 billion owing to the following:

- Employee Benefits went up 6% from salary increases and a higher manpower headcount.
- Occupancy expenses increased 14% from improvements in premises and investments in the Bank's various distribution channels.
- Taxes and Licenses climbed 18% due to Gross Receipt Taxes on a higher income base as well as higher Documentary Stamp Tax on increased Time Deposit levels.
- Insurance expenses grew 9% from higher deposit levels.
- Advertising expenses slid 22% from lower marketing, promotional and advertising expenditures.
- Litigation/Assets Acquired increased 10% due to higher costs associated with litigation and maintenance of acquired assets.
- Insurance Benefits and Claims dropped 18% from maturities.
- Security, Clerical and Janitorial expenses as well as Other expenses grew 9% and 21%, respectively, following increased business volumes and a wider distribution network.

Tax Expense jumped 24% to P16.0 billion owing to higher taxable income as well as the lower tax rates in 2021 coming from the retroactive application of the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE).

Comprehensive Income – For the years Ended December 31, 2022 vs. 2021

From a Consolidated Net Income of P57.2 billion, Total Comprehensive Income for 2022 stood at P47.4 billion, inclusive of P17.9 billion unrealized mark-to-market losses on fixed income investments at FVOCI as interest rates continue to rise, a negative P5 million translation adjustment related to foreign operations, an actuarial loss on remeasurement of retirement benefit obligation amounting to P1.1 billion, a positive remeasurement of life insurance reserves of P9.6 billion and P498 million unrealized mark-to-market losses on equity investments at FVOCI. The Total Comprehensive Income registered a 28% improvement from P37.0 billion in 2021.

Key Performance Indicators – 2022 vs. 2021

	2022	2021	Inc/(Dec)
Return on Average Common Equity	13.0%	10.5%	2.5%
Return on Average Equity	12.9%	10.4%	2.5%
Return on Average Assets	1.5%	1.2%	0.3%
Net Interest Margin	4.1%	4.0%	0.1%
Capital to Risk Assets	14.5%	14.7%	-0.2%
Basic Earnings Per Share	10.77	8.07	2.70
Liquidity Ratio	34.2%	32.3%	1.9%
Solvency Ratio (Debt-to-Equity)	783.0%	753.6%	29.4%
Asset-to-Equity Ratio	883.0%	853.6%	29.4%
Interest Rate Coverage Ratio	468.9%	512.0%	-43.1%
Profit Margin	23.8%	20.8%	3.0%

Return on Average Common Equity, Return on Average Equity, Return on Average Assets and Basic Earnings Per Share improved to 13.0%, 12.9%, 1.5% and 10.77, respectively, owing to a higher Net Income.

Net Interest Margin went up to 4.1% following earning asset expansion in a rising interest rate environment.

Capital to Risk Assets slightly went down to 14.5% as the growth in risk weighted assets outpaced the increase in capital.

Liquidity Ratio rose to 34.2% as excess funds were channeled to liquid assets.

Solvency Ratio and Asset-to-Equity Ratio rose to 783.0% and 883.0%, respectively, as the increases in both liabilities and total assets outpaced the change in total equity.

Interest Rate Coverage dropped to 468.9% from higher interest expense.

Profit Margin hiked to 23.8% on higher bottomline profits.

Balance Sheet – 2021 vs. 2020

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

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

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

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

Contingent Accounts – 2021 vs. 2020

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

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

billion and P461 million, respectively, after lower outstanding transactions as of year-end 2021.

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

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

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

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

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

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

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

From a Consolidated Net Income of P42.9 billion, Total Comprehensive Income for 2021 registered at P37.0 billion, inclusive of a decrease in net gains on FVOCI Securities of P5.8 billion, a P92 million translation adjustment related to foreign operations, an actuarial loss on

remeasurement of retirement benefit obligation amounting to P6.0 billion, a remeasurement of life insurance reserves of P5.7 billion, a reversal of revaluation increment of P55 million and a P135 million increase in unrealized gains on equity investments at FVOCI. The Total Comprehensive Income represents a 35% improvement from P27.5 billion in 2020.

Key Performance Indicators – 2021 vs. 2020

	2021	2020	Inc/(Dec)
Return on Average Common Equity	10.5%	7.6%	2.9%
Return on Average Equity	10.4%	7.5%	2.9%
Return on Average Assets	1.2%	0.9%	0.3%
Net Interest Margin	4.0%	4.4%	-0.4%
Capital to Risk Assets	14.7%	14.4%	0.3%
Basic Earnings Per Share	8.07	5.30	2.77
Liquidity Ratio	32.3%	30.8%	1.5%
Solvency Ratio (Debt-to-Equity)	753.6%	758.7%	-5.1%
Asset-to-Equity Ratio	853.6%	858.7%	-5.1%
Interest Rate Coverage Ratio	512.0%	297.3%	214.7%
Profit Margin	20.8%	13.3%	7.5%

Return on Average Common Equity, Return on Average Equity, Return on Average Assets and Basic Earnings Per Share improved to 10.5%, 10.4%, 1.2% and 8.07, respectively, owing to a higher Net Income.

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

Capital to Risk Assets went up to 14.7% as the increase in capital outpaced the growth in risk weighted assets.

Liquidity Ratio rose to 32.3% as excess funds were channeled to liquid assets.

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

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

Profit Margin climbed to 20.8% on higher bottomline profits.

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

BDO delivered a net income of P73.4 billion in 2023 from P57.1 billion in 2022, from growth across its core businesses. This translated to a Return on Common Equity of 15.2%, up from 13.0% in the previous year.

Net Interest Income grew to P186.4 billion as Gross Customer Loans rose by 9% to P2.9 trillion with growth across all market segments. Total Deposits increased by 11% to P3.6 trillion, with CASA ratio at 72%.

Non-Interest Income reached P84.0 billion, supported by fee-based and treasury/FX businesses.

Pre-Provision Operating Profit recorded a 27% growth at P113.6 billion, with sustained positive operating leverage. Revenues expanded at a slightly faster pace than operating expenses growth mostly from volume-related costs, continued network expansion and IT investments.

Asset quality continued to improve, with Non-Performing Loan (NPL) ratio declining to 1.85% and NPL coverage increasing to 185% with the Bank's conservative provisioning policy.

Common equity strengthened to P509.7 billion, with Capital Adequacy Ratio (**CAR**) at 14.9% and Common Equity Tier 1 (**CET1**) Ratio at 13.8%, well ahead of minimum regulatory levels. Book value per share increased by 12% year-on-year to P96.75.

BDO continued its sustainability initiatives, with the Bank's successful issuance of its second ASEAN Sustainability Bonds last January. BDO raised a record P63.3 billion to fund eligible projects, further aiding the country's sustainable development, including financing of 59 large-scale renewable energy projects, and expanding enterprise-wide efforts to foster positive environmental and social impacts.

BDO's strong business franchise and market leadership, healthy capital position, and robust financial performance bolster the Bank's foundation for long-term sustainable growth and profitability, despite continuing challenges in the macroeconomic environment.

Prospects for the Future/Plans of Operation

The Bank expects continued economic growth as GDP drivers remain intact, although growth is likely to stay below the pre-pandemic trend due

to the impact of elevated inflation and interest rates. Despite this tempered growth, the Philippines is expected to still be among the fastest growing economies in the ASEAN. The Government's Cabinet-level Development Budget Coordination Committee (**DBCC**) however, forecasts GDP growth to range between 6.0%-7.0% in 2024, backed by robust private consumption with decelerating inflation, higher investments, and increased demand for exports as supply chain bottlenecks ease.

Key drivers of domestic consumption remain in place with foreign worker remittances growing at 3-5%, Business Process Outsourcing (**BPO**) revenues growing at 10-12%, and labor conditions improving with unemployment rates below pre-pandemic levels. Private sector balance sheets are also healthy while the demographic profile and consumption trends continue to be attractive.

The Bank is ready to further support the country's economic growth through its unparalleled physical and digital network, providing easy and seamless access to its comprehensive suite of banking products and services throughout the country. Additionally, the Bank continues to expand its reach in both urban and underserved communities across the country through physical branches and digital channels.

While decelerating inflation will allow the Bangko Sentral ng Pilipinas (BSP) scope to lower interest rates in 2024, the economy continues to face the threat of El Niño, volatile rice and oil prices, and slower global growth. Fiscal consolidation efforts resulting in lower government spending may also temper government's contribution to economic activity.

3) Material Changes

(a) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

None.

(b) Internal and External Sources of Liquidity

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

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

None.

(d) Any Known Trends, Events or Uncertainties (Material Impact on Sales)

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

(e) Causes for any Material Changes from Period to Period of Financial Statements, which shall include vertical and horizontal analyses of any material item (5%)

The causes for any material changes from 2022-2023 are explained in item 6(1) of SEC Form 17-A of the Bank.

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

None.

Item 7. Financial Statements

The consolidated financial statements of BDO Unibank, Inc. (**BDO** or the "**Bank"**) for the year ended 31 December 2023 are incorporated herein by reference.

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

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

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

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

Audit and Audit-Related Fees

The aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by the external auditor for the audit of the financial statements of BDO and other services in connection with statutory and regulatory filings for fiscal years 2023, 2022, and 2021, are as follows:

	2023	**2022**	**2021**
Audit Fees	10,328,149.36	10,801,003.36	10,081,392.77
Consultancy Fees	-	1,288,000.00	1,288,000.00
Total Audit Fees	**10,328,149.36**	**12,089,003.36**	**11,369,392.77**
Total Non-audit Fees*	**112,000.00**	**112,000.00**	**224,000.00**
% of Total Non-audit to Total Audit Fees	**1.08%**	**0.93%**	**1.97%**

*Pertain to fees for the tabulation and validation of votes during the annual shareholders' meeting. Such services are not considered conflicting engagement on the audit of BDO Unibank, Inc. in accordance with relevant International Independence Standards (IESBA Code of Ethics).

Tax Fees and Other Fees

No other fees were paid to Punongbayan & Araullo, Grant Thornton for the last two (2) fiscal years.

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

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

Vicente S. Pérez, Jr.	-	Chairman (Independent Director)
Vipul Bhagat	-	Member (Independent Director)
Jones M. Castro, Jr.	-	Member (Non-Executive Director)
Estela P. Bernabe	-	Advisor
Corazon S. de la Paz – Bernardo	-	Advisor
Christopher A. Bell-Knight	-	Advisor
Jose F. Buenaventura	-	Advisor

Below is the attendance of the members for the Committee meetings held as of December 2023:

	No. of Meetings Attended	Total No. of Meetings	Percentage
Vicente S. Pérez, Jr.	10	12	83.33%
Vipul Bhagat	9	12	75.00%
Jones M. Castro, Jr.	11	12	91.67%

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

1) Directors and Executive Officers

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

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

Director Orientation and Continuing Education

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

All directors are also encouraged to participate in continuing education programs at BDO's expense to maintain a current and effective Board. In 2023, Directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours. All incumbent directors of BDO Unibank, along with members of the Bank's senior management and key officers of entities in the BDO Group, attended its in-house corporate governance seminar held on August 2, 2023. Gartner, Inc., a global research and consulting firm, provided insights on global trends in banking technology and how BDO is fairing against these trends. They emphasized the importance of understanding the needs of customers through contextual engagement, as well as the increasing adoption of the "phygital (physical and digital) strategy" and generative artificial intelligence (AI) in enhancing customer experience, which are aligned with BDO's strategic plans. On the other hand, Boston Consulting Group (BCG), another global consulting firm, shared their insights about Generative AI and

its disruptive impact in businesses. They examined the risks posed by generative AI and highlighted the crucial role of people in transforming the business.

The Board also held strategic meetings and received regular economic briefings and briefings on new regulatory issuances.

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

Teresita T. Sy
Chairperson
Non-Executive Director
Filipino, 73 years old

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

Ms. Sy is the Vice Chairperson of SM Investments Corporation and Advisor to the Board of SM Prime Holdings, Inc. She also sits as Chairperson of the Board and President 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.

Nestor V. Tan
President & Chief Executive Officer
Executive Director
Filipino, 65 years old

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

Inc., BDO Private Bank, Inc., and SM Keppel Land, Inc.; and Trusteeship of BDO Foundation, Inc.

In addition, he is the Chairman of Bancnet, the operator of the electronic payment system, InstaPay, and the ATM switching utility for Philippine banks; and Chairman of Mastercard Asia Pacific Advisory Board. He is the past president and chairman, and current Director of the Bankers Association of the Philippines. He is currently Trustee of De La Salle Medical & Health Science Institute and the former Chairman of the De La Salle University 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 (4) decades and includes posts at global financial institutions, among them Mellon Bank in Pittsburgh, PA; Bankers Trust Company in New York, NY; and the Barclays Group in New York and London. He holds a bachelor's degree in Commerce from De La Salle University and an MBA from the Wharton School, University of Pennsylvania.

Dioscoro I. Ramos
Lead Independent Director
Filipino, 65 years old

Dioscoro I. Ramos was elected to the Board of Directors of BDO Unibank, Inc. on January 9, 2016 and was appointed Lead Independent Director on April 23, 2021. Mr. Ramos concurrently holds Independent Director positions in BDO Private Bank, Inc. and BDO Securities Corporation. Mr. Ramos has been the Chief Executive Officer & Chief Investment Officer of RY&S Investments Ltd., Hong Kong since September 28, 2012. He was Head of Asia Financials Investment Research of Goldman Sachs Asia, LLC, Hong Kong from 1994 to 2011, and appointed Managing Director in 1998 and Partner in 2006. Prior to that, he was with Mellon Bank, N.A. with postings in Pittsburgh, Philadelphia, New York, and Hong Kong. Mr. Ramos is a Certified Public Accountant. He holds a Bachelor of Science degree in Business Administration and Accountancy, *cum laude*, from the University of the Philippines; and a master's degree in Business from Wharton School, University of Pennsylvania.

George T. Barcelon
Independent Director
Filipino, 74 years old

George T. Barcelon was elected Independent Director of BDO Unibank, Inc. on April 22, 2019. He is currently the President of the Philippine Chamber of Commerce and Industry (PCCI). He is the visionary behind Integrated Computer Systems, Inc. (ICS), one of the Top 1000 companies based in the Philippines, dedicated to providing effectual IT Solutions for small to large-scale businesses and institutions. For 45 years, ICS has provided its customers with technological expertise and quality services. As the president of a company with 400 employees whose success depends on uncompromising leadership, imagination, and careful quality control, Mr. Barcelon seeks to promote the values of Integrity, Commitment, and Service Quality, the cornerstones upon which ICS was built. He is also a board member of the Cardinal Santos Medical Charities Foundation, Inc. in San Juan City, Philippines; and is involved in other business ventures and organizations. Mr. Barcelon graduated *cum laude* from De La Salle University, Manila and received a bachelor's degree in Chemical Engineering.

Estela P. Bernabe
Independent Director
Filipino, 71 years old

Estela P. Bernabe was appointed as Independent Director of BDO Unibank, Inc. effective July 31, 2022. Prior thereto, she was Senior Associate Justice of the Supreme Court of the Philippines. She served the Judiciary for 26 years as Justice of the Supreme Court and Court of Appeals, Judge of the Regional Trial Court of Makati City and Metropolitan Trial Court of the same city, and as Technical Assistant in the Office of the Court Administrator, Supreme Court of the Philippines. She also worked in various private and government offices, namely, China Banking Corporation, Paramount Finance Corp., National Home Mortgage and Finance Corp. and Bernabe Perlas Morte and Associates. She has over 40 years of experience in public and private legal practice. She earned her Bachelor of Science degree in Commerce (Banking and Finance) and graduated *magna cum laude* from St. Paul College of Manila, and obtained her law degree from the Ateneo de Manila University College of Law, graduating as class salutatorian.

She is also an Independent Director of San Miguel Food and Beverage, Inc. effective August 3, 2022, Petrogen Insurance Corporation effective March

23, 2023, Converge Information and Communications Technology Solutions, Inc. effective May 26, 2023, Philippine Judicial Academy (PHILJA) Development Center, Inc. effective November 13, 2023, and was elected member of the Board of Trustees of the Foundation for Liberty and Prosperity on December 6, 2022.

Vipul Bhagat
Independent Director
American, 61 years old

Vipul Bhagat was appointed as Independent Director of BDO Unibank, Inc. on January 8, 2022.

Mr. Bhagat is a seasoned banking and finance professional with significant experience living and working globally, particularly, in the emerging markets over a 35+ years span. With development banking, investment and advisory experience with the International Finance Corporation (IFC, World Bank Group), most recently as Global Client Leader, he pioneered many firsts. Having lived in, while running various aspects of IFC in several emerging markets, (including Philippines, Thailand, China and India), he has deep on the ground expertise geared towards delivering Impact through investment and advisory interventions, especially in the financial and infrastructure sectors. He was a part of the management team of IFC's Climate Business and Public Private Partnership (PPP) Departments which innovated blended finance approaches for meaningful transactions.

Mr. Bhagat's private sector experience includes stints with Deutsche Bank, Fannie Mae, and KPMG. He is a Chartered Financial Analyst (CFA) and a Certified Public Accountant (CPA), with an MBA in Finance and Management from the Wharton School of the University of Pennsylvania. He also holds a BS in Computer Science. In December 2023, he was appointed a Visiting Fellow at the University of Cambridge (UK) Judge Business School.

Currently, he is a Board Member of a top tier US-regulated financial institution with a $6B asset base (Bank-Fund Staff Federal Credit Union); Chairman of the Board of a US-based social enterprise (VisionSpring) providing eye care to poor and lower income segments in developing countries; Senior Adviser to a leading infrastructure consulting firm; Founding Advisory Board Member of the Wharton Alumni Club in Washington, DC and has served on various Boards and Advisory Committees of emerging market Corporates and Funds over the years.

Franklin M. Drilon
Independent Director
Filipino, 78 years old

Franklin M. Drilon was elected Independent Director of BDO Unibank, Inc. on October 25, 2023.

He served in two (2) different branches of government in various capacities from 1987 to 2022. In the Senate, he served as Senate President, Majority Leader, Minority Leader and Chairperson of the Committee on Finance, as well as the Committee on Banks, Financial Institutions, and Currencies. In the Executive, he served as Executive Secretary, Secretary of the Department of Justice and the Department of Labor and Employment.

He is one of the country's highly decorated Senators having served four (4) non-consecutive terms as Senator of the Philippines. He authored and sponsored numerous landmark laws including the GOCC Governance Act of 2011, Foreign Investments Act, Tax Incentives and Transparency Act and the Revised Corporation Code, to name a few. He also served as Chairman of the Senate Committee on Finance, and the Committee on Banks, Financial Institutions, and Currencies.

He also served as Chairman of Philippine National Bank and as a Director of Land Bank of the Philippines. He thus brings added perspectives on Philippine finance and banking policy, regulations and operations.

He is currently a Director of Phinma Education Holdings, Inc. and a Senior Counsel of ACCRA Law.

He earned his Bachelor of Arts in Political Science, law degree and Doctor of Laws from the University of the Philippines Diliman. He placed third in the 1969 Bar Examinations and worked as a private practice lawyer before joining the government.

Vicente S. Pérez, Jr.
Independent Director
Filipino, 65 years old

Vicente S. Pérez, Jr. was elected Independent Director of BDO Unibank, Inc. on April 22, 2019. He is currently Chairman of Alternergy, a publicly-

listed wind, solar and run-of-river power developer and an Independent Director of DoubleDragon Corporation (formerly DoubleDragon Properties Corporation), a real estate developer. He is also a Non-Executive Director of Singapore Technologies Telemedia Pte, Ltd., the Temasek holding company for telecom, data centers and mobile technology. He is a member of the Advisory Boards of Bhutan Foundation, New Zealand Trade and Enterprise, Geneva-based Pictet Clean Energy Fund, and the Yale Center for Business and the Environment. In September 2020, he was appointed Honorary Consul of the Kingdom of Bhutan in the Philippines. He was Philippine Energy Secretary from 2001 to 2005. Mr. Pérez briefly served in early 2001 as Undersecretary at the Department of Trade and Industry and as Managing Head of the Board of Investments. Prior to his government service, Mr. Pérez had 17 years banking experience, first in Latin America debt restructuring at Mellon Bank in Pittsburgh, and later in debt capital markets in emerging countries at Lazard in London, New York and Singapore. At 35, he became General Partner at New York Investment Bank Lazard Frères as head of its Emerging Markets Group. He was Managing Director of Lazard Asia in Singapore from 1995 until 1997, when he co-founded Next Century Partners, a private equity firm based in Singapore. In 2005, he was briefly a government appointed director of Philippine National Bank until its privatization. He also has affiliations in other sectors and organizations. Mr. Pérez obtained an MBA from the Wharton Business School of the University of Pennsylvania in 1983 and a bachelor's degree in Business Economics from the University of the Philippines in 1979. He was a 2005 World Fellow at Yale University where he lectured an MBA class at the Yale School of Management.

Jones M. Castro, Jr.
Non-Executive Director
Filipino and American, 74 years old

Jones M. Castro, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on April 20, 2012. He was Lead Independent Director of BDO Unibank from December 7, 2013 to April 23, 2021. Mr. Castro has 50 years of banking expertise, with 43 years of international banking experience. From 2009 to 2011, Mr. Castro was the Area Head for South and Southeast Asia of Wells Fargo Bank, San Francisco. As Area Head, Mr. Castro had responsibility for 12 countries and managed 11 overseas offices with a total of 102 team members, and US$3 billion in loans. From 2006 to 2009, Mr. Castro was Regional Head for Latin America 1, including the Caribbean, of the Wachovia Bank in Miami, and likewise had responsibility for 25 countries, 3 overseas offices, 30 team members, and a US$1.8-billion loan

portfolio. From 2005 to 2006, he was Executive Vice President and International Banking Group Head of the Union Bank of California, San Francisco. From 1990 to 1994, he was Senior Vice President – Controller of Bank of California, San Francisco, and from 1994 to 1997, he was its Senior Vice President of Strategic Planning in Office of the President. Mr. Castro is currently Trustee and Executive Vice Chairman of Philippine Development Foundation (PhilDev) USA, Trustee of PhilDev S & T Foundation – Manila, Inc., Director of Baguio Sunflower Apartment Corp., and is a Fellow at the Institute of Corporate Directors. Mr. Castro obtained his bachelor's degree in Applied Mathematics in Economics and graduated *cum laude* from Harvard University. He received his master's degree in Business Administration, Accounting & Finance from Stanford University.

Josefina N. Tan
Non-Executive Director
Filipino, 78 years old

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

Walter C. Wassmer
Non-Executive Director
Filipino, 66 years old

Walter C. Wassmer was elected to the Board of Directors of BDO Unibank, Inc. (BDO) on April 22, 2022. Prior to his election as Director of BDO, Mr. Wassmer was Senior Executive Vice President and Head of the Institutional Banking Group of BDO. He was previously Chairman and Officer-In-Charge of BDO Elite Savings Bank, Inc., formerly GE Money Bank, Inc. (A Savings Bank), and held directorships in BDO Leasing and Finance, Inc., BDO Finance Corporation, BDO Capital & Investment Corporation, MMPC Auto Financial Services Corporation, MDB Land, Inc., Mabuhay Vinyl Corporation, and Banco De Oro Savings Bank, Inc. (formerly Citibank Savings, Inc.). He was also appointed as Senior Board Adviser of First Philippine Holdings Corporation on November 10, 2022. He holds a Bachelor of Science degree in Commerce from De La Salle University.

Edmundo L. Tan
Corporate Secretary
Filipino, 78 years old

Edmundo L. Tan has been serving as Corporate Secretary of BDO Unibank, Inc. since July 27, 2007, and of BDO Private Bank, Inc. since February 2012. He was formerly Director of BDO Leasing and Finance, Inc. and subsequently served as an Advisor to the Board. Atty. Tan sits on the Boards of Directors of the following companies: APC Group, Inc. (Director from 2000 to present, Corporate Secretary from 2000 to 2016); Philippine Global Communications, Inc. (Director from 2000 to present, Corporate Secretary from 2000 to 2010); Aragorn Power and Energy Corporation (Director from 2005 to present, Corporate Secretary from 2005 to 2012); and Bebemag Resources, Inc. (President from July 2011 to present). Atty. Tan is also currently a Director of PRC MAGMA Resources, Inc. (2010 to present) and of Ortigas Land Corporation (July 2012 to present). He was elected Director of Sagittarius Mines, Inc. in March 2016, and Director of Concrete Aggregates Corporation on December 12, 2019. In June 2021, he was elected Director/President of Indophil Resources Philippines, Inc. He was a co-founder and was elected President of the Philippine Dispute Resolution Center, Inc. (PDRCI) in July 2017 until 2023. Atty. Tan is the Managing Partner of Tan Acut Lopez & Pison Law Offices (1993 to present). Formerly, he was a Senior Partner in Ponce Enrile Cayetano Reyes & Manalastas Law Offices; a Partner in Angara Abello Concepcion, Regala & Cruz Law Offices; and an Associate in Cruz Villarin Ongkiko Academia &

Durian Law Offices. Atty. Tan holds a Bachelor of Arts degree from De La Salle College, Bacolod, and a bachelor's degree in Law from the University of the Philippines.

Sabino E. Acut, Jr.
Assistant Corporate Secretary
Filipino, 73 years old

Sabino E. Acut, Jr. was appointed Assistant Corporate Secretary of BDO Unibank, Inc. on July 27, 2007, a position he currently holds. He is presently a Senior Partner and Head of the Litigation Department of Tan Acut Lopez & Pison Law Offices. He was a former Senior Partner and Head of the Litigation Department of Ponce Enrile Cayetano Reyes & Manalastas Law Offices (PECABAR) and, before that, a Partner of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA). At various times, he was Corporate Secretary of Boulevard Holdings, Inc., Puerto Azul Golf & Country Club, Philippine Hospital Association, and Eastern General Reinsurance Corporation; Legal Counsel of Alabang Country Club; Trustee of Makati Law Foundation; and President of the Legal Management Council of the Philippines. He was Journal Editor of the 1971 Constitutional Convention, Special Assistant to the Director of the Bureau of National and Foreign Information, and Confidential Attorney to former Supreme Court Justice Cecilia Muñoz Palma. He is a member of the Integrated Bar of the Philippines and the Philippine Bar Association. He is currently the Chairman and President of Ashdale Holdings, Inc. and a Director of Philippine Global Communications, Inc. and Primtown Center Holdings, Inc. He was the Corporate Secretary of the then Equitable PCI Bank, Inc. until its merger with the Bank. He holds the degrees of Bachelor of Arts, *Magna Cum Laude*, from Mindanao State University; Bachelor of Laws, *Cum Laude*, from the University of the East; and Master of Laws from the University of Pennsylvania.

Alvin C. Go
Assistant Corporate Secretary
Filipino, 62 years old

Alvin C. Go is a Senior Vice President for the Legal Services Group of BDO Unibank, Inc. He was also appointed as Assistant Corporate Secretary and Alternate Corporate Information Officer on October 1, 2015. Prior to joining BDO, he was the Chief Legal Counsel of Philippine National Bank from 2003 to 2012. He was an Associate Attorney of Salonga, Ordonez, Yap,

Corpuz Padlan & Associates Law Offices from 1985 to 1989. He served as Prosecution Attorney from 1989 to 1990 and State Prosecutor of the Department of Justice from 1990 to 1993. He was a Senior Partner at Go, Cojuangco, Mendoza, Ligon and Castro Law Offices from 1994 to 1999, and Senior Partner at Go and Castro Law Offices from 1999 to 2003. He obtained his Bachelor of Arts, Major in Political Science, from the Immaculate Concepcion College, Ozamiz City and his Bachelor of Laws from Misamis University.

The independent directors of the Bank are **George T. Barcelon, Estela P. Bernabe, Vipul Bhagat, Franklin M. Drilon, Vicente S. Pérez, Jr., and Dioscoro I. Ramos.**

Role of the Chairperson and President

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

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

Senior Executive Officers of the Bank

The members of senior management, subject to control and supervision of the Board, collectively have direct charge of all business activities of BDO. They are responsible for the implementation of the policies set by the Board. The following is a list of BDO's key officers as of December 31, 2023, and their business experiences during the past five (5) years:

Joseph Albert Lim Gotuaco, 58, Filipino, is Senior Executive Vice President and Head of BDO's Central Operations Group. He joined the Bank on February 1, 2019. Mr. Gotuaco began his career in 1986 as a trader and risk manager for fixed income products for Chemical Bank, in New York. In 1994, he re-based to Hong Kong, where he was responsible for corporate, financial institution, and sovereign clients in the Philippines and in Southeast Asia for the investment banking arms of J.P. Morgan and then, in 2002, for Credit Suisse First Boston. In 2005, he served as a Managing Director at Merrill Lynch's Fixed Income, Currencies and Commodities (FICC) division and as a member of the firm's Asia Pacific Operating Committee. In 2009, Mr. Gotuaco moved to Singapore as a

Partner and Managing Director in an investment company of the Brunei government, where he helped manage investments and loan financing programs for Piper Aircraft, a general aviation company based in Vero Beach, Florida. Mr. Gotuaco returned to the Philippines in 2013, when he joined Bank of the Philippine Islands (BPI). From 2013 to 2016, he served as BPI's Chief Financial Officer; and from 2016 to 2018, as Head of Retail Banking. Mr. Gotuaco served on BPI's Management, Asset & Liability, and Risk Management Committees. He obtained a BS Economics degree, *summa cum laude*, from the Wharton School of the University of Pennsylvania in 1986; and an MBA from Harvard Business School in 1994.

Rolando C. Tanchanco, 60, Filipino, is Senior Executive Vice President for Consumer Banking Group. He holds a Bachelor's degree in Business Economics from the University of the Philippines. He obtained his MBM at the Asian Institute of Management. Mr. Tanchanco joined BDO to head the BDO's Consumer Lending which has since been renamed Consumer Banking to include Digital Banking and Payment Channels. Prior to his joining BDO, Mr. Tanchanco was President of Philam Savings Bank and Head of AIG Credit Card. He is currently a Director of BDO Insurance Brokers, Inc., BDO Network Bank, Inc., and Trans Union Phils.

Stella L. Cabalatungan, 59, Filipino, is Executive Vice President. She holds a Bachelor of Science degree in Marketing Management from De La Salle University. Prior to joining BDO, she was Vice President of Banco Santander Philippines, Inc., and Head of the Personal Investment Banking Group from 2000 to 2003. She was also Vice President of Citibank, N.A. from 1998 to 2000 where she spent fifteen (15) years in retail and priority banking in Singapore and the Philippines, her last assignment being the Citigold Priority Banking Head. She is presently seconded to BDO Private Bank, Inc. as Executive Vice President–Wealth Management Head.

Gerard Lee B. Co, 65, Filipino, is Executive Vice President and Deputy Group Head for Institutional Banking. He is a Director of Markham One Development Corp. He served as Director of PCI Leasing and Finance, Inc. and PCI Capital Corporation from 2002-2005 and of BDO Leasing and Finance, Inc. from 2010-2012. He graduated from the University of San Carlos with a Degree in Bachelor of Science in Commerce Major in Banking and Finance. He attended the Advanced Management Program for International Bankers at the Wharton School of the University of Pennsylvania, U.S.A. He likewise completed the Program for Executive Development at IMD in Laussane, Switzerland. He joined the Bank in October 1993 as Vice President for Visayas Division.

Lucy Co Dy, 68, Filipino, is Executive Vice President and Comptroller. She concurrently holds the position of Director of BDO Life Assurance Company, Inc.; Director of BDO Remit Limited and BDORO Europe, Ltd.; Director and Treasurer of BDO Strategic Holdings, Inc.; and Trustee and Treasurer of BDO Foundation, Inc. She holds a Bachelor's degree in Accounting from the University of Santo Tomas.

Eduardo V. Francisco, 62, Filipino, is Executive Vice President. He is President/Director of BDO Capital & Investment Corporation, the investment banking arm of BDO Unibank, Inc. and Chairman of Averon Holdings Corp. He sits on several non-profit boards such as the Development Center for Finance, CIBI Foundation, Shareholders Association of the Philippines (SharePhil), International School of Manila, UP College of Business Alumni Association, Financial Executives Institute of the Philippines (FINEX) Foundation and Valle Verde Country Club, Inc. He is also a member of Makati Business Club (MBC), and the POLO Triathlon Team. He is on the Capital Markets committees of the Bankers Association of the Philippines and Philippine Stock Exchange. He is also in the Listings committee of the Philippine Dealing and Exchange Corporation. He is the former Chairman of BDO Nomura Securities, Inc. and Chairman for the International Association of Financial Executives Institutes (IAFEI). He was the Co-Chairman of the Capital Market Development Council (CMDC) of the Philippines, Vice Chairman of the Integrity Initiative, and has been the President of the Management Association of the Philippines (MAP), Financial Executives Institute of the Philippines (FINEX), Wharton-Penn Club, Federation of Valle Verde Associations, First Valle Verde Association Inc. and BDO Securities Corporation. Mr. Francisco has worked with other financial institutions in New York and Hong Kong such as Bank of America and Barclays Bank. He holds a MBA from the Wharton School of the University of Pennsylvania and Bachelor's degree in Business Administration from the University of the Philippines. He is a recipient of Financial Management Excellence from the University of the Philippines and the Distinguished Alumnus Award from the U.P. College of Business Administration. He was honored by BizNewsAsia as one of the Nation Builders and Financial Management Excellence. He was also an Asia Leaders Awards' Mentor of the Year finalist.

Lazaro Jerome C. Guevarra, 57, Filipino, is Executive Vice President. He is the Chief of Staff for the Office of the President and concurrently the Head of the Governance Group, administratively overseeing the Legal Services & Corporate Secretary, Compliance, Internal Audit, and Information & Cyber Security Office. He also holds the following positions in the BDO Group: Chairman of BDO Remit (Canada), Ltd., BDO Remit (Japan), Ltd., BDO

Remit (USA), Inc., and BDO Insurance Brokers, Inc.; Director of BDO Strategic Holdings, Inc., BDORO Europe Ltd., Averon Holdings Corporation, SM Keppel Land, Inc., Nashville Holdings, Inc., and Dominion Holdings, Inc. (formerly BDO Leasing & Finance, Inc.); Trustee of BDO Foundation, Inc.; and Advisor to the Board of BDO Securities Corporation. He was previously the Head of Advisory, Mergers & Acquisition of BDO Capital & Investment Corporation and President of BDO Securities Corporation. He holds a Bachelor's degree in Economics from the University of the Philippines. He has more than thirty (30) years of experience in banking, mergers & acquisition.

Jesus Antonio S. Itchon, 62, Filipino, is Executive Vice President of BDO Unibank, Inc. since September 15, 2017. He is seconded to BDO Network Bank, Inc. (BDONB) and serves as President and Vice Chairman of BDONB. He has over thirty (30) years of experience in the financial services industry. Prior to joining the Bank, he was Executive Vice President of Property Company of Friends, Inc. and Williamton Financing Corporation since 2016, and Independent Director of Paymaya Phils. Inc. since 2015. Mr. Itchon also worked with Citibank N.A. Philippines as Managing Director where he held various senior leadership positions from 1986 to 2015 including Citi Country Compliance Officer, President of Citibank Savings and Country Head of Global Transaction Banking. He graduated from De La Salle University with a degree in Bachelor of Arts in Economics and from Johnson Graduate School of Management, Cornell University with a Master's Degree in Business Administration.

Jeanette S. Javellana, 64, Filipino, is Executive Vice President and Head for Commercial Banking Metro Manila. She joined the Bank in October 2001.

Maria Corazon A. Mallillin, 61, Filipino, is Executive Vice President of BDO Unibank, Inc. She is currently the Group Head of Branch Banking Group and has been with BDO Unibank for more than eighteen (18) years. She joined BDO Unibank in March 2005 as Region Head of Branch Banking. Prior to that, she was Senior Vice President for Branch Banking of both Maybank, Phils. (2002 to 2005) and Asiatrust Bank (1998 to 2002). She started her career as a Management Trainee of PCIBank in 1982 and was an Assistant Vice President when she left PCIBank in 1998. Atty. Mallillin holds a Bachelor of Arts degree in Economics and a Bachelor of Laws degree from the University of the Philippines.

Dalmacio D. Martin, 61, Filipino, is Executive Vice President of BDO Unibank, Inc. He has been with the Bank for more than ten (10) years. He

is currently the Bank's Treasurer of the Bank's Treasury Group. He holds a Bachelor's Degree in B.A Political Science from the U.C Berkeley University and a Masters in Management from the Arthur D. Little MEI.

Luis S. Reyes, Jr., 66, Filipino, is Executive Vice President for Investor Relations and Corporate Planning. He is concurrently a Director of BDO Strategic Holdings, Inc. and Chairman of Nashville Holdings, Inc. He is also a Director and Treasurer of Dominion Holdings, Inc. (formerly BDO Leasing and Finance, Inc.) and BDO Rental, Inc., and Treasurer of BDO Finance Corporation. He holds a Bachelor of Science degree in Business Economics from the University of the Philippines. He was First Vice President of Far East Bank & Trust Company, Trust Banking Group before joining BDO.

Charles M. Rodriguez, 59, Filipino, graduated with a degree of Bachelor of Science in Management Engineering at the Ateneo de Manila University. He holds a Master's Degree in Business Administration major in Finance at the University of Cincinnati, USA. Mr. Rodriguez has more than 38 years of experience in banking industry. From formerly being a Senior Vice President under IBG-Corbank of BDO Unibank, he became the Executive Vice President and Head of Wholesale Banking segment of Security Bank Corporation since 2018. He has an extensive experience in corporate and investment banking having worked at ANZ Banking Group Limited, ABN AMRO Bank, FEB Investments, Inc., and Far Eastern Bank and Trust Company.

Cecilia Luz L. Tan, 63, Filipino, currently holds the position of Executive Vice President and Senior Credit Executive under Credit Management, Office of the Chief of Staff. She was formerly the Lead Co Head of Institutional Banking Group. Prior to joining BDO, she was Director and President of BPI Capital Corp. and Director/Chairman of BPI Securities Corp. She has over 40 years experience covering the fields of credit, corporate, investment and private banking. She holds a degree in Bachelor of Science in Business Management from Ateneo de Manila University and post graduate in Advanced Management Program from Harvard Business School.

Evelyn L. Villanueva, 65, Filipino, is Executive Vice President of BDO's Risk Management Group, and is BDO's Chief Risk Officer. She holds a Bachelor degree in Statistics from the University of the Philippines. She obtained her Master in Business Management (MBM) degree from the Asian Institute of Management. She has over forty (40) years of banking experience in corporate banking and enterprise-wide risk management covering credit, market, liquidity, interest rate, operational risk management,

information security, and data privacy. She started out as a management trainee in Citytrust Banking Corporation and was connected with HSBC as Senior Vice President for Credit Risk Management before joining BDO.

Albert S. Yeo, 64, Filipino, is an Executive Vice President at BDO Unibank, Inc. since January 3, 2017. Mr. Yeo, prior to joining the Bank, had been with Merrill Lynch & Co. for 17 years, last as a Senior Financial Advisor at their Manhattan Beach Office in Los Angeles, California. He was also connected with UBS Securities and Prudential Securities, Inc. (now Wells Fargo Advisors) in various capacities in the financial services industry. Prior to that, he was connected with IBJ Schroder Bank and Trust (now Mizuho Bank) in their Capital Markets Group in New York City for 5 years. Before his MBA, he spent 2 years at Rizal Commercial Banking Corporation as a Corporate Banking officer at their Binondo area headquarters. Mr. Yeo earned his MBA in Finance from the Wharton School at the University of Pennsylvania. He finished his undergraduate degree at the Ateneo de Manila University, BS Management Engineering with Magna Cum Laude distinction and was the Departmental Awardee of his class.

Rafael G. Ayuste, Jr., 60, Filipino, is Senior Vice President of BDO Unibank, Inc. He has been with BDO Unibank for more than seven (7) years. He is currently the Trust Officer and Head of BDO Trust and Investments Group and was the Trust Officer and Head of Wealth Advisory and Trust Group of BDO Private Bank, Inc. He has more than thirty-eight (38) years banking experience, with twenty-nine (29) years in trust banking. He holds a Bachelor's Degree in Business Administration from University of Sto. Tomas, a Master's Degree in Business Administration (Nominee) from De La Salle University and an Executive Master's Degree (Nominee) in Business Economics from University of Asia and the Pacific.

Geneva T. Gloria, 59, Filipino, holds the position of Senior Vice President & Head of Remittance-Transaction Banking Group at BDO Unibank, Inc. She was elected as a Director of BDO Network Bank, Inc. on January 4, 2020. She also assumes directorships in the following subsidiaries: Dominion Holdings, Inc., BDO Remit International Holdings B.V., BDO Remit (UK) Ltd., BDO Remit (Canada) Ltd., BDO Remit (Japan) Ltd., BDO Remit Limited, BDO Remit (USA), Inc., and BDO Remit (Macau) Limited. Ms. Gloria's banking career spans more than three decades, with 25 years of experience in the remittance business. Her expertise encompasses business development, operations, project management, marketing, as well as both local and foreign remittance. She gained a deep understanding of the overseas Filipino market during her five-year tenure as an expatriate, where she operated remittance subsidiaries. Under Ms. Gloria's

leadership, BDO Unibank, Inc. consistently received the BSP's "Commercial Bank that Generated the Largest Overseas Filipino Remittances" Award from 2008-2010 and 2013-2019. She also supported various government projects for the overseas Filipinos. In 2014, Ms. Gloria and her team launched a grassroots marketing campaign across the country, alongside financial literacy programs for clients overseas. The on-ground activities and digital outreach strengthened the bank's commitment to financial inclusion. Ms. Gloria received her Bachelor of Science degree in Business Administration from the University of the Philippines.

Frederic Mark S. Gomez, 61, Filipino, is Senior Vice President of BDO Unibank, Inc. He joined the Bank on November 15, 2017 and was appointed as Head of Information Technology Group and Member of the IT Steering Committee, effective March 1, 2018. Prior to joining the Bank, Mr. Gomez was Vice President and Chief Information/Technology Officer for Information Technology, Asia Pacific of S&P Global, Inc. (Singapore & Tokyo, Japan) from January 2011 to January 2017. He held various global head positions at Standard & Poor's (New York, USA) since 1996 before becoming its Vice President and Global IT Head for Sales and Marketing Systems in February 2008 up to January 2011. He graduated from the University of Santo Tomas with a degree in Bachelor of Science in Business Administration.

John Emmanuel M. Lizares, 60, Filipino, is Senior Vice President of BDO Unibank, Inc. He is currently the President of BDO Finance Corporation. He was previously the Unit Head of Metro Manila East C under Commercial Banking of Institutional Banking Group. He has been with the Bank for twenty-two (22) years. Mr. Lizares earned his degree in Bachelor of Science in Business Economics from the University of the Philippines, Diliman in 1985.

Carlo B. Nazareno, 51, Filipino, is Senior Vice President for Transaction Banking Group. He has more than twenty-five (25) years of experience in the banking industry. He worked with HSBC Bank, Plc (London) from March 2013 until June 2020, occupying various positions, from Regional Head of Product Management, Europe, Payments and Cash Management; Global Standards Lead of Payment Services; and Global Lead of GLCM Strategic Business Initiatives until he became the Global Liquidity Cash Management COO. Prior to joining HSBC, Mr. Nazareno worked with Bank of America Merrill Lynch N.A. (London) from 2011 to 2013 as Director of Global Treasury Services, Global Head of Managed Treasury and Liquidity Services of Global Treasury Services, and Director and Programme Lead of EMEA Global Banking Systems Transformation. He was also previously

connected with JP Morgan Chase Bank, N.A. (London), Citibank, NA. (London), Citibank, N.A. (Philippines) and Andersen Consulting. Mr. Nazareno obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University, and Master's Degree in Business Management from the Asian Institute of Management.

Estrellita V. Ong, 67, Filipino, joined BDO in 2012 as Senior Vice President for the Internal Audit Division heading Branches Audit. In April 2013, the Board approved and confirmed her designation as the Unibank Group's Chief Internal Auditor (CIA). She was formerly connected with Security Bank Corporation retiring as its CIA. Prior to being a CIA, she had held position in Security Bank as Assistant Controller and Executive Assistant to the Chairman handling the Centro Escolar University Finance portfolio. She was also formerly a Director of the 6776 Ayala Condo Corp. and Corporate Secretary of the Eastman Enterprises Corp. Prior to joining the bank mainstream, she had held Controllership position in Evergreen Shipping Corp.'s General Agent's office and Pioneer Intercontinental Insurance. She had varied experience also in manufacturing being General Manager and Treasurer of several Import/Export businesses subcontracting for branded US luggage and apparels. She is a Certified Public Accountant graduating from the University of the East – Recto with a Bachelor of Science degree in Business Administration.

Evelyn C. Salagubang, 60, Filipino, is Senior Vice President. She assumed the position of Group Head for Human Resources (HR) of the Bank in July 2011. She was formerly the Head of Human Resources of American Express Savings Bank, with oversight HR role over the American Express International, Inc., and American Express Bank Philippines. Prior to joining BDO, she was the HR Manager for Kraft Foods Philippines, Inc. She holds a degree in Psychology from Assumption College and completed a Diploma Program in Human Resource Management from the same institution.

Maria Theresa L. Tan, 54, Filipino, is Senior Vice President of BDO, and President of BDO Insurance Brokers, Inc. (BDOI). She has had more than two (2) decades of experience in sales, marketing/product management, and general management in the consumer, services, insurance and reinsurance industries. She graduated from the Ateneo de Manila University with a degree in Business Management, Minor in Marketing. Prior to joining BDO, she was the General Manager of International SOS, Philippines, Inc. She joined the Bank in July 2009.

Federico P. Tancongco, 62, Filipino, is Senior Vice President. He joined BDO Unibank in October 2005 and was then seconded to BDO Private

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

Renato A. Vergel de Dios, 70, Filipino, is the President & CEO of BDO Life Assurance Company, Inc. (BDO Life) and a Director of BDO Life Board since October 2009. He also serves as a Director and Treasurer of the Philippine Life Insurance Association, and a member of the Board of Trustees of the Insurance Institute for Asia and the Pacific. Mr. Vergel de Dios has been in the life insurance business for nearly fifty (50) years. Prior to joining BDO Life, he served as CEO for Manulife Philippines Inc. and was Executive Vice President, Sales and Operations, for the Philippine American Life Insurance Company, Inc. He holds a Bachelor's Degree in Mathematics from Ateneo de Manila University and an MS Management (Sloan) degree from Stanford Graduate School of Business. He completed the requirements for Associateship of the US Society of Actuaries and is a Fellow of the Life Office Management Association (USA).

Senior Credit Executives

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

Julie Y. Chua, 72, Filipino, is a Senior Credit Executive of BDO Unibank, Inc. She was appointed on January 1, 2022. She was an Executive Vice President since 2008. She holds a Bachelor's degree in Commerce, major in Banking and Finance, Cum Laude, from the University of Santo Tomas. She has more than thirty-five (35) years of experience in branch banking and lending business. Previous to her assignment, she was connected with BPI, Far East Bank & Trust Company and Producers Bank.

Nilo L. Pacheco, **Jr.**, 68, Filipino, is a Senior Credit Executive of BDO Unibank, Inc. He was appointed on February 3, 2020. He had forty-nine (49) years of work experience in the area of finance that included forty-two (42)

years in the banking industry. Prior to joining BDO Unibank, Mr. Pacheco was with Sterling Bank of Asia since 2010 where he was a member of the Board of Directors, and Chairman of its Trust, Corporate Governance, and Risk Management Committees, and previously member also of its Executive, Bids and Awards, and Information Technology Committees. He was also concurrently with the De La Salle Group from 2011-2019 as Vice President for Finance of both De La Salle College of St. Benilde and De La Salle University, and held senior positions in De La Salle Philippines, La Salle Antipolo, Catholic Educational Association of the Philippines, and a member of the Board of Directors of First Metro Asset Management Company and Maybank ATR Kim Eng Securities Inc. Prior to 2011, he held senior positions in Union Bank of the Philippines, United Coconut Planters Bank, International Exchange Bank, and Export and Industry Bank. Mr. Pacheco obtained his Bachelor of Arts degree in Mathematics, *magna cum laude*, from De La Salle University, took Masters units in Business Administration from the University of the Philippines, and finished the Advanced Management Program of Harvard Business School in Boston, Massachusetts, U.S.A.

Mario B. Palou, 70, Filipino, is Senior Credit Executive of BDO Unibank, Inc. since March 1, 2018. He has more than thirty-five (35) years' experience in the financial industry. He was Executive Vice President and Head of Middle Market Group of the Development Bank of the Philippines since February 2014. He also worked with Bank of the Philippine Islands as Senior Vice President (SVP) and Co-Division Head of Corporate Banking Group (CBG) for Top Corporate Companies from 2000 to 2003 and as SVP and Head of CBG from 2006 to 2013. He was an SVP and Department Head of Commercial Loans of BPI Family Savings Bank from 2003-2006. Prior to that, he was with Far East Bank and Trust Company, and FEB Investments, Inc. Mr. Palou graduated from San Beda College with a degree in Bachelor of Arts in Economics.

Edmundo S. Soriano, 68, Filipino, is Senior Credit Executive and is a Member of BDO Unibank's Executive Committee and Management Credit Committee. For the period of July 2017 to December 2018, he was EVP and Deputy Head, Institutional Banking Group at BDO Unibank, with direct responsibility for International Desks, Financial Institutions and Global Operations as well as a member of BDO's Management Credit Committee. Previous to this, he was Executive Vice President and Group Head for Corporate Banking from July 2004 to June 2017. Before joining BDO, Mr. Soriano was a Vice President at JP Morgan Chase where he was a member of the Senior Management Teams of Hong Kong and China Branches. His

last assignment in Hong Kong exposed him to Asia-Pacific regional responsibilities doing Corporate Investment Banking. Prior to this, he was an Assistant Vice President at First Chicago Leasing and Equipment Credit Corp., an affiliate of First National Bank of Chicago. He holds a Bachelor's degree in Economics (Honors) from Ateneo de Manila University and an MBA (with Distinction) from Adelphi University, New York, U.S.A. where he was a Rotary Foundation International Fellow. He attended continuing education programs at INSEAD, University of California at Berkeley and American Institute of Banking. In 2014, Mr. Soriano was President of the Financial Executives Institute of the Philippines (FINEX). For 2015, he was Chairman of FINEX Research and Development Foundation, Inc.

Cecilia Luz L. Tan, 63, Filipino, currently holds the position of Executive Vice President and Senior Credit Executive under Credit Management, Office of the Chief of Staff. She was formerly the Lead Co Head of Institutional Banking Group. Prior to joining BDO, she was Director and President of BPI Capital Corp. and Director/Chairman of BPI Securities Corp. She has over 40 years experience covering the fields of credit, corporate, investment and private banking. She holds a degree in Bachelor of Science in Business Management from Ateneo de Manila University and post graduate in Advanced Management Program from Harvard Business School.

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

Board and Senior Management Performance

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

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

It also conducts the Director peer evaluation survey intended to encourage improved performance and effectiveness of directors by identifying areas that need improvement. Each director is requested to rate their colleagues on the Board using the prescribed rating scale and questions. The assessment criteria used include among others the director's understanding of the strategy and vision, organizational structure and culture, business and regulatory environments, responsibilities as Director, accountability for his/her boardroom actions, contribution to board discussions, independent thinking, strategic insights and direction, active participation in committee meetings, time and commitment to board and committee duties, and finally, his/her overall contribution to the functioning of the Board.

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

2) Significant Employees

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

3) Family Relationships

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

4) Involvement of directors/executive officers in legal proceedings

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

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

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

Item 10. Executive Compensation

Disclosure and Transparency

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

A. Executive Compensation Policy

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

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

in million pesos	Year	Annual Compensation	Other Annual Compensation
President and four (4) most highly compensated executive officers	2024 (estimate)	197.95	none
	2023	194.07	none
	2022	201.22	none
Year	**Name**		**Position/Title**

in million pesos	Year	Annual Compensation	Other Annual Compensation
2023	Nestor V. Tan		President
	Jaime C. Yu		SEVP
	Rolando C. Tanchanco		SEVP
	Joseph A. Gotuaco		SEVP
	Lucy Co Dy		EVP
2022	Nestor V. Tan		President
	Walter C. Wassmer*		SEVP
	Jaime C. Yu		SEVP
	Rolando C. Tanchanco		SEVP
	Joseph A. Gotuaco		SEVP

**Retired effective April 21, 2022.*

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

2) Compensation of Directors and Officers as a Group

in million pesos	Year	Salary Bonuses	Other Annual Compensation
Aggregate Officers (from senior vice presidents) & Directors	2024 (estimate)	1041.10	none
	2023	1010.78	none
	2022	953.78	none

B. Directors' Fees

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

Each director receives a per diem allowance of ₱12,000 net per meeting for attending board and committee meetings. There is no distinction on the fee for a committee chairman and member. The above table contains the details of the compensation of directors and officers of BDO. In view of possible security risks, BDO opted to disclose these on an aggregate basis as a group. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments.

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

Each member of the Board of Directors received the following as Directors for the year 2023:

Name of Director	Amount
Barcelon, George T.	₱ 6,246,666.66
Bernabe, Estela M.	6,346,666.67
Bhagat, Vipul	6,362,000.00
Castro, Jones M. Jr.	6,555,555.55
Drilon, Franklin M.	1,026,666.67
Jacinto, Jesus A. Jr	1,123,333.32
Perez, Vicente S. Jr.	6,284,444.45
Ramos, Dioscoro I.	6,571,111.12
Sy, Teresita T.	11,786,666.65
Tan, Josefina N.	6,062,222.22
Tan, Nestor V.	2,999,333.32
Wassmer, Walter C.	6,355,555.53
Total	₱ 67,720,222.16

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

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

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

1. George T. Barcelon - Chairman (Independent Director)
2. Dioscoro I. Ramos - Member (Lead Independent Director)
3. Teresita T. Sy - Member (Non-Executive Director)

Below is the attendance of the members for the Committee meetings held as of December 2023:

	Meetings Attended	Total No. of Meetings	Percentage
George T. Barcelon	2	2	100%
Dioscoro I. Ramos	2	2	100%
Teresita T. Sy	2	2	100%

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

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

1) Security Ownership of Certain Record/Beneficial Owners

As of December 31, 2023, the following are known to BDO to be directly or indirectly the record and/or beneficial owners of more than 5% of BDO's voting securities:

Title of Class	Name, address of record owner and relationship with BDO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	SM Investments Corp. (SMIC) 10th Floor One E-Com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City/ Parent Company	Sy Family (Substantial Stockholders)	Filipino	2,144,616,778 *	40.71%
Common	PCD Nominee Corp.				

Title of Class	Name, address of record owner and relationship with BDO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
	29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/Various stockholders	Various stockholders	Foreign	1,480,657,953	28.10%
Common	PCD Nominee Corp. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/ Various stockholders	Various stockholders	Filipino	765,429,031 **	14.53%
Common	Multi-Realty Development Corporation (MRDC) 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	SM Investments Corp. (Subsidiary)	Filipino	349,815,643 *	6.64%
Common	Sybase Equity Investments Corporation (SEIC) 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	282,712,350 *	5.37%
TOTAL (COMMON)				5,023,231,755	95.35%

* Inclusive of PCD-lodged shares of SMIC, MRDC, and SEIC

** Exclusive of PCD-lodged shares of SMIC, MRDC and SEIC

Preferred	Sybase Equity Investments Corporation 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	469,680,000	76.00%
Preferred	SM Investments Corp. 10th Floor One E-Com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City/ Parent Company	Sy Family (Substantial Stockholders)	Filipino	148,320,000	24.00%
TOTAL (PREFERRED)				618,000,000	100.00%

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

Member	Name and Address	No. of Shares	Percent of Shareholdings
SCBK Clients' Account	Standard Chartered Bank 20th Floor, Ayala Triangle Gardens Tower Two, Paseo de Roxas corner Makati Avenue, Makati City	528,852,539	10.04%
BDO Securities Corporation Clients' Accounts	BDO Securities Corporation 33rd Floor BDO Towers Valero 8741 Paseo de Roxas, Salcedo Village, Makati City 1226	407,295,135	7.73%
HSBC Clients' Account	The Hong Kong and Shanghai Banking Corporation HSBC Securities Services 12th Floor, The Enterprise Center Tower 1, 6766 Ayala Avenue corner Paseo de Roxas, Makati City 1200	337,338,536	6.40%
	TOTAL	1,273,486,210	24.17%

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

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

2) Security Ownership of Management

As of December 31, 2023, the total number of shares owned by the directors and Management of the registrant as a group unnamed is 44,235,323 common shares, which is equivalent to 0.8396% of the total outstanding common capital stock of the registrant. The Bank's directors and officers own the following common shares of the Bank:

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning as of January 1, 2023/ effectivity date of election/ appointment)	No. of Shares as of December 31, 2023	Percent of Class
Common	Teresita T. Sy	619,614 - D 20,619 - I	Chairperson	Filipino	640,233	640,233	0.0122%
Common	George T. Barcelon	D	Independent Director	Filipino	241,201	341,201	0.0065%
Common	Estela P. Bernabe	D	Independent Director	Filipino	1	10,001	0.0002%
Common	Vipul Bhagat	D	Independent Director	American	1	1	0.0000%
Common	Jones M. Castro, Jr.	D	Non-Executive Director	Filipino & American	14,401	38,151	0.0007%
Common	Franklin M. Drilon	D	Independent Director	Filipino	1	1	0.0000%
Common	Vicente S. Pérez, Jr.	D	Independent Director	Filipino	36,000	36,000	0.0007%
Common	Dioscoro I. Ramos	D	Lead Independent Director	Filipino	244,560	277,880	0.0053%
Common	Josefina N. Tan	D	Non-Executive Director	Filipino	1,063,605	1,063,605	0.0202%
Common	Nestor V. Tan	23,576,092 – D 246,700 - I	President, CEO & Executive Director	Filipino	18,738,130	23,822,792	0.4522%
Common	Walter C. Wassmer	D	Non-Executive Director	Filipino	1,580,338	1,580,338	0.0300%
Common	Joseph Albert L. Gotuaco	D	SEVP	Filipino	564,000	564,000	0.0107%
Common	Rolando C. Tanchanco	D	SEVP	Filipino	505,455	600,879	0.0114%
Common	Stella L. Cabalatungan	D	EVP	Filipino	392,694	381,704	0.0072%
Common	Gerard Lee B. Co	D	EVP	Filipino	505,952	516,962	0.0098%
Common	Lucy C. Dy	1,154,274 – D 12,000 - I	EVP & Comptroller	Filipino	1,057,830	1,166,274	0.0221%
Common	Eduardo V. Francisco	D	EVP	Filipino	1,105,711	1,188,375	0.0226%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning as of January 1, 2023/ effectivity date of election/ appointment)	No. of Shares as of December 31, 2023	Percent of Class
Common	Lazaro Jerome C. Guevarra	D	EVP	Filipino	108,399	119,409	0.0023%
Common	Jesus Antonio S. Itchon	D	EVP	Filipino	7,200	7,200	0.0001%
Common	Jeanette S. Javellana	D	EVP	Filipino	399,847	410,857	0.0078%
Common	Maria Corazon A. Mallillin	D	EVP	Filipino	186,452	197,462	0.0037%
Common	Dalmacio D. Martin	D	EVP & Treasurer	Filipino	218,088	229,098	0.0043%
Common	Luis S. Reyes, Jr.	D	EVP	Filipino	920,360	1,028,804	0.0195%
Common	Charles M. Rodriguez	D	EVP	Filipino	0	0	0.0000%
Common	Cecilia Luz L. Tan	D	EVP	Filipino	28,798	39,808	0.0008%
Common	Evelyn L. Villanueva	D	EVP & Chief Risk Officer	Filipino	856,928	1,255,900	0.0238%
Common	Albert S. Yeo	D	EVP	Filipino	1,200	1,200	0.0000%
Common	Jose Virgilio O. Alvarez	D	SVP	Filipino	64,461	64,461	0.0012%
Common	Noel L. Andrada	D	SVP	Filipino	244,920	268,104	0.0051%
Common	Maria Carina S. Antonio	D	SVP	Filipino	187,638	198,648	0.0038%
Common	Rafael G. Ayuste, Jr.	D	SVP & Trust Officer	Filipino	2,574	13,584	0.0003%
Common	Ferdinand C. Bacungan	D	SVP	Filipino	56,160	63,870	0.0012%
Common	Melanie S. Belen	D	SVP	Filipino	316,498	327,508	0.0062%
Common	Marita E. Bueno	D	SVP	Filipino	0	0	0.0000%
Common	Edmund S. Chan	D	SVP	Filipino	35,701	62,011	0.0012%
Common	Ruby A. Chua	D	SVP	Filipino	78,164	75,874	0.0014%
Common	Romeo Ramon Martin R. Co, Jr.	D	SVP	Filipino	5,742	16,752	0.0003%
Common	Ramon S. David	D	SVP	Filipino	140,083	161,093	0.0031%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning as of January 1, 2023/ effectivity date of election/ appointment)	No. of Shares as of December 31, 2023	Percent of Class
Common	Montiel H. Delos Santos	D	SVP	Filipino	1,134	12,144	0.0002%
Common	Ramon Vicente Del Villar De Vera II	D	SVP	Filipino	0	0	0.0000%
Common	Gwyneth M. Entao	D	SVP	Filipino	114,386	87,396	0.0017%
Common	Belinda C. Fernandez	D	SVP	Filipino	99,405	99,405	0.0019%
Common	Andre M. Flores	D	SVP	Filipino	4,800	4,800	0.0001%
Common	Gina Marie C. Galita	D	SVP	Filipino	1,080	1,080	0.0000%
Common	Cheryll B. Gaviño	D	SVP	Filipino	91,562	99,272	0.0019%
Common	Geneva T. Gloria	D	SVP	Filipino	124,762	162,346	0.0031%
Common	Alvin C. Go	D	SVP & Assistant Corporate Secretary	Filipino	291,534	346,544	0.0066%
Common	Jonathan Cua Bian T. Go II	D	SVP	Filipino	18,606	26,316	0.0005%
Common	Marilyn K. Go	D	SVP & Deputy Treasurer	Filipino	99,534	110,544	0.0021%
Common	Frederic Mark S. Gomez	D	SVP	Filipino	18,000	18,000	0.0003%
Common	Maria Lourdes Donata C. Gonzales	D	SVP	Filipino	0	0	0.0000%
Common	Richard Emil R. Grau	D	SVP	Filipino	12,174	23,184	0.0004%
Common	Enrico R. Hernandez	D	SVP	Filipino	382,971	374,981	0.0071%
Common	Charles Bryan S. Ho	D	SVP	Filipino	24,684	24,684	0.0005%
Common	Ernesto L. Ladrido IV	D	SVP	Filipino	50,490	50,490	0.0010%
Common	Geraldine C. Liggayu	D	SVP	Filipino	139,083	146,793	0.0028%
Common	Gabriel U. Lim	D	SVP	Filipino	269,176	280,186	0.0053%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning as of January 1, 2023/ effectivity date of election/ appointment)	No. of Shares as of December 31, 2023	Percent of Class
Common	John Emmanuel M. Lizares	D	SVP	Filipino	86,245	93,955	0.0018%
Common	Juan Sabino P. Lizares	D	SVP	Filipino	295,176	306,186	0.0058%
Common	Joseph Rhoderick B. Lledo	D	SVP	Filipino	132,862	198,952	0.0038%
Common	Michael Christopher B. Lualhati	D	SVP	Filipino	0	0	0.000%
Common	Rhodora M. Lugay	D	SVP	Filipino	24,000	24,000	0.0005%
Common	Jose Paolo Enrique A. Magpale	D	SVP	Filipino	30,720	5,730	0.0001%
Common	Roy Allan V. Magturo	D	SVP	Filipino	172,460	183,470	0.0035%
Common	Manuel Patricio C. Malabanan	D	SVP	Filipino	26,574	95,584	0.00018%
Common	Angelita C. Manulat	D	SVP	Filipino	210,667	221,677	0.0042%
Common	Edgardo R. Marcelo, Jr.	D	SVP	Filipino	67,923	75,633	0.0014%
Common	Elena D. Mariano	D	SVP	Filipino	39,846	45,216	0.0009%
Common	Tomas Victor A. Mendoza	D	SVP	Filipino	80,526	91,536	0.0017%
Common	Aurea Imelda S. Montejo	D	SVP	Filipino	277,960	288,970	0.0055%
Common	Francis Jay F. Nacino	D	SVP	Filipino	0	7,710	0.0001%
Common	Jaime M. Nasol	D	SVP	Filipino	100,734	81,744	0.0016%
Common	Carlo B. Nazareno	D	SVP	Filipino	0	0	0.0000%
Common	Cristina G. Ngo	D	SVP	Filipino	229,195	240,205	0.0046%
Common	Frederico Rafael D. Ocampo	D	SVP	Filipino	26,574	37,584	0.0007%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning as of January 1, 2023/ effectivity date of election/ appointment)	No. of Shares as of December 31, 2023	Percent of Class
Common	Estrellita V. Ong	D	SVP & Chief Internal Auditor	Filipino	0	0	0.0000%
Common	Sophia O. Ong	D	SVP	Filipino	78,360	78,360	0.0015%
Common	Jose Alfredo G. Pascual	D	SVP	Filipino	150,660	156,030	0.0030%
Common	Cyrus M. Polloso	D	SVP	Filipino	43,500	50,210	0.0010%
Common	Jose Eduardo A. Quimpo II	D	SVP	Filipino	12,954	20,664	0.0004%
Common	Alberto O. Quioge	D	SVP	Filipino	780	8,490	0.0002%
Common	Rogel A. Raya	D	SVP	Filipino	229,414	240,424	0.0046%
Common	Maria Nannette R. Regala	D	SVP	Filipino	431,006	457,580	0.0087%
Common	Gerardo Clemente C. Rivera	D	SVP	Filipino	0	0	0.0000%
Common	Susan Audrey P. Rivera	D	SVP	Filipino	17,400	18,410	0.0003%
Common	Steven A. Rosen	D	SVP	Filipino	0	0	0.000%
Common	Evelyn C. Salagubang	D	SVP	Filipino	223,678	223,678	0.0042%
Common	Roberto Ramon L. Santos	D	SVP	Filipino	0	0	0.0000%
Common	Paul John Siy	D	SVP	Filipino	0	0	0.0000%
Common	Noel B. Sugay	D	SVP	Filipino	146,488	153,098	0.0029%
Common	Lorelei Lorraine L. Sy	D	SVP	Filipino	38,880	65,000	0.0012%
Common	Sui Gui W. Sy	D	SVP	Filipino	111,691	62,701	0.0012%
Common	Edwin R. Tajanlangit	D	SVP	Filipino	58	68	0.0000%
Common	Christopher Raymund P. Tan	D	SVP	Filipino	0	0	0.0000%
Common	Maria Theresa L. Tan	D	SVP	Filipino	110,755	110,755	0.0021%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning as of January 1, 2023/ effectivity date of election/ appointment)	No. of Shares as of December 31, 2023	Percent of Class
Common	Federico P. Tancongco	D	SVP & Chief Compliance Officer	Filipino	0	0	0.0000%
Common	Reynaldo A. Tanjangco, Jr.	D	SVP	Filipino	140,336	151,346	0.0029%
Common	Dante R. Tinga, Jr.	D	SVP	Filipino	0	11,010	0.0002%
Common	Maria Dolores C. Uyliapco	D	SVP	Filipino	218,794	218,794	0.0042%
Common	Sharon Mae S. Vicente	D	SVP	Filipino	63,482	33,592	0.0006%
Common	Carol P. Warner	D	SVP	Filipino	0	0	0.0000%
Common	Julie Y. Chua	D	Senior Credit Executive	Filipino	904,507	928,377	0.0176%
Common	Nilo L. Pacheco, Jr.	D	Senior Credit Executive	Filipino	0	0	0.0000%
Common	Mario B. Palou	D	Senior Credit Executive	Filipino	0	0	0.0000%
Common	Edmundo S. Soriano	D	Senior Credit Executive	Filipino	448,560	464,805	0.0088%
Common	Edmundo L. Tan	D	Corporate Secretary	Filipino	121,574	121,574	0.0023%
Common	Sabino E. Acut, Jr.	D	Asst. Corporate Secretary	Filipino	24,000	24,000	0.0005%
	TOTAL				37,611,046	44,235,323	0.8396%

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

calendar days after the close of each calendar month, if there has been any change in such ownership during the month, to the Securities and Exchange Commission.

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

Item 12. Certain Relationships and Related Transactions

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

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

The Related Party Transactions Committee is chaired by Mr. Dioscoro I. Ramos (Lead Independent Director). Its members are Messrs. Vipul Bhagat (Independent Director) and Jones M. Castro, Jr. (Non-Executive Director).

Below is the attendance of the members for the Committee meetings held as of December 2023:

	No. of Meetings Attended	Total No. of Meetings	Percentage
Dioscoro I. Ramos	12	12	100.00%
Vipul Bhagat	9	12	75.00%
Jones M. Castro, Jr.	12	12	100.00%

BSP regulations provide that loans to each of BDO's DOSRI (70% of which must be secured) shall not exceed the amount of their respective unencumbered deposits and book value of their paid-in capital in BDO. Total outstanding loans to all DOSRIs should not exceed 15% of BDO's total loan portfolio or 100% of its net worth, whichever is lower.

As for BDO's subsidiaries and affiliates which are not related interests of BDO's Directors, Officers, and Stockholders, the BSP has set their respective outstanding loan limit to not more than 10% of the bank's net worth, with unsecured loans not exceeding 5% of the Bank's net worth. Total outstanding loans to all subsidiaries and affiliates are capped at 20% of BDO's net worth.

For the period ended December 31, 2023, there were no material self-dealings or related party transactions by any related party, including directors, which require disclosure to the SEC.

Please refer to Notes 2.14 and 27 of the Notes to Financial Statements. Said Financial Statements are attached to this Information Statement as **Annex "A"**.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

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

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

BDO complies with the SEC Code of Corporate Governance for Publicly-Listed Companies and with the Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions. It follows relevant international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organisation for Economic Co-operation and Development (**OECD**) and the ASEAN Corporate Governance Scorecard (**ACGS**) which serve as essential points of reference. Please refer to BDO's ACGS Self-Assessment Report published in our corporate website at www.bdo.com.ph/about-bdo/corporate-governance/governance-standards.

This report describes the highlights of our corporate governance practices throughout the financial year ended December 31, 2023.

a. Composition of the Board – The Board is composed of eleven (11) members and aided by five (5) advisors. The present members of the Board have extensive experiences in banking, credit management, investment management, accounting and finance, insurance, legal management, business management, strategy formulation, bank regulations including anti-money laundering, information technology, sustainability, and risk management. It is led by a Non-Executive Chairperson with six (6) Independent Directors, three (3) Non-Executive Directors, and one (1) Executive Director who is the President & CEO.

   The present composition of the Board exceeds the minimum regulatory standards which require that independent and non-executive directors account for the majority. Independent and Non-Executive Directors of the Bank comprise 91% (10 of 11) of the Board. With six (6) of 11 Board seats occupied by independent directors, the Bank goes beyond the 1/3 minimum

requirement of the *Bangko Sentral ng Pilipinas* and the *Securities and Exchange Commission*.

The Board advisors are considered as integral parts of the Board whose views are considered by the Board. Their opinions and recommendations are taken into consideration by the Board members. The presence of a female Board advisor provides an independent view of the Bank and complements the three (3) female non-executive directors in the Board, one of whom is an independent director.

b. Composition of the Board-level Committees – Independent directors chair eight (8) of nine (9) board-level committees, namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. This provides independent and objective judgment on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.

c. Audited financial statements for calendar year 2023 were disclosed to the public on February 26, 2024, 57 days from year end, following the best practice recommendation of the ASEAN Corporate Governance Scorecard of within 60 days from year-end. This practice has been consistently done for the past ten (10) years.

d. Annual Board performance self-assessment – A yearly self-assessment is conducted focusing on the performance of the Board, directors, Committees and senior management, through the Corporate Governance Committee. The assessment is facilitated by an external firm annually more than the regulatory requirement of every three (3) years. The performance evaluation process begins with sending out customized Board Evaluation Questionnaires to each director and advisor who are required to complete them and explain the rationale of their response. The evaluation questionnaires covered relevant areas such as Board responsibilities, Board composition, Board Committees, Board conduct, Board interaction and communication, Chief Executive Officer (CEO), Board administration and process, Directors training, Strategic Board meeting session, Board oversight of risks, and Director's self and peer evaluation. The results are independently tabulated and assessed by the external facilitator.

e. The Bank engaged Isla Lipana & Co./PwC Philippines (PwC) anew as external facilitator for the Bank's 2022 Board Effectiveness Evaluation (BEE). The results of the director and board advisor assessment/responses show that the Board has healthy and positive dynamics, indicating that the

Board works well as a group. The Board is also diverse in terms of expertise, experience and perspectives especially with the addition of a new independent director, which is key for a well-governed bank. The results further indicate strong oversight and engagement by the Board with senior management. The Chairperson, Vice-Chairperson, Lead Independent Director, and the President and CEO also demonstrated strong leadership in their respective roles. The Board-level Committees, on the other hand, generally exhibited high level of engagement with and oversight of senior management. Evaluation results also demonstrate strong leadership by the Board-level Committee chairpersons. The inclusion of global trends in banking technology and generative artificial intelligence as topics for the annual corporate governance training held on August 2, 2023 addressed the recommendation of PwC to consider continuous training programs that address emerging trends in disruptive technology/digitalization and cybersecurity threats.

In 2023, the Corporate Governance Committee endorsed to the Board the continuous engagement of the services of PwC as external facilitator for its yearly self-assessment. To the Committee, engaging an independent party every year, rather than every three years as recommended by the Securities and Exchange Commission, provides more governance inputs to the Board and allows comparability and continuity. The Bank reappointed PwC as external facilitator for the 2023 Board Effectiveness Evaluation (**BEE**). PwC will facilitate a peer and self-evaluation process on the Board, Board-level Committees and individual directors, with additional insights from selected senior management officers.

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

Rights and Equitable Treatment of Stakeholders

Shareholders

The Bank respects the inherent rights of various shareholders and recognizes their roles in accordance with law. To this end, it has put in place various governance practices, policies and programs for the protection of shareholders' rights and the promotion for exercising those rights in accordance with OECD principles, such as the right to buy, sell or transfer securities held, the right to receive dividend, the right to vote for the appointment of the external auditor, the right to participate in decision-making for corporate matters, the right to propose agenda item in the shareholders' meeting and the right to attend the shareholders' meeting.

Annual Stockholders' Meeting

As a matter of policy, all stockholders (retail and institutional) on record are encouraged to attend the annual stockholders' meeting, personally, by proxy, or by remote communication, to ensure their participation and active involvement in the affairs of the Bank. Shareholders are given equal opportunities to raise questions, make suggestions and recommendations pertaining to the operations of the Bank. They can vote by remote communication or in absentia, or assign proxies to vote for them if they cannot attend the stockholders' meeting. For the convenience of shareholders to exercise their right to attend the stockholders' meeting, the venue, date, time and agenda of the annual meeting, explanation of each agenda item requiring shareholders' approval, and method of tabulating votes are announced in advance. In 2023, the Notice of Annual Stockholders' Meeting, which contains details and rationale for each agenda item, was released through the Definitive Information Statement on March 22, 2023, or 28 days prior to the date of the Meeting.

The Annual Stockholders' Meeting was held on April 19, 2023 and was attended by the Board Chairperson, President & Chief Executive Officer, and all Directors. During the Annual Stockholders' Meeting, the President reported to the stockholders the financial performance of the Bank for the previous calendar year. The shareholders were allowed to cast their votes on each nominee director and on each agenda item presented to them for approval. They were also given the opportunity to ask questions, express opinions and make suggestions on various issues. Please see the minutes of the 2023 Annual Stockholders' Meeting for detailed Questions and Answers, the voting results showing the Votes in Favor,

Votes Against, and Abstentions cast by the shareholders on each agenda item in www.bdo.com.ph/about-bdo/company-disclosures/annual-stockholders-meeting.

Dividends

The declaration of dividends entails prior approval of the Bank's Board of Directors on the amount, record, and payments dates as recommended by Management based on the rules of declaration of cash dividends of the Bangko Sentral ng Pilipinas (BSP), Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC). Upon Board approval, necessary disclosures are made in compliance with regulatory requirements.

On February 4, 2023, the Board approved an increase in the regular quarterly cash dividends on common shares from P0.30 to P0.75 per share, or an annual equivalent of P3.00 per share, beginning on the first quarter of 2023. This is consistent with the Bank's commitment to shareholders to provide a stable and sustainable dividend stream.

The full dividend policy statement is published in the Bank's corporate website.

Fair and Equal Treatment of Shareholders

The Bank recognizes that all shareholders should be treated fairly and equally whether they are controlling or minority, local or foreign. To ensure this, the Amended By-Laws of the Bank provides that all shares in each class should carry the same rights and any changes in the voting rights must be approved by the shareholders. The Bank accepts the votes cast by nominees and custodians in behalf of the beneficial owners as valid. Shareholders may exercise their right of appraisal in cases provided for under Sec. 80 of the Revised Corporation Code.

Investors

BDO adopts a proactive relationship with its stockholders. The Investor Relations Unit (IRU) communicates the Bank's strategic direction and financial and operating results with institutional investors, analysts, and credit rating agencies by joining conferences and roadshows in key global financial markets and conducting one-on-one meetings, conference calls and briefings. The IRU also reaches out to retail investors both in Metro Manila and provincial areas by participating in retail conferences and roadshows organized by local brokers. The IRU likewise joins virtual investor conferences catering to American Depositary Receipts (ADR) investors. From time to time, members of Senior Management join the IRU in investor meetings and corporate access activities to impart more insights on the Bank's operations.

Official disclosures, quarterly and annual financial reports, shareholder lists and other regulatory and company reports are posted either in the PSE Edge or the BDO website.

The IRU accomplished the following in 2023:

1. Investor Engagement

The IRU engaged with more than 500 investors, through participation in both physical and virtual conferences, investor calls, as well as one-on-one meetings or virtual calls.

The IRU apprised investors of the following developments in the Bank:

- The Bank's sustained profitability driven by growth in its core businesses, as well as its strong capital position and stable asset quality.
- Continued expansion in underserved markets and investments in technology.
- A cautiously optimistic business outlook despite a challenging macro environment. The Bank is well-positioned to capitalize on structural GDP growth drivers, with its strong balance sheet and established business franchise.

2. Analyst briefings

The IRU held physical/virtual briefings on the following dates during which the Bank's Senior Management presented the Bank's financial results, operations updates, and recent developments:

March 3, 2023 – covering full year-2022 results
April 20, 2023 – covering 1Q 2023 results
July 31, 2023 – covering 1H 2023 results
November 7, 2023 – covering 9M 2023 results

Video coverage of the analysts' briefings last year are posted under the Investor Relations section of the Bank's website.

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

The IRU coordinated with the Sustainability Office (SO) and the Sustainable Finance Unit (SFU) in addressing queries from regulators, investors and

analysts, ESG ratings agencies, and clients' ESG due diligence surveys regarding the Bank's sustainability/ESG initiatives.

4. Feedback from investors and analysts to Senior Management and the Board

   The IRU regularly conveyed feedback from investors and analysts and prepared shareholder and industry analysis reports to Senior Management and the Board to apprise them on market sentiment, and opinions about the Bank, as well as to provide updates on shareholder developments and performance versus industry.

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

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

   The IRU along with Office of the Corporate Secretary liaised with the Bank's stock transfer agent on matters relating to stockholders' claims for cash dividends, updating of contact information and requests for documents and/or information regarding their stockholdings.

   Shareholders can request relevant information from the Office of the Corporate Secretary or IRU through the contact details provided in the Bank's official website.

   The minutes of the 2023 Annual Stockholders' Meeting is available in the Bank's corporate website at www.bdo.com.ph/about-bdo/company-disclosures/annual-stockholders-meeting.

Customers

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

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

- Communications are fair and not misleading.

- Clients are given clear and concise information, including the risks involved, before they avail of financial products and services.
- Products and services are suitable and appropriate, taking into account the needs of the clients, their financial and risk profile and objectives.
- Complaints are handled in a prompt, friendly, fair and effective manner.

Consumer Protection

BDO's financial consumer protection framework is anchored on disclosure and transparency, protection of client information, equitable fair treatment, timely handling and redress of complaints, protection of consumer assets against fraud and misuse, and data privacy and protection. The framework ensures that consumer protection practices are embedded in our operations and considered in the development and implementation of our products and services.

The Board is primarily responsible in maintaining an effective oversight on the Bank's consumer protection policies and programs. Senior management implements the Board-approved strategy and ensures that control mechanisms are in place.

Consumer protection practices are embedded in the banking operations and business units are required to identify, measure, monitor, and control consumer protection risks inherent in its operations.

BDO's Consumer Assistance Management System (**CAMS**) reflects the Bank's commitment that our customers are treated fairly, honestly, and professionally at all stages of their relationship with the Bank. To ensure its effective implementation, BDO Customer Contact Center records customer complaints and monitors its resolution in adherence to established standard operating procedures and service level agreements. Customer feedback and complaints are analyzed and these are reported to the Board's Risk Management Committee on a periodic basis.

BDO devotes resources to ensure that customers are provided with accessible, affordable, independent, fair, accountable, timely, and efficient means for resolving complaints with their financial transactions. In 2023, CAMS recorded over 8 million customer cases of which only 7% (581K) needed to be addressed. Majority of the cases were inquiries (4.9M) and requests (2.9M).

Data Privacy

The Data Privacy Management Program (**DPMP**) serves as the framework for protecting the data privacy rights of the Bank's data subjects and ensuring

compliance with the Philippine Data Privacy Act (**PDPA**). The Bank has a Data Protection Officer (**DPO**) who is registered with the National Privacy Commission (**NPC**). Each business and support unit also has its own Compliance Officer for Privacy (**COPs**) to ensure alignment and proper coordination in the implementation of the Bank's DPMP. The required data processing systems were registered as well with the NPC. Furthermore, conduct of Privacy Impact Assessments (**PIAs**) for the whole Bank is being completed annually to assess privacy risks to guarantee that necessary security measures are in place to mitigate risks to personal data and uphold the data privacy rights of individuals. Likewise, a mandatory eLearning course on Data Privacy is taken every 2 years by all employees to promote awareness and continuous education within BDO. Regular COP fora are also being conducted by the DPO for a refresher on the DPA principles. The Risk Management Committee (**RMC**) is regularly updated with respect to the progress of the Bank's compliance to the PDPA.

Customer Service

Embodying the "We Find Ways" service credo, BDO remains dedicated to fulfilling clients' needs through top-notch customer service and tailored products and services. We continue to invest in technology to enhance our offerings and streamline processes. Clients can anticipate an increasingly convenient banking experience as we harness digital technology to make our products and services accessible across multiple channels.

As of December 31, 2023, BDO Unibank Group has 1,722 branches (including two foreign branches), 4,803 ATMs, 557 CAMs, 150 BUMs and 4 STMs. This is a milestone affirming the Bank's commitment to make banking reachable to Filipinos and our way of creating opportunities for more people to experience the rewards of having a bank that takes care of their financial needs.

Creditors, Counterparties and Suppliers

The Bank is committed to meet its contractual obligations with all creditors and counterparties based on the covenants agreed with them.

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

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

Employees

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

a. Code of Conduct and Business Ethics

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

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

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

b. Training and Development

<u>BDO Employees</u>

BDO continues to provide training opportunities aligned with business requirements and employees' potentials and capabilities. Training programs include orientation for new hires, job specific technical training, management and leadership training programs which aim to develop and enhance the knowledge, skills, managerial and leadership capabilities, attitude and mindset of employees. The Bank allocates a yearly training budget for these

developmental programs. The following statistics were achieved for the trainings given to employees:

	Staff	Junior Managers	Senior Officers
Average Training Hours	**40.35**	**37.57**	**33.24**
No. of Employees Trained	**19,630**	**19,905**	**1,907**

Improvements in the design and delivery of eCourses and targeted training programs continue to ensure more effective retention of the knowledge learned. Culture and values, service excellence, regulatory requirements, job knowledge as well as leadership development continue to be the focus in 2023 to sustain availability of ready talents that support business growth.

Directors and Key Officers

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. Directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours in 2023. All incumbent directors of BDO Unibank, along with members of the Bank's senior management and key officers of entities in the BDO Group, attended its in-house corporate governance seminar held on August 2, 2023. Gartner, Inc., a global research and consulting firm, provided insights on global trends in banking technology and how BDO is fairing against these trends. They emphasized the importance of understanding the needs of customers through contextual engagement, as well as the increasing adoption of the "phygital (physical and digital) strategy" and generative artificial intelligence (AI) in enhancing customer experience, which are aligned with BDO's strategic plans. On the other hand, Boston Consulting Group (**BCG**), another global consulting firm, shared their insights about Generative AI and its disruptive impact in businesses. They examined the risks posed by generative AI and highlighted the crucial role of people in transforming the business.

Apart from the in-house corporate governance training, the following external training programs were also attended by other directors: Anti-Money

Laundering Council (**AMLC**) Registration and Reporting Guidelines (**ARRG**) Course; Institute of Corporate Directors' ASEAN Corporate Governance Scorecard (**ACGS**) for Publicly Listed Companies, Raging 2023 Technology, and the Maharlika Investment Fund: Its Impact on the Philippine Business Landscape; 10th Annual Securities and Exchange Commission – Philippine Stock Exchange Corporate Governance Forum; and SGV & Co.'s Corporate Governance Seminar. Some members of the senior management also received external training on corporate governance, internal audit quality assurance, reinsurance and reinsurance brokerage operations, and signature verification, in addition to the regulatory/mandatory online courses available in the Bank's eLearning portal.

c. Employee Welfare

BDO is committed to promote the physical, social and mental well-being of its employees. It aims to provide a workplace free from discrimination and all forms of physical, sexual and psychological abuse including harassment, bullying and intimidation.

The Bank established the Policy on Disclosure of Sensitive/Confidential Matters to Management (Whistleblowing Policy) to give employees the opportunity to communicate, with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices in the workplace.

d. Health and Safety

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

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

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

- Safety and health training.

In 2023, the Bank continued to improve the health and safety of Bank employees and customers inside the premises:

1. The following programs and protocols were implemented:
    - Provision of alcohol and soap at the branches and buildings;
    - Regular disinfection of bank premises;
    - Split locations for each business unit to allow a steady delivery of services/operations in case of disruption of services/operations in one location;
    - Inspection of ventilation system of buildings;
    - Implementation of BDO On Premise Personalized Access to Laboratory Services (**PALS**) Program [i.e., onsite blood extraction at BDO Head Office Clinics] facilitated by HMO;
    - Published e-Newsgram via the Bank's email system to promote Disease Prevention and Health Awareness on a monthly basis following DOH Calendar;
    - Quarterly Health Wellness Webinars including Mental Health Bounce Program, a BDO Online Mental Wellness Platform (Teleconsult) offering peer support services facilitated by licensed life coaches and/or counsellors;
    - Coordination of LGU's Sanitary/Health Permit Requirement specific to Makati City;
    - Immunization Program at Corporate Centers in Makati and Ortigas last May 2023 to July 2023;
    - Blood Letting Activity at Corporate Centers in Makati and Ortigas last July 2023 to August 2023; and
    - Continuous compliance to DOLE's Occupational Safety and Health standard requirement of having First Aider in the workplace.

2. A Health and Safety Committee meets on a regular basis to review the progress on the implementation of its programs. The Committee is composed of a mix of officers in the Bank headed by the Central Operations Group Head.

Our clinics are manned by occupational health practitioners and nurses. BDO maintains eleven (11) medical clinics located in the following strategic areas in Metro Manila:

1. BDO Towers Valero
2. Corporate Center Ortigas

3. Ortigas Avenue, Greenhills
4. Roosevelt Avenue, Greenhills
5. Binondo, Dasmariñas
6. Davao City
7. Paseo Gil Puyat/MTECH, Makati
8. BDO Salcedo Tower
9. Double Dragon Meridian, Pasay
10. BDO SM City North
11. BDO Petron Mega Plaza

Society, Community and the Environment

Corporate Social Responsibility

Guided by BDO's "We find ways" philosophy and a strong sense of corporate citizenship, BDO Foundation served Filipinos as it contributed to the achievement of Sustainable Development Goals (**SDGs**). In 2023, the corporate social responsibility arm of BDO Unibank implemented initiatives in the areas of financial inclusion and disaster response, rehabilitation and rebuilding. The foundation embarked on these programs, mindful of its commitment to sustainable development and nation-building.

Financial education programs

In line with its financial inclusion advocacy and the National Strategy for Financial Inclusion of the Bangko Sentral ng Pilipinas (**BSP**), BDO Foundation continued to implement financial education programs in partnership with the BSP and other government agencies. In 2023, the programs reached 1,951,984 beneficiaries. The partner agencies included the following:

- Agricultural Credit Policy Council (**ACPC**)
- Armed Forces of the Philippines (**AFP**)
- Bureau of Fire Protection (**BFP**)
- Bureau of Fisheries and Aquatic Resources (**BFAR**)
- Civil Service Commission (**CSC**)
- Department of Education (**DepEd**)
- Department of Migrant Workers (**DMW**)
- Department of Trade and Industry (**DTI**)
- Overseas Workers Welfare Administration (**OWWA**)
- Philippine National Police (**PNP**)
- Technical Education and Skills Development Authority (**TESDA**)

In addition to the current partnerships, the foundation also forged ties with the Securities and Exchange Commission (**SEC**) for a program that promotes financial literacy, investor protection and scam prevention.

Technical working groups composed of BDO Foundation managers, officers of BSP's Economic and Financial Learning Office, and representatives of the aforementioned institutions worked closely to implement the programs, integrating financial education into the existing initiatives of the government agencies. The team members worked together to help improve the financial literacy and economic well-being of target audiences.

Through the financial education programs, the partners shared financial literacy lessons, covering such topics as saving, budgeting and financial planning, avoiding scams, debt management, entrepreneurship, insurance and retirement planning.

Beneficiaries included students, teachers and non-teaching personnel, overseas Filipino workers (**OFWs**), government workers, armed forces personnel, police personnel, firefighters, fisherfolk, farmers, technical-vocational learners, and small and medium-sized enterprises (**MSMEs**).

BDO Foundation's financial education programs were highlighted by the following:

Partners	Achievements
ACPC	• Development of KITA Mo Na! financial education game and trainer's manual • Conduct of training of trainers sessions
AFP	• Publication and turnover of trainer's manual to the AFP and BSP
BFP	• Development of trainer's manual
BFAR	• Conduct of training sessions for beneficiaries using Fish N' LEarn financial education game kits and trainer's manuals
CSC	• Rollout of the program through training of trainers sessions conducted by the Civil Service Institute
DepEd	• Conduct of writeshops by the BSP and DepEd's Bureau of Curriculum Development • Integration of financial literacy concepts into the teaching of Mathematics, Science, Araling Panlipunan, entrepreneurship and other subjects
DMW and OWWA	• Conduct of Pre-Departure Orientation Seminars for migrant workers as part of the *Pinansyal ng Talino at Kaalaman* or *PiTaKa* program
DTI	• Pre-production of three financial education videos for MSMEs
PNP	• Development of modules and trainer's manual
TESDA	• Development of online learning modules for tech-voc students

For developing and implementing the financial education program for fisherfolk, BDO Foundation received recognition, clinching four prestigious awards last year. The program—the foundation's partnership project with BFAR and BSP—earned international acclaim from Asian Banking & Finance (**ABF**), Asiamoney, and Enterprise Asia. Locally, the initiative was also awarded by the League of Corporate Foundations (**LCF**).

The awards were conferred at the ABF Retail Banking Awards, Asiamoney Banking Awards, Asia Responsible Enterprise Awards and LCF Corporate Social Responsibility Guild Awards, events witnessed in person and online by hundreds of audiences.

The award-giving bodies acknowledged BDO Foundation for its efforts to help improve the financial literacy, productivity and income-generating capability of fishers all over the country. They also cited the foundation for its contributions to the creation of Fish N' LEarn, a gamified teaching tool designed to make financial literacy lessons engaging for the target beneficiaries. Co-developed by BDO Foundation. BFAR and BSP, the training intervention covers lessons on the conservation of marine resources, saving, budgeting and financial planning, entrepreneurship, insurance, and debt management.

Supportive of the Department of Agriculture's goal to attain a food-secure and resilient Philippines with empowered and prosperous farmers and fisherfolk, the financial education initiative helps fishers and their families break the cycle of poverty.

As part of its continuing efforts to help develop a financially literate citizenry, BDO Foundation organized several financial literacy sessions for the benefit of various beneficiaries in collaboration with non-governmental organizations as well as public and private sector partners. These sessions included the following:

Partners	Beneficiaries
Asia Pacific College	College students
Association of Foundations	NGO professionals
Don Bosco One TVET integration into curriculum	Technical-vocational learners
Empower and Transform and DepEd in commemoration of National Teachers Month	Teachers and non-teaching personnel
Empower and Transform	De La Salle University student athletes
Iloilo City government and Uswag Negosyo Academy	Iloilo market vendors
Iloilo City government Public Employment Service Office (PESO)	PESO trainers
National University	College students

In support of BSP's financial inclusion advocacy, BDO Foundation participated in the BSP Financial Education Stakeholders Congress. The FinEd Congress saw the launch of the financial education e-learning modules as well as the ceremonial turnover of the AFP financial education trainer's manual. The event was also highlighted by a learning session on financial education best practices by the foundation and its partners.

All these efforts by BDO Foundation to collaborate with partners and contribute to the achievement of financial inclusion objectives were recognized by BSP last year. BSP governor Dr. Eli Remolona Jr. and BSP deputy governor Bernadette Romulo-Puyat presented a certificate of appreciation to the foundation at the Outstanding BSP Stakeholders Appreciation Ceremonies. BSP lauded the foundation for working with stakeholders to institutionalize financial education in capacity building programs, uplift the economic well-being of the public and improve the financial literacy of Filipino citizenry.

Online financial education course

As part of efforts to make financial education accessible to more people, BDO Foundation and BSP signed a memorandum of agreement for the development of a free online course on personal finance.

In a press article released by BSP, former BSP governor Felipe M. Medalla said, "This project is in line with the central bank's thrust to promote broad, convenient and informed access to high-quality financial services among our kababayans. We welcome such collaborations that allow us to reach and serve more Filipinos."

Through the financial education e-learning modules, which will be made available online and on demand, the foundation and BSP aim to expand the coverage and accelerate the implementation of financial education partnership programs.

Nine (9) interactive modules—each one 20 to 30 minutes long—will cover lessons on financial planning, saving and budgeting, debt management, basics of investing, fraud and scam prevention, financial consumer protection, digital financial literacy, Personal Equity and Retirement Account (PERA), and relevant economic indicators. The modules will teach financial literacy lessons through videos, interactive activities and end-of-session assessments.

Slated for release in early 2024, the modules will initially be uploaded on the online learning platforms of BDO and the BSP. Eventually, the learning resources will be made available to partners, stakeholders, beneficiaries and the public. Users will

be able to access the financial education e-learning modules using personal computers, laptops and mobile devices.

Based on an agreement signed by BDO Foundation, TESDA and BSP in 2023, TESDA will be the first partner to use the modules. The course, which will be uploaded on the TESDA Online Learning Program, will be required for technical-vocational learners.

BDO Foundation and BSP hope to change the financial education landscape by making learning digital, borderless and accessible to all Filipinos whether they are in the country or abroad. Through the financial education e-learning modules, the partners hope to cultivate a financially healthy and economically empowered citizenry that can actively contribute to nation-building.

Relief operations

In line with its disaster response advocacy, BDO Foundation continued to provide aid across the country for Filipinos affected by natural disasters.

The foundation mounted relief operations in provinces placed under a state of calamity, mobilizing volunteers for the immediate distribution of relief goods or hygiene kits in affected communities. In the spirit of bayanihan, volunteers visited evacuation sites and distributed packs containing food, rice and drinking water to beneficiaries. The relief efforts benefitted 43,500 families displaced by typhoons, earthquakes, volcanic eruptions, fire and even an oil spill incident.

The disaster response efforts were made possible by partners, which included parishes, diocesan social action centers, non-governmental organizations, local government units, the military and the police. The relief operations were also supported by employees of BDO and BDO Network Bank branches, who helped BDO Foundation assess situations in affected areas and coordinate logistics. Backed by the BDO Unibank community and its partners, the foundation reached disaster-affected Filipinos in their time of need.

Rehabilitation of rural health units

BDO Foundation rehabilitated its 160th rural health unit (**RHU**) in 2023 as part of efforts to help improve the health and well-being of Filipinos in different communities. The foundation renovated 29 RHUs last year, benefitting a total catchment population of 861,791 people.

Like previous years, the foundation renovated health centers, particularly their exteriors, layout and interior design, lobbies and waiting areas, offices, birthing

clinics, consultation rooms, treatment rooms and pharmacies. Using available space, it built breastfeeding stations for nursing mothers, play areas for children and waiting lounges for senior citizens. It installed new signages, furniture and fixtures to help health workers accommodate more patients.

The improvement of facilities empowers doctors, nurses and midwives to serve their communities more effectively. It enables them to provide primary healthcare services more efficiently to their constituents. The initiative benefits mothers, infants and children, persons with disabilities, senior citizens and even indigenous peoples living in remote areas.

Similar to other BDO Foundation programs, the rehabilitation of health facilities was made possible by officers of BDO and BDO Network Bank branches, who recommended health centers that needed assistance. The initiative was also backed by the Department of Health (DOH), local government leaders and health officers, who provided guidance on the renovation of RHUs.

Through the rehabilitation program, BDO Foundation helped health centers receive high assessment scores from the DOH and accreditation from PhilHealth. The foundation helped improve the healthcare delivery system in the country, one of the goals under the Philippine health agenda. It gave Filipinos access to high-quality primary healthcare.

Construction of blood center

As it rehabilitated health centers in communities, BDO Foundation also constructed a facility that serves blood donors and patients. The foundation built the PRC Agusan del Norte - Butuan City Chapter Blood Center to support the mission of the Philippine Red Cross (PRC), the country's premiere humanitarian organization, to provide life-saving services for Filipinos in vulnerable situations.

Supportive of the International Red Cross and Red Crescent Movement, the blood center benefits patients in Agusan del Norte and neighboring provinces in the Caraga region who need safe, adequate and high-quality blood and blood products. Funded by BDO Foundation and contributions from BDO employees, the construction of the building included the provision of basic equipment, furniture and fixtures.

Construction of facilities for learners

BDO Foundation and the Philippine Geothermal Production Company (**PGPC**) completed the construction of a three-classroom school building in Baybay Elementary School in Catarman, Northern Samar for the benefit of 819 students

every year. The result of an agreement signed by the partners, the initiative was aimed at addressing the shortage of classrooms and providing teachers and students an environment conducive for learning.

The structure was the latest project of the foundation and PGPC, a pioneering geothermal energy company that provides clean, reliable and renewable energy to meet the Philippines' power requirements. BDO Foundation previously collaborated with the geothermal firm for the construction of other school buildings as part of post-Typhoon Yolanda rebuilding efforts.

The project in Catarman supported the partners' shared advocacy to aid communities affected by disasters. The municipality was severely affected by Super Typhoon Odette and other disasters in recent years. Supportive of the Department of Education's Adopt-A-School program, the construction of the building in Baybay Elementary School included the provision of blackboards, tables, chairs and electric fans.

A similar structure was built for students in Cebu. In support of Don Bosco's mission to educate, evangelize and capacitate Filipino youth, BDO Foundation constructed a training facility for the Don Bosco Technical Vocational Education and Training (**TVET**) Center in Balamban, Cebu, a project that benefits 300 students per year.

The foundation built the two-storey structure to help administrators accommodate more learners. The building was constructed to serve as a facility where senior high school students can learn technical-vocational livelihood skills through classroom instruction and workshops. The donation included furniture, tools and equipment for training.

The building in Balamban was the third built by BDO Foundation for Don Bosco. In 2019 and 2021 respectively, the foundation also constructed similar facilities in Mati City, Davao Oriental and Dumangas, Iloilo. Don Bosco's TVET Centers educate out-of-school youth and prepare them for gainful employment in the Philippines and abroad.

Handog sa 'Yo ng BDO Foundation

For the fourth consecutive year, BDO Foundation provided food assistance for communities all over the country through its Christmas gift-giving initiative dubbed Handog sa 'Yo ng BDO Foundation. It distributed food packs to 30,000 families to help them celebrate the season despite their economic situation.

Like previous years, the foundation tapped partner non-governmental organizations (**NGOs**) Caritas Philippines and Tanging Yaman Foundation for the project. To reach more communities, BDO Foundation engaged two additional NGOs: Ako Ang Saklay and Ako Bakwit.

Employee volunteer program

The Human Resources Group, Sustainability Office, Marketing Communications Group and BDO Foundation continued to work together for the implementation of the BDO employee volunteer program. Designed to promote employee engagement and involvement in BDO's corporate citizenship initiatives, the program was aimed at undertaking initiatives in the areas of poverty and hunger, the environment, education, and financial inclusion.

In 2023, BDO employees gave back to the community by participating in volunteer events conducted in partnership with selected NGOs.

Partner NGO	Volunteer events
Don Bosco One TVET	Financial literacy sessions for students, trainees and staff
East-West Seed Foundation	Financial literacy session for vegetable farmers
Upskills Foundation	Financial literacy sessions for ALS, junior and senior high, and college students
WWF Philippines	Coastal clean-up
Department of Education	Brigada Eskwela
ABS-CBN Foundation Bantay Kalikasan	Seed germination and tree planting
Caritas Philippines, Tanging Yaman Foundation, Ako Bakwit and Ako Ang Saklay	Handog sa 'Yo ng BDO Foundation distribution of food assistance

Development of videos on early numeracy

To help empower Filipino educators and learners, BDO Foundation, in partnership with Huawei Philippines and Knowledge Channel Foundation, launched a new set of educational videos designed to make the study of Mathematics more engaging, interesting and interactive for Grade One students.

In support of Knowledge Channel's MathDali initiative, the foundation and Huawei funded the development of the five curriculum-based videos on early numeracy. Knowledge Channel produced the learning resources in consultation with the DepEd. The videos will be made available for viewing on the channel's on-air, online and offline platforms.

Knowledge Channel is a non-profit organization that aims to improve the quality of education in the Philippines through media and technology. Huawei is the global leader in information and communications technology infrastructure and smart devices. BDO Foundation has previously partnered with both organizations for other education-related initiatives.

Training program for MSMEs

In 2023, BDO Foundation signed a memorandum of agreement with LINK Center for the Deaf for an initiative aimed at enhancing the capabilities of MSMEs. The partners agreed to collaborate on the development of a training program that will help aspiring and existing micro-entrepreneurs including persons with disabilities pursue business ventures that are responsive to current challenges.

Funded by BDO Foundation, the program will cover eight modules on topics including business planning, marketing strategies, financial management, customer relations and other aspects of operating successful small businesses. The foundation will provide these materials and a series of training of trainers sessions to interested implementing partners such as local governments, NGOs, church groups and other institutions serving the MSME sector.

A non-governmental organization that supports the holistic development of people who are deaf, LINK implements sign language training, teacher enhancement, educational support and enterprise development programs.

Establishment of vegetable garden

As part of joint efforts to promote food security and address hunger, BDO Foundation and East-West Seed Foundation (**EWSF**) successfully established a vegetable garden in a community in Lian, Batangas. The partnership project, called Gulayamanan, benefitted residents, who lacked livelihood opportunities.

Gulayamanan aims to provide additional food supply to the community and enable beneficiaries to earn income through the selling of high-quality vegetables. The initiative ensures the availability, accessibility and affordability of food in the area.

In 2023, BDO Foundation and EWSF, in partnership with the local government unit, celebrated the graduation of 50 residents, who successfully completed nine training sessions on vegetable gardening. The event also served as a festival, which gave the farmers an opportunity to market and sell their first full harvest. Prior to their graduation, the beneficiaries learned lessons on how to manage their earnings through a financial literacy training session conducted by BDO volunteers.

A non-governmental organization that empowers disadvantaged farmers, EWSF promotes proper nutrition through improved vegetable consumption.

Apart from its programs, BDO Foundation also supported the NGO community by participating in the League of Corporate Foundations CSR Expo and sponsoring the general assemblies of the Association of Foundations, Philippine Council for NGO Certification and Zero Extreme Poverty 2030.

After 15 years of addressing the needs of disadvantaged Filipinos, BDO Foundation is looking forward to more opportunities to effect positive change for the community. The foundation is firmly committed to expand financial inclusion interventions, disaster response efforts and post-disaster programs. The corporate social responsibility arm of BDO Unibank is resolute in its efforts to contribute to the achievement of SDGs and make significant strides towards a sustainable, resilient and financially inclusive future.

Environmental Initiatives

BDO's green financing has been in place since 2010 and is considered one of the pioneers to have catalyzed sustainable finance in Philippine's banking industry. Through its cooperation with the International Finance Corporation (**IFC**), the Bank has led in financing large scale Renewable Energy, Energy Efficiency and Green Building projects nationwide. In 2017, BDO was the first bank to have issued a $150 million green bond in the country and East Asia Pacific with IFC as its sole investor.

In 2023, the BDO Board approved the Environmental & Social Risk Management System (**ESRMS**) which outlines how the Bank will identify, assess, and manage environmental and social risks associated with its lending, investments, and operations. The ESRMS fully incorporates the Bank's key focus areas, focus sectors with high probability of E&S risks, and risk appetites for these focus areas and sectors.

Within the organization, the Bank continues to raise awareness on its environmental impact, promote good environmental practices in the workplace, and mobilize employee volunteers for activities that address sustainable goals on poverty, hunger, the environment, education, financial literacy, and human rights.

Green initiatives focus on energy conservation using LED lights, water management using waterless urinals, air quality by tree planting, waste segregation and disposal, among several initiatives.

In January 2022, BDO successfully raised Php 52.7 billion worth of Peso-denominated Fixed-Rate ASEAN Sustainability Bonds which has been the largest issuance in the Philippines.

In May 2022, BDO issued its maiden Blue Bond amounting to US$100 million, through an investment from the International Finance Corporation. This issuance will expand financing for projects that help prevent marine pollution and preserve clean water resource, while supporting the country's climate goals. This marks another milestone for BDO, being the first private sector issuance in Southeast Asia and the first to use IFC's Blue Finance Guidelines.

In addition, BDO had a partnership with Japan Bank for International Cooperation to relend its $50 million green facility to environment-related projects focusing on renewable energy in the Philippines in August 2016. Thus, providing our clients with additional financial product that can support their prospective green projects.

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

Blue Bond issuance helped BDO expand its Sustainable Finance Framework to include projects supporting the country's blue economy, while establishing a new asset class in the Philippine debt market. In the Blue Bond Impact Report released in December 2023, the proceeds from the issuance have been allocated to two water management companies for water conservation and one waste management company for water reuse and recycling, preventing the direct flow of wastewater to rivers and other bodies of water that eventually lead to the ocean.

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

BDO Corporate Center Ortigas (**BDO CCO**) earned a certification on Leadership in Energy and Environmental Design (**LEED**). It is the first high-rise office-commercial building in the Philippines to achieve a LEED Gold "New Construction Category" Certification. Various sustainable methods were implemented in the construction of the building such as the installation of automated monitoring and

control systems as CO2 sensors, occupancy sensors, daylight dimming and timer switches.

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

The combination of efficient water fixtures and grey water flushing were keys in reducing the total building potable water use by approximately 5,700,000 liters annually.

Please refer to the Corporate Social Responsibility Section of the 2023 Annual Report and the 2023 Sustainability Report for more details on the Bank's socio-civic programs and initiatives published in our corporate website at (www.bdo.com.ph).

BDO's practice in green financing brings forth solid outcome and basis for establishing Sustainable Finance Framework which provides guidelines and parameters for green and social impact financing. With continued innovation in green financing, the Bank has positioned to lead Sustainable Finance across various industries.

Business Competitors

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

Government and Regulators

The Bank supports the compliance with the spirit, not just the letter, of the laws and regulations of the jurisdictions where it operates. All business deals and transactions shall adhere to regulatory requirements and applicable laws particularly on confidentiality of deposits, data privacy and protection, anti-money laundering and other financial crimes, anti-corruption and bribery, insider trading and consumer protection. In 2023, the Bank continued to be active in giving comments on various proposed legislations and regulations.

Transparency and Disclosures

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

- General Information Sheet (GIS)
- SEC form 17-A (Annual Report)
- SEC form 17-C (Current Report - Material Information)
- SEC form 17-Q (Quarterly Report)
- SEC form 20-IS (Preliminary Information Statement)
- SEC form 20-ISA (Definitive Information Statement)
- SEC form 23-A/B (Statement of Beneficial Owners)
- Audited Financial Statements (AFS)
- Sustainability Report

Required disclosures relating to:

1. Financial information is stated in the AFS, SEC Form 17-Q and the Sec Form 20-IS
2. Shareholder matters are provided in the Sec Form 20-IS
3. Executive compensation policy is stated in the Sec Form 20-IS
4. Directors' fees are found in the Sec Form 20-IS
5. Corporate actions, among others, are provided in the PSE official website www.pse.com.ph

In particular, BDO released the 2023 audited financial statements on February 26, 2024 or just 57 days after close of the financial year to promote transparency and full disclosure of the results of the operations of the Bank.

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

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

Evaluation System

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

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

Their oversight function covers the following areas:

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

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

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

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

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

Board Audit Committee

On financial reporting, the Board Audit Committee (**BAC**) reviewed and recommended for approval to the Board the Bank's quarterly unaudited and annual audited financial statements ensuring compliance with accounting standards and tax regulations. On February 22, 2023, it endorsed for approval of the Board the Bank's audited financial statements as of December 31, 2022 including the Notes to the Financial Statements. This was approved by the Board on February 24, 2023 and disclosed to the public on February 27, 2023, 58 days from the financial year-end, following the best practice requirement of the ASEAN Corporate Governance Scorecard (ACGS). It believes that the financial statements are fairly presented in conformity with the relevant financial reporting standards in all material aspects. The related internal controls on financial reporting process, compliance with accounting standards were likewise reviewed.

In overseeing the internal audit function, it reviewed and approved the 2023 Internal Audit Policy Statement and the 2023 and 2024 Internal Audit risk-based audit plans after a thorough review of its scope, as well as changes to the plan, audit methodology, manpower resources and the appointments/assignments of key audit officers during the year. It reviewed audit reports focusing on high and moderate risk findings relating to operational, financial and compliance controls including risk assessment systems with impact to financial, reputation and information security. It regularly tracked the timely resolution of findings and asked for Management's action plans on items that needed to be addressed. It also assessed the performance of the Chief Internal Auditor and the internal audit function. 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. The Committee is satisfied that the internal audit function has adequate resources to perform its function effectively.

On external audit, it reviewed and approved the 2023 Audit Plans of the external auditor to ensure the adequacy of its scope and coverage and appropriateness of the timelines. On March 22, 2023, it approved and endorsed for approval of the Board the engagement with the Bank's external auditor for its non-audit role as Board of Canvassers in the voting in the bank's Annual Stockholders Meeting on April 19, 2023. It reviewed and discussed the content of the engagement letter, scope of work, composition of engagement team among others, prior to the commencement of the non- audit work. It comprehensively discussed the external audit reports, focusing on internal controls, risk management, governance and matters with financial impact particularly on the changes in accounting and reporting standards. It reviewed Management's Letter as well as Management's response and action taken on the external auditor's findings and recommendations.

In overseeing the compliance function, it reviewed and approved the new and/or updates to Compliance Guidelines, annual compliance plans, and independent compliance testing roadmaps of the Compliance and Anti-Money Laundering (AML) departments. It monitored the progress and reviewed the status of the annual compliance plans, 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 conducted the annual appraisal of the performance of the Chief Compliance Officer for 2022. It discussed in detail the Bangko Sentral ng Pilipinas and Anti-Money Laundering Council Reports of Examination including the results of regulatory examinations of the Bank's foreign subsidiaries and reviewed Management's replies and its periodic updates to the regulators, thereby ensuring implementation of corrective actions. It also reviewed and provided guidance to Management in its replies to concerns of the regulators to ensure that the Bank's position is appropriately presented. It approved in 2023 the Guidelines on Subsidiaries Updates for Escalation to the BAC and the updates to the Trust Compliance Management Guidelines. In 2023, the BAC also devoted time to understand emerging AML trends on Money Service Business and Trade Products/Transactions. To further equip the Committee on their AML oversight of AML risks of the Bank, the BAC also assessed the performance of the Chief Compliance Officer and the compliance function. The Committee is satisfied that the compliance function was able to

effectively carry out its plans and programs and fulfill its role as the central point of contact of regulators.

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

As part of its commitment to excellent corporate governance, the Committee conducted a self-assessment for its 2022 performance based on its Terms of Reference. The BAC likewise evaluated the performance of Internal Audit, Compliance and AML departments, and External Audit to ensure their effectiveness and achievement of their objectives.

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

The Board Audit Committee is chaired by Mr. Vicente S. Pérez, Jr. (Independent Director). Its other members are Mr. Vipul Bhagat (Independent Director) and Mr. Jones M. Castro, Jr. (Non-Executive Director).

The Board Audit Committee held 12 meetings in 2023.

Below is the attendance of the members in Board Audit Committee meetings held in 2023:

Name	Director Type	No. of Meetings Attended	Total No. of Meetings	Percentage
Vicente S. Pérez, Jr.	Independent	10	12	83.33%
Vipul Bhagat	Independent	9	12	75.00%
Jones M. Castro, Jr.	Non-Executive	11	12	91.67%

Corporate Governance Committee

The Corporate Governance Committee (CGC) is primarily tasked to assist the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Bank as well as its subsidiaries and affiliates. Annually, it also conducts the performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance. It provides an assessment of the outcome and reports to the Board the final results of the evaluation including recommendations for improvement and areas to focus to enhance effectiveness. It recommends a suitable induction and orientation process for new directors. It also oversees the continuing education program for directors and key officers and proposes relevant trainings for them. It reviews management's plan for succession to key leadership positions within the Bank giving full consideration to the skills and expertise needed to support its strategic directions;

During the year, the Corporate Governance Committee achieved the following:

a. Annual Continuing Education of Directors

   The Corporate Governance Committee facilitated the compliance of the directors of the Bank and its subsidiaries with the regulatory requirement for an annual corporate governance seminar as part of their continuing education. The in-house seminar focused on global trends in banking technology and how BDO is fairing against these trends, as well as generative artificial intelligence and its disruptive impact in businesses.

b. Adherence to Corporate Governance Standards

   The Committee continuously monitored the Bank's compliance with local and international corporate governance standards. It reviewed and endorsed for Board approval the Bank's 2022 Integrated Annual Corporate Governance Report to the Securities and Exchange Commission (**SEC**), which documents Bank's compliance with the SEC Code of Corporate Governance. It also approved the Bank's self-assessment on its compliance with the principles of the ASEAN Corporate Governance Standards (**ACGS**).

   As a testament to its continuing commitment to the practice of good corporate governance, the Bank received four (4)-Golden Arrow Recognition twice from the Institute of Corporate Directors (**ICD**) on January 20, 2023 and September 28, 2023 for its exemplary performance in the 2021 and 2022 ASEAN

Corporate Governance Scorecard (**ACGS**) domestic assessments, respectively.

c. Revised Corporate Governance Manual and Policy on Interlocking Positions

The Committee approved and endorsed to the Board for approval the Bank's Corporate Governance Manual and Policy on Interlocking Positions. Both were updated to incorporate recent regulatory issuances and Committee recommendations and document international corporate governance standards/principles that the Bank are already implementing.

d. Revised Board Diversity Policy

To further enhance the Board's competency and diverse mix, the Committee approved and endorsed to the Board for approval the Bank's Board Diversity Policy. The same was updated to integrate measurable board diversity objectives consistent with global recommendations.

e. Oversight on Sustainability Initiatives

The Committee noted various sustainability updates, including progress on the 2022 BDO Sustainability Report, the Environmental, Social, and Governance (**ESG**) Dashboard, and the Environmental and Social Risk Management System (**ESRMS**). Other updates were on the benchmarking results related to TIME World's Best Companies 2023, and Brand Finance ranking for the Philippines and the financial sector as well as local and international recognitions: The Retail Banker International Asia Trailblazer Award 2023, Asian Banking & Finance Whole Banking Awards 2023, Asia Corporate Excellence & Sustainability (**ACES**) Awards 2023, The Asset ESG Corporate Awards 2022 & 2023, and Quorus-Accenture Banking Innovation Awards 2023.

f. Board Effectiveness Evaluation

The Committee also spearheaded the annual Board evaluation self-assessment by Board members and advisors as facilitated by PwC Philippines (**PwC**) covering the performance in 2022 of the Board of Directors, Board Committees, senior management, each director, and Board Advisors. Although the recommendation in the SEC Code of Corporate Governance for an external facilitator is required only every three years, the Committee steered the engagement of an external facilitator to handle the annual Board evaluation self-assessment for better governance practice.

Below is the attendance of the members in Committee meetings held in 2023:

Name	Director Type	No. of Meetings Attended	Total No. of Meetings	Percentage	Remarks
Estela P. Bernabe	Independent	7	7	100.00%	Chairperson beginning April 19, 2023
George T. Barcelon	Independent	7	7	100.00%	Chairperson until April 19, 2023
Vipul Bhagat	Independent	5	7	71.43%	
Vicente S. Pérez, Jr.	Independent	6	7	85.71%	

Measures on leading practices of good corporate governance

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

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

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

Any Deviation from the Manual

None.

Improvement on Corporate Governance

The Bank, as a financial institution, recognizes the importance of addressing climate change and supporting the country's transition towards a low-carbon economy. Through its Board and Senior Management, BDO is committed to advancing its sustainability commitments and achieving strategic resilience by consistently incorporating sustainability in the way it conducts business. The Board, being the highest governance body, plays a crucial role in ensuring that sustainability is embedded in the Bank's compliance, corporate governance, and risk management frameworks. The Board sets the tone at the top by promoting an enterprise-wide culture that continually fosters environmentally and socially responsible business decisions. The Bank endeavors to contribute to the country's sustained growth by financing economic activities that nurture the environment, empower Filipino consumers, and promote the best interest of the Bank's various stakeholders. Consistent with the UN Sustainable Development Goals (SDGs), UN Global Compact, and the government's Sustainable Finance Roadmap, the Bank constantly strives to create lasting, net positive impact through delivery of various banking products and services that are sustainable, inclusive, equitable, environment-friendly, and socially-relevant.

The Bank also makes continuous improvements in its corporate governance practices as it consciously adopts the principles of ASEAN Corporate Governance Scorecard (ACGS). To further enhance the Board's competency and diverse mix, the Bank enhanced its Board Diversity Policy to integrate measurable board diversity objectives consistent with global recommendations. The Bank further diversified its Board composition by having an additional independent director, with extensive experience in the private and public sectors, including in the legal field. As a result, more than 50% of the Board is now comprised of independent directors. On transparency, the Bank discloses the total remuneration of each member of the board of directors. To ensure that its shareholders can easily cast their votes in the Annual Stockholders' Meeting even in absentia, the Bank provides a secure electronic voting platform.

PART V – EXHIBITS AND SCHEDULES

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

a) Directory of Branch Offices

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

b) The SEC Form 17-C (Current Report) filed in 2023 and the first quarter of 2024 are set forth below, such as:

Date of Disclosure	Subject
January 3, 2023	Board of Directors' Attendance for Meetings Held in 2022
January 4, 2023	Amended General Information Sheet of BDO Unibank, Inc. for the Year 2022 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Shares Issued by the Bank
January 9, 2023	Result of Board Meeting held on January 7, 2023 - Setting of the Annual Stockholders' Meeting of the Bank on April 19, 2023, at 2:00 in the afternoon; and setting of the record date for stockholders entitled to vote and be voted, and participate at such meeting on February 24, 2023
January 9, 2023	Amended General Information Sheet of BDO Unibank, Inc. for the Year 2022 reflecting the updated Capital Structure, Stockholders' Information, and Additional Shares Issued by the Bank
January 10, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees, totaling 45,000 common shares
January 11, 2023	Amended Public Ownership Report as of September 30, 2022
January 13, 2023	List of Top 100 stockholders of BDO with PCD Participants for the period ending December 31, 2022
January 16, 2023	Public Ownership Report as of December 31, 2022
January 23, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retiree, totaling 27,361 common shares
January 25, 2023	Amended General Information Sheet of BDO Unibank, Inc. for the Year 2022 reflecting the updated Capital Structure, Directors, Officers, Stockholders' Information, and Additional Shares Issued by the Bank
January 29, 2023	Results of Board Meeting held on January 28, 2023: - Manner of Holding and venue of the Annual Stockholders' Meeting of the Bank on April 19, 2023 - Declaration on cash dividends for Preferred Shares
February 2, 2023	BDO Statement of Condition as of December 31, 2022
February 6, 2023	Notice and Agenda of the Annual Stockholders' Meeting of the Bank on April 19, 2023

February 10, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees, totaling 121,359 common shares
February 20, 2023	Notice of Analysts' Briefing on March 3, 2023 (Friday), 12:00 PM PHT, at the Ballroom 1, 2nd Floor, Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City
February 20, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees, totaling 62,199 common shares
February 24, 2023	Results of Board Meeting held on February 24, 2023: - Audited Financial Statements of BDO and its Subsidiaries as of December 31, 2022 - Press Releases entitled "BDO net income reaches Php57.1 billion in 2022" and "BDO increases quarterly cash dividends to Php0.75 per share" - Declaration of regular cash dividends on common shares of BDO Unibank in the amount of Php 0.75 per share for the 1st Quarter of 2023 payable on March 31, 2023 to all stockholders of March 13, 2023 Resignation of Ms. Myla Resurreccion Untalan, Senior Vice President and Data Protection Officer under Risk Management Group Data Protection Office, effective March 17, 2023, subject to usual clearance
March 1, 2023	Preliminary Information Statement for 2023 Annual Stockholders' Meeting
March 1, 2023	Amended General Information Sheet of BDO Unibank, Inc. for the Year 2022 reflecting the updated Capital Structure, Directors, Officers, Stockholders' Information, Additional Shares Issued by the Bank, and List of Subsidiaries/Affiliates of the Bank
March 3, 2023	Amended Public Ownership Report as of December 31, 2022
March 3, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees, totaling 74,868 common shares
March 22, 2023	Definitive Information Statement for the 2023 ASM
March 27, 2023	Results of Board Meeting held on March 25, 2023: - Appointment of Mr. Steven Alan Rosen as Senior Vice President and Head of Front End Delivery in Information Technology Group (ITG), effective April 1, 2023,and - Retirement of Mr. Jaime Co Yu, Senior Executive Vice President and Group Head of Branch Banking Group, effective April 1, 2023 - Acquisition by BDO of Keppel Group's shares in SM Keppel Land, Inc.
March 27, 2023	Amended General Information Sheet (GIS) of BDO Unibank, Inc. (BDO) for the year 2022 reflecting the updated Capital Structure, Officers, Stockholders' Information and Additional Issued Shares of the Bank
March 30, 2023	Amendment of the effective date of appointment of Mr. Rosen as Senior Vice President and Head of Front End Delivery in ITG to April 3, 2023
April 3, 2023	Press Release re: BDO partners with Japan's Hyakujushi Bank
April 14, 2023	Notice of Analysts' Briefing on April 20, 2023 (Thursday), 12:00 PM PHT, at the Shakespeare Room, 2nd Floor, Discovery Primea Hotel, 6749 Ayala Avenue, Makati City
April 17, 2023	SEC Form 17-A (Annual Report) as of December 31, 2022

April 17, 2023	Public Ownership Report as of March 31, 2023
April 17, 2023	List of Top 100 stockholders (common shares) for BDO Unibank, Inc. with PCD Participants for the period ending March 31, 2023
April 18, 2023	Results of Board Meeting held on April 18, 2023: - Approval of Financial Statements of the Bank for the 1st Quarter of 2023 and Press Release re: BDO 1Q 2023 earnings at P16.5 billion - Appointment of Ms. Ma. Corazon Ambas Mallillin, Executive Vice-President, as Branch Banking Group Head, effective on April 1, 2023
April 18, 2023	SEC Form 17-Q (Quarterly Report) as of March 31, 2023
April 19, 2023	Press Release re: BDO posts income of P57.1 Bn in 2022 and 16.5 Bn in 1Q 2023
April 19, 2023	Results of the ASM of BDO held on April 19, 2023: I. Approval of the Minutes of ASM held on April 22, 2022 II. Approval of the Report of the President and the Audited Financial Statements of BDO as of December 31, 2022 III. Approval of all acts of the Board of Directors, Board Committees and Management during their terms of office IV. Election of the following members of the Board of Directors for 2023-2024: Ms. Teresita T. Sy Mr. Jesus A. Jacinto, Jr. Mr. Nestor V. Tan Mr. Jones M. Castro, Jr. Ms. Josefina N. Tan Mr. Walter C. Wassmer Mr. George T. Barcelon- Independent Director Supreme Court Associate Justice Estela P. Bernabe (Ret.)- Independent Director Mr. Vicente S. Pérez, Jr.- Independent Director Mr. Dioscoro I. Ramos- Independent Director Mr. Vipul Bhagat- Independent Director V. Re-appointment of Punongbayan and Araullo, Grant Thorton as external auditor of BDO Unibank for the year 2023
April 19, 2023	Results of the Organizational Meeting of the Board of Directors of BDO held on April 19, 2023: - Election of the Chairperson, Vice Chairman and Lead Independent Director; Advisors to the Board, Board Committee Members; and - Appointment of Corporate Officers
May 4, 2023	Disclosure of BAC's Compliance with SEC Memorandum Circular No. 4, Series of 2012: - The BAC has a charter, its Terms of Reference (TOR), which is compliant with BSP and SEC requirements. - The BAC conducted during the first quarter of 2023 a self-assessment of its 2022 performance and assessed the performance of units under its oversight function namely: Internal Audit, External Audit and Compliance/AML. - Result of self-assessment conducted by the BAC had been validated by the Corporate Governance Committee of BDO.
May 5, 2023	Amended GIS of BDO for the Year 2022 reflecting the updated list of Officers of the Bank
May 15, 2023	BDO Statement of Condition as of March 31, 2023

May 29, 2023	Results of Board Meeting held on May 27, 2023: - Appointment of Independent Director Estela P. Bernabe and Mr. Christopher A. Bell-Knight as Advisors of BDO Unibank, Inc.'s Board Audit Committee (BAC) and Risk Management Committee (RMC), respectively, for the term 2023-2024 - Declaration of regular cash dividends on common shares of BDO in the amount of Php 0.75 per share for the 2nd Quarter of 2023 payable on June 30, 2023 to all stockholders of record as of June 14, 2023
May 30, 2023	Integrated Annual Corporate Governance Report for the year 2022
June 1, 2023	GIS of BDO for the year 2023
June 9, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to an eligible retiree, totaling 838,774 common shares
June 24, 2023	Results of Board Meeting held on June 24, 2023: - Notation of the retirements of Mr. Jose Noel Malvar Mendoza, SVP of BDO seconded as Investment/Product Development Analyst to BDO Private Bank, Inc./Investment Product Development, and Mr. Manuel Zamora Locsin, Jr., SVP of BDO seconded as President of BDO Finance Corporation, both effective July 1, 2023, subject to usual clearance
June 27, 2023	Amended GIS of BDO for the year 2023 reflecting the updated Capital Structure, Stockholder's Information, and Additional Shares Issued by the Bank
July 7, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees, totaling 157,011 common shares
July 13, 2023	Sustainability Report of BDO pertaining to the glossy version of its fifth Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2022
July 14, 2023	List of Top 100 stockholders for BDO with PCD Participants for the period ending June 30, 2023
July 16, 2023	Disclosure on the passing of Director and Vice-Chairman, Jesus A. Jacinto Jr., on July 15, 2023
July 17, 2023	Public Ownership Report as of June 30, 2023
July 18, 2023	Notice of Analysts'/Investors Briefing on July 31, 2023 (Monday), 12:00 PM PHT at the Cervantes Room, 2nd Floor, Discovery Primea Hotel, 6749 Ayala Avenue, Makati City
July 18, 2023	Amended GIS of BDO for the year 2023, reflecting the updated Capital Structure, List of Officer, Stockholders' Information, Additional Shares issued by the Bank and Secondary Licenses/Registration with the Security Exchange Commission
July 24, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers, totaling to 1,494,774 common shares
July 30, 2023	Results of the Board Meeting held on July 29, 2023: - Approval of the Financial Statements of the Bank for the 2nd Quarter of 2023 and Press Release re: BDO 1H 2023 net income reaches P35.2 billion - Election of Ms. Cecilia Luz L. Tan as a member of the Executive Committee of BDO Unibank effective September 15, 2023, and the new composition of the Executive Committee as a result of her election, effective September 15, 2023, for the remainder of the term 2023-2024: Executive Committee (as of September 15, 2023) Teresita T. Sy (Chairperson)

	Nestor V. Tan (Member) Josefina N. Tan (Member) Walter C. Wassmer (Member) Mario B. Palou (Member) Edmundo S. Soriano (Member) Cecilia Luz L. Tan (Member) - Appointment of Mr. Charles Mendoza Rodriguez as Executive Vice President and Group Head of Institutional Banking Group, effective September 15, 2023
July 31, 2023	SEC Form 17-Q (Annual Report) as of June 30, 2023
August 1, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers, totaling 445,485 common shares
August 10, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers, totaling 220,104 common shares
August 14, 2023	Amended GIS of BDO for the year 2023 reflecting the updated Capital Structure, List of Directors, List of Officers, Stockholders' Information, and Additional Shares Issued by the Bank
August 22, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers, totaling 31,530 common shares
August 25, 2023	Results of the Board Meeting held on August 25, 2023: - Declaration of regular cash dividends on common shares of BDO in the amount of Php 0.75 per share for the 3rd Quarter of 2023 payable on September 29, 2023 to all stockholders of record as of September 12, 2023 - Promotion of the following senior officers effective February 1, 2023 Lazaro Jerome C. Guevarra (from SVP to EVP) Jose Virgilio O. Alvarez (from FVP to SVP) Charles Bryan S. Ho (from FVP to SVP) Michael Christopher B. Lualhati (from FVP to SVP) Ernesto L. Ladrido IV (from FVP to SVP) Sophia O. Ong (from FVP to SVP) Maria Dolores C. Uyliapco (from FVP to SVP)
September 4, 2023	Amended GIS of BDO for the year 2023 reflecting the updated Capital Structure, List of Officers, Stockholders' Information, Additional Shares Issued and List of Subsidiaries/ Affiliates of the Bank
September 5, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers and retirees, totaling 212,941 common shares
September 7, 2023	BDO Statement of Condition as of June 30, 2023
September 10, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers, totaling 25,284 common shares
September 20, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers, totaling 27,120 common shares
September 26, 2023	Amended GIS of BDO for the Year 2023 reflecting the updated Capital Structure, List of Officers, Stockholders' Information and Additional Shares Issued of the Bank

October 1, 2023	Results of the Board Meeting held on September 30, 2023: - Notation of the retirement of Ms. Maria Rhoda Baello Orsolino, Senior Vice President and Business Head of Institutional Banking Group/ Commercial Banking/ Metro Manila & Luzon/ Luzon, effective October 6, 2023 - Acceptance of the resignations of the following Senior Officers seconded to BDO Private Bank, Inc., subject to usual clearance: 1. Ms. Sonia Maribel Dy Go, Senior Vice President and Area Head of BDO Private Bank, Inc./ Wealth Management/ Relationship Management/ North Metro Manila, effective October 1, 2023 2. Mr. Jonathan Tan Cua, Senior Vice President and Area Head of BDO Private Bank, Inc./ Wealth Management/ Relationship Management/ Cebu/ Davao, effective October 16, 2023
October 2, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officers and eligible retiree, totaling 162,973 common shares
October 10, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officers, totaling 13,080 common shares
October 13, 2023	Public Ownership Report as of September 30, 2023
October 13, 2023	List of Top 100 stockholders for BDO with PCD Participants for the period ending September 30, 2023
October 23, 2023	Amended Public Ownership Report as of September 30, 2023
October 23, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees, totaling 103,434 common shares
October 24, 2023	Notice of Analysts'/Investors' Briefing on November 7, 2023 (Tuesday), 12:00 PM PHT at the Narra Hall, 34/F BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City
October 25, 2023	Results of the Board Meeting held on October 25, 2023: - Approval of Financial Statements of the Bank for the 3rd Quarter of 2023 and Press Release re: BDO reports 9M 2023 net income of P53.9 billion - Election of former Senator Franklin M. Drilon as Independent Director of BDO - Appointment of Mr. Ramon Vicente del Villar de Vera II as Senior Vice President under the Office of the President, effective November 16, 2023
October 25, 2023	SEC Form 17-Q (Quarterly Report) as of September 30, 2023
October 26, 2023	Amended GIS of BDO for the Year 2023 reflecting the updated Capital Structure, List of Officers, Stockholders' Information, Additional Shares Issued and List of Subsidiaries/Affiliates of the Bank
October 27, 2023	Clarification on the news article entitled "Phoenix moves to generate cash flow via BDO deal"
November 10, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible senior officers, totaling 40,115 common shares
November 15, 2023	Amended GIS of BDO for the Year 2023 reflecting the updated Capital Structure, List of Directors, Stockholders' Information, and Additional Shares Issued of the Bank
November 23, 2023	BDO Statement of Condition as of September 30, 2023
December 6, 2023	Results of Board Meeting held on December 6, 2023:

	- Declaration of regular cash dividends on common shares of BDO in the amount of Php 0.75 per share for the 4th Quarter of 2023 payable on December 29, 2023 to all stockholders of record as of December 22, 2023 - Notation of the retirement of Mr. Ramon Soliven David, Senior Vice President and Region Head of Branch Banking Group; Region 4-Metro Manila East, effective January 1, 2024
December 14, 2023	Amended GIS of BDO for the Year 2023 reflecting the updated Capital Structure, List of Officers, and Stockholders' Information of the Bank
December 22, 2023	Latest Manual on Corporate Governance of BDO
December 22, 2023	Press Release re: BDO takes full ownership of SM Keppel Land, Inc.
December 29, 2023	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees, totaling 127,287 common shares
January 2, 2024	Board of Directors' Attendance for Meetings Held in 2023
January 7, 2024	Result of the Board Meeting held on January 6, 2024 - Setting of the Annual Stockholders' Meeting of the Bank on April 19, 2024, Friday at 2:00 in the afternoon, in, hybrid format, and setting of the record date for stockholders entitled to vote and be voted, and participate at such meeting on February 23, 2024, Friday
January 9, 2024	Press Release re: BDO launches second ASEAN Sustainability Bonds Issue
January 15, 2024	Public Ownership Report as of December 31, 2023
January 16, 2024	List of Top 100 stockholders for BDO with PCD Participants for the period ending December 31, 2023
January 17, 2024	Press Release re: BDO shortens 2nd ASEAN Sustainability Bond offer period
January 25, 2024	Amended GIS of BDO for the year 2023 reflecting the updated Capital Structure, List of Officers, Stockholders' Information and Additional Issued Shares of the Bank
January 27, 2024	Results of the Board Meeting held on January 27, 2024: - Declaration of cash dividends on Preferred Shares Series "A" at the rate of 6.5% per annum of the par value, for a total dividend amount of P407,279,166.67, payable within sixty (60) banking days from dividend declaration date - Notation of the retirement of Mr. Rafael G. Ayuste, Jr., Senior Vice President and Trust Officer/Head of Trust and Investments Group, effective February 1, 2024 - Approved the merger of BDO and SM Keppel Land, Inc. with BDO as the Surviving Entity
January 27, 2024	Merger of BDO Unibank, Inc. and SM Keppel Land, Inc. with BDO Unibank, Inc. as the Surviving Entity
January 29, 2024	Press Release re: BDO raised PHP 63.3 Billion in 2nd ASEAN Sustainability Bond issue
February 8, 2024	Agenda for the Annual Stockholders' Meeting on April 19, 2024
February 13, 2024	Notice of Analysts'/Investors' Briefing on February 26, 2024 (Monday), 12:00 PM PHT at the Narra Hall, 34/F BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City
February 19, 2024	BDO Statement of Condition as of 31 December 2023

February 20, 2024	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to eligible retirees and beneficiaries of a deceased senior officer, totaling 257,893 common shares
February 26, 2024	Results of the Board Meeting held on February 24, 2024: - Approval of the Audited Financial Statements of BDO and its Subsidiaries as of December 31, 2023 and Press Release re: BDO net income reaches P73.4 billion in 2023 - Appointment of SVP Manuel Patricio C. Malabanan as Trust Officer of the Bank effective February 1,2024, subject to BSP confirmation, and as member of the Trust Committee - Approval of the New Composition of the Trust Committee for the remainder of the term 2023-2024, as follows: Trust Committee (as of February 1, 2024) Dioscoro I. Ramos – Chairman Walter C. Wassmer – Member Josefina N. Tan – Member Nestor V. Tan – Member Manuel Patricio C. Malabanan – Member Noel L. Andrada – Advisor Christopher A. Bell-Knight – Advisor - Secondment of SEVP Joseph Albert L. Gotuaco to BDO Private Bank, Inc. as President, effective upon regulatory approval - Hiring of Mr. Jeffrey Melgar Alejandro as Senior Vice President and Deputy Head of Internal Audit Group, effective March 1, 2024
March 4, 2024	Amended GIS of BDO for the year 2023 reflecting the updated Capital Structure, List of Officers, Stockholders' Information and Additional Issued Shares of the Bank
March 4, 2024	Preliminary Information Statement for the 2024 ASM
March 4, 2024	Clarification on the news article entitled "BDO readies SMC financial war chest for NAIA"
March 6, 2024	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to an eligible senior officer and a retiree, totaling 33,706 common shares
March 15, 2024	Resignation of SVP Jose Eduardo A. Quimpo II
March 15, 2024	Definitive Information Statement for 2024 ASM
March 22, 2024	Results of March 22, 2024 Board Meeting: - Acceptance of the resignations of SVP Jose Eduardo A. Quimpo II and SVP Edgardo R. Marcelo, Jr.
March 22, 2024	Amended Definitive Information Statement for 2024 ASM
March 27, 2024	Amended GIS of BDO for the year 2023 reflect the updated Capital Structure, List of Officers, Stockholders' Information, and Additional Shares Issued of the Bank
April 1, 2024	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to an eligible senior officer and two (2) retirees, totaling 62,042 common shares.

	**** Related Party Transactions (Please refer to Notes 2.14 and 27 of the Notes to Financial Statements attached to Information Statement as Annex "A")*

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this Annual Report is signed on behalf of BDO Unibank, Inc. by the undersigned, thereto duly authorized, in TAGUIG CITY, Philippines on APR 0 8 2024.

BDO UNIBANK, INC.
Issuer

By:

Nestor V. Tan
President and CEO

Dalmacio D. Martin
Executive Vice President and Treasurer

Lucy Co Dy
Executive Vice President
Comptroller & Head – Comptrollership Group

Edmundo L. Tan
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 0 8 2024, affiants exhibiting to me their evidence of identity as follows:

Name	Tax Identification No.
Nestor V. Tan	[redacted]
Dalmacio D. Martin	
Lucy Co Dy	
Edmundo L. Tan	

Doc. No.: 203;
Page No.: 48;
Book No.: I;
Series of 2024.

JESSE JOHN M. HERMOSO
Appointment No. 132 (2023-2024)
Notary Public for Taguig City
Until December 31, 2024
Attorney's Roll No. 83148
1105 Tower 2 High Street South Corporate Plaza
26th Street, Bonifacio Global City, Taguig City
PTR Receipt No. A-6104223; 01-03-24; Taguig City
IBP Receipt No. 398768; 01-04-24; Pasig City
Admitted to the Bar on June 2023

AUDITED FINANCIAL STATEMENTS

P&A Grant Thornton

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

BDO Unibank, Inc. and Subsidiaries

December 31, 2023, 2022 and 2021



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

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, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Teresita T. Sy
Chairperson of the Board

Nestor V. Tan
President & Chief Executive Officer

Dalmacio D. Martin
Treasurer

Signed this 24th day of February 2024

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

bdo.com.ph

SUBSCRIBED and SWORN to before me this 24th day of February, 2024 affiants exhibiting to me their Competent Evidence of Identity (CEI), as follows:

Name	CEI Number	Date Issued/Place Issued/Expiration Date
1. Teresita T. Sy	[redacted]	[redacted]
2. Nestor V. Tan	[redacted]	[redacted]
3. Dalmacio D. Martin	[redacted]	[redacted]

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

Doc. No. 232
Page No. 48
Book No. LXXX
Series of 2024

ATTY. SYLVIA M. MARFIL-CADAPAN
Appointment No. M-323/Makati City
Notary Public until December 31, 2024
11th Floor, BDO Towers Valero, Salcedo Village
Makati City
IBP No. 390372, 01/03/24/ Laguna
PTR No. 10075835; 01/03/24; Makati City/ Roll No. 43222
MCLE Compliance No. VII-0014613; until 04/14/2025

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
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Report of Independent Auditors

The Board of Directors and Stockholders
BDO Unibank, Inc.
BDO Towers Valero
8741 Paseo de Roxas, Salcedo Village
Makati City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BDO Unibank, Inc. and subsidiaries (collectively referred to as the BDO Unibank Group) and of BDO Unibank, Inc. (the Parent Bank), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BDO Unibank Group and of the Parent Bank as at December 31, 2023 and 2022, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

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Key Audit Matters

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

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

(a) Valuation of Loans and Other Receivables

Description of the Matter

The BDO Unibank Group and the Parent Bank are required to recognize allowance for impairment on their loans and other receivables using the expected credit loss (ECL) model in accordance with PFRS 9, *Financial Instruments*. As of December 31, 2023, the BDO Unibank Group and the Parent Bank had loans and other receivables amounting to P2,886,028 million and P2,809,547 million, respectively, net of allowance for impairment of P85,849 million and P83,370 million, respectively. Loans and other receivables are the most significant resources of the BDO Unibank Group and the Parent Bank which account for 64% and 66% of the BDO Unibank Group and the Parent Bank's total resources, respectively.

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

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

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

How the Matter was Addressed in the Audit

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

- testing the design and operating effectiveness of relevant IT general and application controls across the processes, as assisted by our own Information Technology specialists, over the loan classification into stages, and the calculation and recognition of the allowance for impairment;
- evaluating appropriateness of the BDO Unibank Group's and the Parent Bank's credit policy and loan impairment process as approved by the Board of Directors;
- on a sample basis, evaluating the appropriateness of the credit risk ratings of loans to assess appropriateness of credit risk monitoring;
- assessing the appropriateness of the BDO Unibank Group's and the Parent Bank's design of the ECL impairment model;
- evaluating the inputs and assumptions, as well as the formulas used in the development of the ECL models for each of the loan portfolio. This includes assessing the completeness and appropriateness of the formula and inputs used in determining the probability of default, loss given default and exposure at default;
- for forward-looking information used, evaluating whether the forecasted macro-economic factors, which include gross domestic product growth, unemployment rates and core inflation rates were appropriate. In addition, assessing the level of significance of correlation of selected macro-economic factors to the default rates as well as the impact of these variables to the ECL;
- assessing the borrowers' repayment abilities by examining payment history for selected loan accounts; and,
- on selected non-performing loan accounts, evaluating the management's forecast of recoverable cash flows based on agreed restructuring agreement, actual payment pattern after the restructuring, valuation of collaterals and estimates of recovery from other sources of collection.

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(b) Valuation of Financial Instruments

Description of the Matter

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

As of December 31, 2023, the derivative financial assets and derivatives with negative fair values of the BDO Unibank Group that are carried at fair value amounted to P6,070 million and P5,139 million, respectively, while that of the Parent Bank amounted to P2,157 million and P1,859 million, respectively. The unquoted debt and equity investments amounted to P154 million for the BDO Unibank Group and P100 million for the Parent Bank, respectively.

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

How the Matter was Addressed in the Audit

Our audit procedures, included among others, the following:

- testing of design and operating effectiveness of relevant controls over the valuation process including the valuation method and assumptions used by the BDO Unibank Group and the Parent Bank on the financial instruments, particularly the measurement of derivative financial instruments as assisted by our own Information and Technology specialists;

- evaluating whether fair value prices used were appropriate by testing the inputs against reliable market sources;

- recomputing the fair values based on the inputs and compared with the market values reported by the BDO Unibank Group and the Parent Bank; and,

- reviewing the appropriateness of the method used in fair market valuation.

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

Description of the Matter

The BDO Unibank Group has goodwill of P4,535 million, with allowance for impairment of P1,514 million, as of December 31, 2023, and the significant portion of which relates to the acquisition of BDO Network Bank, Inc. (BDO Network). Furthermore, the BDO Unibank Group and the Parent Bank have other intangible assets with indefinite useful lives amounting to P3,525 million and P3,522 million, respectively.

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

The BDO Unibank Group's disclosures about goodwill and other intangible assets are included in Notes 2, 3 and 16 to the financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to impairment of goodwill and other intangible assets with indefinite useful lives included, among others, evaluating the appropriateness of assumptions and methodologies used by the management, in particular, those relating to the forecasted statement of financial position and statement of income or financial performance as well as the discount and growth rates used. We have involved our Firm valuation specialist to assist in evaluating the appropriateness of assumptions used in estimating the recoverable amount of CGUs. In addition, we recalculated the value-in-use of the CGUs and compared it with the carrying amount. We also reviewed the BDO Unibank Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill and other intangible assets with indefinite useful lives. Furthermore, our audit of the financial statements of BDO Network as of and for the year ended December 31, 2023 did not identify events or conditions that may cast significant doubt on BDO Network's ability to continue as a going concern.

(d) Accounting for Business Combination

Description of the Matter

In 2022, the BDO Unibank Group has an outstanding 50% equity investment in SM Keppel Land, Inc. (SMKL). On December 22, 2023, the BDO Unibank Group acquired the remaining 50% of the issued and outstanding capital stock of SMKL for cash consideration amounting to P8,161 million, making the latter a wholly-owned subsidiary of the former. BDO Unibank Group applied the acquisition method to account for this business combination achieved in stages. In accordance with PFRS 3, *Business Combinations*, BDO Unibank Group recognized a gain on bargain purchase or negative goodwill amounting to P169 million from the excess of the acquisition-date fair value of the identifiable resources acquired and the liabilities assumed from SMKL over the aggregate of the acquisition-date fair values of consideration transferred and the previously-held equity interest. Moreover, the transaction involved remeasurement of BDO Unibank Group's previously-held equity interest in SMKL and the valuation of its net assets at their acquisition-date fair values where significant estimates were applied. The remeasurement of the previously-held interest in SMKL at its acquisition-date fair value resulted in the recognition of fair value gain amounting to P6,107 million. We, therefore, considered the business combination to be a key audit matter due to the significance of the amount involved, complexity of the accounting for business combination achieved in stages and estimation involved in determination of fair values.

The BDO Unibank Group's disclosures of the business combination are included in Note 30.4 to the financial statements.

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How the Matter was Addressed in the Audit

Our audit procedures, included among others, the following:

- obtaining an understanding of the terms of the transaction by reading the relevant minutes of meeting and executed share purchase agreement;
- testing the reasonableness of the fair value of the identifiable assets liabilities of SMKL and the previously-held equity interest at acquisition date;
- examining the supports for the cash consideration transferred by BDO Unibank Group to the former stockholders of SMKL; and,
- recalculating the resulting fair value gain on the remeasurement of the previous-held interest in SMKL and the gain on acquisition or negative goodwill by comparing the aggregate of the cash consideration transferred and acquisition-date fair value of the previously-held interest against the acquisition-date fair value of the net assets of SMKL.

Other Information

Management is responsible for the other information. The other information comprises the information included in the BDO Unibank Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A, and Annual Report for the year ended December 31, 2023, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BDO Unibank Group's and the Parent Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BDO Unibank Group's and the Parent Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the BDO Unibank Group and the Parent Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the BDO Unibank Group and the Parent Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. As discussed in Note 31 to the financial statements, the Parent Bank presented the supplementary information required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 in a supplementary schedule filed separately from the basic financial statements. RR No. 15-2010 requires the supplementary information to be presented in the notes to the financial statements. The supplementary information for the years ended December 31, 2023 and 2022 required by the Bangko Sentral ng Pilipinas (BSP) as disclosed in Note 35 to the financial statements is presented for purposes of additional analysis. Such supplementary information required by BIR and BSP is the responsibility of management. The supplementary information is not a required part of the basic financial statements prepared in accordance with PFRS; it is neither a required disclosure under the Revised Securities Regulation Code Rule 68 of the SEC.

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

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 10076147, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 95626-SEC (until financial period 2026)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-022-2022 (until Oct. 13, 2025)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2024

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BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 and 2022
(Amounts in Millions of Philippine Pesos)

	Notes	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
RESOURCES					
CASH AND OTHER CASH ITEMS	8	P 94,278	P 82,944	P 91,635	P 80,666
DUE FROM BANGKO SENTRAL NG PILIPINAS	8	335,076	385,779	332,428	382,210
DUE FROM OTHER BANKS - Net	9	85,974	60,455	76,791	51,434
TRADING AND INVESTMENT SECURITIES - Net	10	931,885	722,830	787,691	606,789
LOANS AND OTHER RECEIVABLES - Net	11	2,886,028	2,696,901	2,809,547	2,621,221
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	12, 13	48,085	46,471	43,878	42,394
INVESTMENT PROPERTIES - Net	14	46,810	21,158	13,408	13,173
EQUITY INVESTMENTS - Net	15	3,879	5,501	70,832	56,115
OTHER RESOURCES - Net	16	45,646	52,669	36,437	46,321
TOTAL RESOURCES		P 4,477,661	P 4,074,708	P 4,262,647	P 3,900,323
LIABILITIES AND EQUITY					
DEPOSIT LIABILITIES	18	P 3,567,550	P 3,220,883	P 3,476,867	P 3,141,016
BILLS PAYABLE	19	189,582	198,891	167,988	188,872
INSURANCE CONTRACT LIABILITIES	20	77,210	64,363	-	-
OTHER LIABILITIES	21	124,765	129,114	107,595	110,536
Total Liabilities		3,959,107	3,613,251	3,752,450	3,440,424
EQUITY	22				
Attributable to:					
Shareholders of the Parent Bank		515,916	459,332	510,197	459,899
Non-controlling Interests		2,638	2,125	-	-
		518,554	461,457	510,197	459,899
TOTAL LIABILITIES AND EQUITY		P 4,477,661	P 4,074,708	P 4,262,647	P 3,900,323

See Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
RECEIVED
APR 11 2024
BY: ERWIN PACINIO
LT DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos Except Per Share Data)

	Notes	BDO Unibank Group			Parent Bank		
		2023	2022	2021	**2023**	2022	2021
INTEREST INCOME	23	**P 240,196**	P 169,071	P 144,879	**P 226,389**	P 158,632	P 136,772
INTEREST EXPENSE	24	**53,809**	19,839	13,533	**51,111**	18,728	12,906
NET INTEREST INCOME		**186,387**	149,232	131,346	**175,278**	139,904	123,866
IMPAIRMENT LOSSES (RECOVERY) - Net	17						
Financial Assets	10, 11, 16	**16,421**	16,564	16,942	**15,665**	15,815	16,745
Non-Financial Assets	16	**(44)**	(203)	93	**(44)**	(232)	56
Others	21	**19**	5	28	**19**	5	28
		16,396	16,366	17,063	**15,640**	15,588	16,829
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		**169,991**	132,866	114,283	**159,638**	124,316	107,037
OTHER OPERATING INCOME	25	**84,017**	71,535	61,354	**57,314**	50,129	40,635
OTHER OPERATING EXPENSES	25	**156,827**	131,208	119,875	**128,942**	104,119	93,613
PROFIT BEFORE TAX		**97,181**	73,193	55,762	**88,010**	70,326	54,059
TAX EXPENSE	31	**23,621**	15,959	12,907	**20,811**	13,333	11,378
NET PROFIT		**P 73,560**	P 57,234	P 42,855	**P 67,199**	P 56,993	P 42,681
Attributable to:							
Shareholders of the Parent Bank		**P 73,411**	P 57,054	P 42,791			
Non-controlling Interests		**149**	180	64			
		P 73,560	P 57,234	P 42,855			
Earnings Per Share:	32						
Basic		**P 13.86**	P 10.77	P 8.07			
Diluted		**P 13.82**	P 10.72	P 8.05			

See Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
APR 11 2024
BY: ERWIN PACINIO
PROCESSING AND QUALITY ASSURANCE UNIT

BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos)

	Notes	BDO Unibank Group			Parent Bank		
		2023	2022	2021	**2023**	2022	2021
NET PROFIT		**P 73,560**	P 57,234	P 42,855	**P 67,199**	P 56,993	P 42,681
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that are or will be reclassified subsequently to profit or loss:							
Net unrealized gains (losses) on debt investments at fair value through other comprehensive income (FVOCI), net of tax	10	**7,487**	(17,959)	(5,394)	**7,459**	(17,883)	(5,365)
Transfer of realized losses (gains) on disposed debt investments at FVOCI to statements of income, net of tax		**19**	11	(275)	**20**	11	(275)
Impairment losses (recoveries) on debt investments at FVOCI	10	**108**	67	(87)	**108**	67	(87)
Net gains (losses) on FVOCI securities, net of tax		**7,614**	(17,881)	(5,756)	**7,587**	(17,805)	(5,727)
Translation adjustment related to foreign operations		**16**	(5)	92	**25**	(10)	100
		7,630	(17,886)	(5,664)	**7,612**	(17,815)	(5,627)
Items that will not be reclassified to profit or loss:							
Remeasurement on life insurance reserves		**(4,072)**	9,620	5,686	**(4,072)**	9,620	5,686
Actuarial losses on remeasurement of retirement benefit obligation, net of tax	26	**(5,517)**	(1,097)	(6,022)	**(5,487)**	(1,101)	(6,005)
Reversal of revaluation increment		**-**	-	55	**-**	-	55
Unrealized gains (losses) on equity investments at FVOCI, net of tax	10	**160**	(498)	135	**160**	(498)	135
		(9,429)	8,025	(146)	**(9,399)**	8,021	(129)
Other Comprehensive Loss, net of tax		**(1,799)**	(9,861)	(5,810)	**(1,787)**	(9,794)	(5,756)
TOTAL COMPREHENSIVE INCOME		**P 71,761**	P 47,373	P 37,045	**P 65,412**	P 47,199	P 36,925
Attributable to:							
Shareholders of the Parent Bank		**P 71,615**	P 47,265	P 37,028			
Non-controlling Interests		**146**	108	17			
		P 71,761	P 47,373	P 37,045			

See Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
APR 11 2024
RV. ERWIN PACINIO
TECHNICAL ASSESSMENT AND QUALITY ASSURANCE DIVISION

BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos)

	Notes	BDO Unibank Group														
		Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Shares at Cost	Surplus Reserves	Other Reserves	Surplus Free	Net Unrealized Fair Value Gains (Losses) on FVOCI	Accumulated Actuarial Losses	Revaluation Increment	Remeasurement on Life Insurance Reserves	Accumulated Translation Adjustment	Accumulated Share in Other Comprehensive Income (Loss) of Associates	Total Attributable to Shareholders of the Parent Bank	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023		₱ 52,641	₱ 6,180	₱ 229,946	(₱ 1)	₱ 22,131	(₱ 76)	₱ 178,537	(₱ 19,950)	(₱ 17,566)	₱ 1,010	₱ 6,447	₱ 38	(₱ 5)	₱ 459,332	₱ 2,125	₱ 461,457
Transactions with owners	22																
Issuance of shares during the year		43	-	506	-	-	-	-	-	-	-	-	-	-	549	-	549
Options transferred during the year		-	-	-	-	(359)	-	-	-	-	-	-	-	-	(359)	-	(359)
Options expensed during the year		-	-	-	-	903	-	-	-	-	-	-	-	-	903	-	903
Cash dividends		-	-	-	-	-	-	(16,207)	-	-	-	-	-	-	(16,207)	-	(16,207)
		43	-	506	-	544	-	(16,207)	-	-	-	-	-	-	(15,114)	-	(15,114)
Total comprehensive income (loss)		-	-	-	-	-	-	73,411	7,747	(5,482)	-	(4,072)	16	(5)	71,615	146	71,761
Transfer from Surplus Free																	
Trust reserve	22, 28	-	-	-	-	262	-	(262)	-	-	-	-	-	-	-	-	-
Appropriation of excess GLLP over ECL		-	-	-	-	2,090	-	(2,090)	-	-	-	-	-	-	-	-	-
Other reserves	22	-	-	-	-	27	-	(27)	-	-	-	-	-	-	-	-	-
		-	-	-	-	2,379	-	(2,379)	-	-	-	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI		-	-	-	-	-	-	7	(7)	-	-	-	-	-	-	-	-
Other adjustments																	
Additional capital contribution to a subsidiary		-	-	-	-	-	83	-	-	-	-	-	-	-	83	367	450
BALANCE AT DECEMBER 31, 2023		**₱ 52,684**	**₱ 6,180**	**₱ 230,452**	**(₱ 1)**	**₱ 25,054**	**₱ 7**	**₱ 253,369**	**(₱ 12,210)**	**(₱ 23,048)**	**₱ 1,010**	**₱ 2,375**	**₱ 54**	**(₱ 10)**	**₱ 515,916**	**₱ 2,638**	**₱ 518,554**
BALANCE AT JANUARY 1, 2022		₱ 43,855	₱ 5,150	₱ 124,447	₱ -	₱ 19,930	₱ 29	₱ 249,743	(₱ 1,630)	(₱ 16,454)	₱ 1,010	(₱ 3,173)	₱ 43	(₱ 16)	₱ 422,934	₱ 1,614	₱ 424,548
Transactions with owners	22																
Issuance of shares during the year		13	-	131	-	-	-	-	-	-	-	-	-	-	144	-	144
Options transferred during the year		-	-	-	-	(947)	-	-	-	-	-	-	-	-	(947)	-	(947)
Options expensed during the year		-	-	-	-	294	-	-	-	-	-	-	-	-	294	-	294
Stock dividends		8,773	1,030	105,368	(1)	-	-	(115,171)	-	-	-	-	-	-	(1)	-	(1)
Cash dividends		-	-	-	-	-	-	(10,252)	-	-	-	-	-	-	(10,252)	(2)	(10,254)
		8,786	1,030	105,499	(1)	(653)	-	(125,423)	-	-	-	-	-	-	(10,762)	(2)	(10,764)
Total comprehensive income (loss)		-	-	-	-	-	-	57,054	(18,303)	(1,112)	-	9,620	(5)	11	47,265	108	47,373
Transfer from Surplus Free																	
Trust reserve	22, 28	-	-	-	-	251	-	(251)	-	-	-	-	-	-	-	-	-
Reversal of appropriation		-	-	-	-	(14)	-	14	-	-	-	-	-	-	-	-	-
Appropriation of excess GLLP over ECL		-	-	-	-	2,475	-	(2,475)	-	-	-	-	-	-	-	-	-
Other reserves	22	-	-	-	-	142	-	(142)	-	-	-	-	-	-	-	-	-
		-	-	-	-	2,854	-	(2,854)	-	-	-	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI		-	-	-	-	-	-	17	(17)	-	-	-	-	-	-	-	-
Other adjustments																	
Additional capital contribution to a subsidiary		-	-	-	-	-	(105)	-	-	-	-	-	-	-	(105)	405	300
BALANCE AT DECEMBER 31, 2022		₱ 52,641	₱ 6,180	₱ 229,946	(₱ 1)	₱ 22,131	(₱ 76)	₱ 178,537	(₱ 19,950)	(₱ 17,566)	₱ 1,010	₱ 6,447	₱ 38	(₱ 5)	₱ 459,332	₱ 2,125	₱ 461,457
BALANCE AT JANUARY 1, 2021		₱ 43,842	₱ 5,150	₱ 124,327	₱ -	₱ 17,964	₱ 29	₱ 214,525	₱ 4,008	(₱ 10,459)	₱ 955	(₱ 8,859)	(₱ 49)	(₱ 10)	₱ 391,423	₱ 1,598	₱ 393,021
Transactions with owners	22																
Issuance of shares during the year		13	-	120	-	-	-	-	-	-	-	-	-	-	133	-	133
Options transferred during the year		-	-	-	-	44	-	-	-	-	-	-	-	-	44	-	44
Options expensed during the year		-	-	-	-	273	-	-	-	-	-	-	-	-	273	-	273
Cash dividends		-	-	-	-	-	-	(5,602)	-	-	-	-	-	-	(5,602)	(1)	(5,603)
		13	-	120	-	317	-	(5,602)	-	-	-	-	-	-	(5,152)	(1)	(5,153)
Total comprehensive income (loss)		-	-	-	-	-	-	42,791	(5,595)	(5,995)	55	5,686	92	(6)	37,028	17	37,045
Transfer from Surplus Free																	
Trust reserve	22, 28	-	-	-	-	263	-	(263)	-	-	-	-	-	-	-	-	-
Appropriation of excess GLLP over ECL		-	-	-	-	1,337	-	(1,337)	-	-	-	-	-	-	-	-	-
Other reserves	22	-	-	-	-	49	-	(49)	-	-	-	-	-	-	-	-	-
		-	-	-	-	1,649	-	(1,649)	-	-	-	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI		-	-	-	-	-	-	(322)	(43)	-	-	-	-	-	(365)	-	(365)
BALANCE AT DECEMBER 31, 2021		₱ 43,855	₱ 5,150	₱ 124,447	₱ -	₱ 19,930	₱ 29	₱ 249,743	(₱ 1,630)	(₱ 16,454)	₱ 1,010	(₱ 3,173)	₱ 43	(₱ 16)	₱ 422,934	₱ 1,614	₱ 424,548

See Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
APR 1 1 2024
BY: ERWIN PACINIO
PROCESSING AND QUALITY ASSURANCE DIVISION

BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos)

		Parent Bank											
	Notes	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Shares at Cost	Surplus Reserves	Surplus Free	Net Unrealized Fair Value Gains (Losses) on FVOCI	Accumulated Actuarial Losses	Revaluation Increment	Accumulated Translation Adjustment	Accumulated Share in Other Comprehensive Income (Loss) of Subsidiaries and Associates	Total Equity
BALANCE AT JANUARY 1, 2023		P 52,641	P 6,180	P 229,927	(P 1)	P 21,001	P 178,300	(P 12,228)	(P 16,902)	P 1,007	(P 25)	(P 1)	P 459,899
Transactions with owners	22												
Issuance of shares during the year		43	-	506	-	-	-	-	-	-	-	-	549
Options transferred during the year		-	-	-	-	(314)	-	-	-	-	-	-	(314)
Options expensed during the year		-	-	-	-	858	-	-	-	-	-	-	858
Cash dividends		-	-	-	-	-	(16,207)	-	-	-	-	-	(16,207)
		43	-	506	-	544	(16,207)	-	-	-	-	-	(15,114)
Total comprehensive income (loss)		-	-	-	-	-	67,199	3,757	(5,145)	-	28	(427)	65,412
Transfer from Surplus Free													
Trust reserve	22, 28	-	-	-	-	262	(262)	-	-	-	-	-	-
Appropriation of excess GLLP over ECL		-	-	-	-	1,986	(1,986)	-	-	-	-	-	-
Other reserves	22	-	-	-	-	23	(23)	-	-	-	-	-	-
		-	-	-	-	2,271	(2,271)	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI		-	-	-	-	-	7	-	-	-	-	(7)	-
BALANCE AT DECEMBER 31, 2023		**P 52,684**	**P 6,180**	**P 230,433**	**(P 1)**	**P 23,816**	**P 227,028**	**(P 8,471)**	**(P 22,047)**	**P 1,007**	**P 3**	**(P 435)**	**P 510,197**
BALANCE AT JANUARY 1, 2022		P 43,855	P 5,150	P 124,428	P -	P 18,959	P 249,407	(P 348)	(P 15,675)	P 1,007	P 36	(P 3,358)	P 423,461
Transactions with owners	22												
Issuance of shares during the year		13	-	131	-	-	-	-	-	-	-	-	144
Options transferred during the year		-	-	-	-	(941)	-	-	-	-	-	-	(941)
Options expensed during the year		-	-	-	-	289	-	-	-	-	-	-	289
Stock dividends		8,773	1,030	105,368	(1)	-	(115,171)	-	-	-	-	-	(1)
Cash dividends		-	-	-	-	-	(10,252)	-	-	-	-	-	(10,252)
		8,786	1,030	105,499	(1)	(652)	(125,423)	-	-	-	-	-	(10,761)
Total comprehensive income (loss)		-	-	-	-	-	56,993	(11,873)	(1,227)	-	(61)	3,367	47,199
Transfer from Surplus Free													
Trust reserve	22, 28	-	-	-	-	251	(251)	-	-	-	-	-	-
Appropriation of excess GLLP over ECL		-	-	-	-	2,311	(2,311)	-	-	-	-	-	-
Other reserves	22	-	-	-	-	132	(132)	-	-	-	-	-	-
		-	-	-	-	2,694	(2,694)	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI		-	-	-	-	-	17	(7)	-	-	-	(10)	-
BALANCE AT DECEMBER 31, 2022		P 52,641	P 6,180	P 229,927	(P 1)	P 21,001	P 178,300	(P 12,228)	(P 16,902)	P 1,007	(P 25)	(P 1)	P 459,899
BALANCE AT JANUARY 1, 2021		P 43,842	P 5,150	P 124,308	P -	P 17,085	P 214,207	P 2,459	(P 10,012)	P 952	(P 14)	(P 5,923)	P 392,054
Transactions with owners	22												
Issuance of shares during the year		13	-	120	-	-	-	-	-	-	-	-	133
Options transferred during the year		-	-	-	-	65	-	-	-	-	-	-	65
Options expensed during the year		-	-	-	-	252	-	-	-	-	-	-	252
Cash dividends		-	-	-	-	-	(5,602)	-	-	-	-	-	(5,602)
		13	-	120	-	317	(5,602)	-	-	-	-	-	(5,152)
Total comprehensive income (loss)		-	-	-	-	-	42,681	(2,785)	(5,663)	55	50	2,587	36,925
Transfer from Surplus Free													
Trust reserve	22, 28	-	-	-	-	263	(263)	-	-	-	-	-	-
Appropriation of excess GLLP over ECL		-	-	-	-	1,250	(1,250)	-	-	-	-	-	-
Other reserves	22	-	-	-	-	44	(44)	-	-	-	-	-	-
		-	-	-	-	1,557	(1,557)	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI		-	-	-	-	-	(322)	22	-	-	-	(22)	(366)
BALANCE AT DECEMBER 31, 2021		P 43,855	P 5,150	P 124,428	P -	P 18,959	P 249,407	(P 348)	(P 15,675)	P 1,007	P 36	(P 3,358)	P 423,461

See Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
APR 11 2024
BY: ERVIN PACINIO
DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Millions of Philippine Pesos)

	Notes	BDO Unibank Group 2023	BDO Unibank Group 2022	BDO Unibank Group 2021	Parent Bank 2023	Parent Bank 2022	Parent Bank 2021
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax		**P 97,181**	P 73,193	P 55,762	**P 88,010**	P 70,326	P 54,059
Adjustments for:							
Interest income	23	**(240,196)**	(169,071)	(144,879)	**(226,389)**	(158,632)	(136,772)
Interest received		**237,732**	166,954	147,093	**223,260**	156,703	140,391
Interest expense	24	**53,809**	19,839	13,533	**51,111**	18,728	12,906
Interest paid		**(48,193)**	(16,862)	(13,039)	**(46,278)**	(15,992)	(13,050)
Impairment losses	10, 11, 15, 16	**16,396**	16,366	17,063	**15,640**	15,588	16,829
Depreciation and amortization	12, 14, 15	**12,820**	9,920	9,198	**11,449**	8,715	8,035
Gain on acquisition of a subsidiary	30	**(6,276)**	-	-	-	-	-
Share in net profit of subsidiaries and associates	15	**(1,273)**	(849)	(814)	**(8,378)**	(8,710)	(6,350)
Fair value losses (gains)		**(588)**	679	(293)	**(526)**	198	(221)
Foreign exchange loss (gain) unrealized		**544**	(15,457)	(7,614)	**269**	(13,859)	(6,714)
Loss (gain) from the disposal of financial assets at fair value through other comprehensive income (FVOCI)		**31**	(8)	(278)	**3**	(13)	(191)
Gain from the disposal of investment securities at amortized cost		**-**	(18)	(156)	**-**	(18)	(108)
Operating profit before changes in operating resources and liabilities		**121,987**	84,686	75,576	**108,171**	73,034	68,814
Decrease (increase) in financial assets at fair value through profit or loss		**(1,910)**	2,708	(10,287)	**(2,045)**	1,431	39
Increase in loans and other receivables		**(259,692)**	(233,423)	(145,077)	**(253,277)**	(203,542)	(135,533)
Increase in investment properties		**(2,237)**	(3,864)	(4,291)	**(1,613)**	(2,599)	(658)
Increase in other resources		**(24,646)**	(19,653)	(13,928)	**(19,588)**	(16,889)	(9,535)
Increase in deposit liabilities		**343,249**	398,047	210,839	**332,613**	387,387	203,574
Increase in insurance contract liabilities		**8,775**	8,655	12,604	**-**	-	-
Increase in other liabilities		**9,153**	29,034	15,963	**9,724**	22,838	13,629
Cash generated from operations		**194,679**	266,190	141,399	**173,985**	258,798	140,330
Cash paid for income tax		**(20,076)**	(13,640)	(13,213)	**(17,358)**	(11,242)	(12,140)
Net Cash From Operating Activities		**174,603**	252,550	128,186	**156,627**	247,556	128,190
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisitions of financial assets at FVOCI	10	**(906,674)**	(285,428)	(476,166)	**(872,261)**	(258,499)	(446,867)
Proceeds from disposals of financial assets at FVOCI		**770,990**	279,524	490,264	**760,430**	259,560	459,718
Acquisitions of investment securities at amortized cost	10	**(115,310)**	(161,048)	(169,502)	**(111,216)**	(155,379)	(161,191)
Maturities of investment securities at amortized cost	10	**50,174**	61,931	68,198	**46,673**	56,431	60,520
Acquisitions of premises, furniture, fixtures and equipment	12	**(6,843)**	(3,888)	(3,853)	**(5,711)**	(2,839)	(3,314)
Net addition to equity investment		**(1,171)**	-	-	**(1,171)**	-	-
Proceeds from disposals of premises, furniture, fixtures and equipment		**111**	285	158	**39**	168	65
Net Cash Used in Investing Activities		**(208,723)**	(108,624)	(90,901)	**(183,217)**	(100,558)	(91,069)
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments of bills payable	19	**(198,313)**	(154,424)	(139,905)	**(155,761)**	(125,969)	(74,022)
Proceeds from bills payable	19	**187,614**	140,241	127,859	**134,226**	110,080	60,762
Dividends paid	22	**(16,207)**	(10,255)	(5,603)	**(16,207)**	(10,253)	(5,602)
Payments of lease liabilities	13	**(4,370)**	(4,192)	(3,238)	**(4,097)**	(4,032)	(3,100)
Proceeds from issuance of common stock	22	**549**	144	133	**549**	144	133
Net Cash Used in Financing Activities		**(30,727)**	(28,486)	(20,754)	**(41,290)**	(30,030)	(21,829)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS *(Carried Forward)*		**(P 64,847)**	P 115,440	P 16,531	**(P 67,880)**	P 116,968	P 15,292

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	Notes	BDO Unibank Group 2023	2022	2021	Parent Bank 2023	2022	2021
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS *(Brought Forward)*		**(P 64,847)**	P 115,440	P 16,531	**(P 67,880)**	P 116,968	P 15,292
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR							
Cash and other cash items	8	**82,944**	69,105	74,851	**80,666**	66,440	72,301
Due from Bangko Sentral ng Pilipinas (BSP)	8	**385,779**	304,906	308,636	**382,210**	302,660	305,079
Due from other banks	9	**58,766**	70,092	65,289	**51,055**	64,349	63,281
Investment securities at amortized cost	10	-	-	164	-	-	164
Reverse repurchase agreements	11	**26,305**	17,095	16,729	**26,091**	15,800	14,135
Interbank loans receivables	11	**98,942**	81,083	57,100	**102,293**	81,083	57,100
Foreign currency notes and coins (FCNC)	16	**10,582**	5,597	8,578	**10,582**	5,597	8,577
		663,318	547,878	531,347	**652,897**	535,929	520,637
CASH AND CASH EQUIVALENTS AT END OF YEAR							
Cash and other cash items	8	**94,278**	82,944	69,105	**91,635**	80,666	66,440
Due from BSP	8	**335,076**	385,779	304,906	**332,428**	382,210	302,660
Due from other banks	9	**84,678**	58,766	70,092	**76,567**	51,055	64,349
Investment securities at amortized cost	10	**1,163**	-	-	**709**	-	-
Reverse repurchase agreements	11	**25,370**	26,305	17,095	**24,970**	26,091	15,800
Interbank loans receivables	11	**48,920**	98,942	81,083	**49,722**	102,293	81,083
FCNC	16	**8,986**	10,582	5,597	**8,986**	10,582	5,597
		P 598,471	P 663,318	P 547,878	**P 585,017**	P 652,897	P 535,929

Supplemental Information on Noncash Financing and Investing Activities

The following are the significant noncash transactions:

a. The BDO Unibank Group and the Parent Bank acquired real and other properties totalling to P3,502 and P3,445, respectively, in 2023, P8,333 and P8,230, respectively, in 2022, and P4,403 and P4,361, respectively, in 2021 in settlement of certain loan accounts (see Note 14).

b. The BDO Unibank Group and the Parent Bank recognized additional right-of-use assets amounting to P3,716 and P3,309, respectively, in 2023, P4,683 and P4,414, respectively, in 2022, and P3,216 and P2,951, respectively, in 2021 which are presented as part of Premises, Furnitures, Fixtures and Equipment (see Notes 12 and 13).

Other Information

Certain investment securities at amortized cost, reverse repurchase agreements, interbank loans receivables, and FCNC are included as part of cash and cash equivalents for cash flow purposes but are presented as part of Trading and Investment Securities, Loans and Other Receivables, and Other Resources, respectively, in the statements of financial position (see Note 2.4). Margin deposits presented as part of Due from Other Banks is excluded from cash and cash equivalents for cash flow purposes (see Note 9).

See Notes to Financial Statements.

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1. CORPORATE MATTERS

1.1 Incorporation and Operations

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

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

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

The BDO Unibank Group and the Parent Bank's banking network within and outside the Philippines as of December 31, 2023 and 2022 follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Local branches	**1,720**	1,650	**1,206**	1,197
Foreign branches	**2**	2	**2**	2
Automated teller machines (ATMs):				
On-site	**2,863**	2,385	**2,863**	2,385
Off-site	**1,939**	2,269	**1,939**	2,269
Cash accept machines (CAMs)	**557**	640	**557**	640
Branch universal machines	**150**	-	**150**	-
Self-service teller machines	**4**	8	**4**	8
Mobile automated teller machines	**1**	1	**1**	1

BDO Unibank Group operates mainly within the Philippines with banking branches in Hong Kong and Singapore, a real estate and holding company in Europe, and various remittance subsidiaries operating in Asia, Europe, Canada and the United States. These foreign operations accounted for 1.8%, 1.4% and 1.2% of BDO Unibank Group's total revenues in 2023, 2022 and 2021, respectively, and 2.1% and 2.0% of BDO Unibank Group's total resources as of December 31, 2023 and 2022, respectively. BDO Unibank Group's subsidiaries and associates are shown in Notes 2.3 and 15.

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

1.2 Impact of Russia - Ukraine Conflict on the BDO Unibank Group's Business

On February 24, 2022, Russia started its military offensive on Ukraine which caused far-reaching impact for economies, markets, and businesses. The ongoing military conflict has introduced a wide range of sanctions against Russia, including certain Russian entities and individuals and led to significant casualties, dislocation of population, damage to infrastructure, slowdown of business operations in both countries, disruption of supply chains and commodity flows that impact prices of items such as petroleum products, cereals, iron, and steel.

A prolonged conflict between Russia and Ukraine may result in a significant slowdown in the global and Philippine economy and therefore a potential consequential deterioration in the business outlook for the Philippines. However, as of December 31, 2023, the BDO Unibank Group, whose business is primarily in the Philippines, has not been affected in a material way by the Russia-Ukraine conflict, despite its inflationary impact on commodity prices and disruption in supply chains. The Philippines remains a domestically-focused, import-dependent consumption economy, and Philippine Gross Domestic Product (GDP) numbers remained strong and resilient in 2023. The reopening of the economy, the lifting of mobility restrictions and the resurgence in consumption spending all contributed to this strong GDP performance. This in turn has led to improved albeit tempered loan growth, better margins from the increase in policy rates and net income growth, not just for the BDO Unibank Group, but for the industry in general.

The BDO Unibank Group continues to closely monitor developments in both the global and domestic markets. While the impact of the conflict has not been material so far, the BDO Unibank Group recognizes that supply chain disruptions could affect economic activity, resulting in slower growth and consumption. The BDO Unibank Group believes that its established business franchise and strong financial condition will allow it to weather near-term risks arising from the ongoing conflict.

1.3 Israel vs Hamas

On October 7, 2023, Hamas militants from Gaza commenced simultaneous incursions into several areas in neighboring Israel, damaging housing and infrastructure, inflicting casualties and taking hundreds of hostages. Israel Defense Forces responded by turning back the attackers and mounting an invasion of Gaza, with the objective of addressing the Hamas threat and rescuing the hostages. The conflict is ongoing, resulting in significant destruction of Gaza and fatalities from both sides, including non-combatants.

A wider conflict in the Middle East (ME) poses a major risk to the Philippine economy, resulting from energy supply disruptions involving major oil-producing countries. In such a situation, the Philippines, which is a net energy importer, would be negatively impacted by higher oil prices and increased inflation, reduced consumer purchasing power, and overall uncertainties in the economic growth outlook. A wider ME conflict may also negatively impact OFW remittances from the region, which accounts for approximately 17% of the total. OFW remittances are a significant contributor to domestic consumption.

The Israel-Hamas conflict expanded beyond Gaza when Houthi rebels in Yemen, in solidarity with the Palestinians, began attacking merchant ships passing through the Red Sea. This forced shipping companies to suspend or re-route their vessels' operations on threat of being attacked. Vessels passing through the Red Sea account for an estimated 11% of global trade and 30% of global container shipping volume. The Red Sea crisis still persists and renewed attacks will result in major shipping disruptions and higher freight costs, which will impact global trade and affect the country's economic activity.

The impact of the conflict has been negligible so far, and the BDO Unibank Group continues to closely monitor developments in this area.

1.4 Continuing Impact of COVID-19 Pandemic on BDO Unibank Group's Business

The COVID-19 pandemic spread in the Philippines in early 2020, significantly impacting the nation's economy and society in general. Successful efforts to contain the pandemic via health and safety protocols including vaccination of bulk of the population led to the lifting of mobility restrictions in early 2023, ushering in a return to normalized levels of consumer and business activities.

As a result, the impact of the COVID-19 pandemic to the BDO Unibank Group has considerably diminished and the BDO Unibank Group's operations have gone back to pre-pandemic levels. In 2023, an increase in net profit of 29% and 26% was registered for BDO Unibank Group and the Parent Bank, respectively.

Management will continue to monitor any potential risks that may arise from lingering COVID-19 issues, and will institute measures to mitigate these, as needed. Based on the country's economic growth performance, management is optimistic that the BDO Unibank Group will continue to post positive results and will maintain sufficient liquidity to meet current obligations as they fall due. Accordingly, management has not determined any material uncertainty that may cast significant doubt on the BDO Unibank Group's ability to continue as a going concern due to the effects of the pandemic.

1.5 Approval of Financial Statements

The financial statements of the BDO Unibank Group and the Parent Bank as of and for the year ended December 31, 2023 (including the comparative financial statements as of December 31, 2022 and for the years ended December 31, 2022 and 2021) were authorized for issue by the Parent Bank's Board of Directors (BOD) on February 24, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Financial Statements

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

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

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

(b) Presentation of Financial Statements

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

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the BDO Unibank Group and the Parent Bank's functional and presentation currency, and all values are presented in millions, except for per share data or when otherwise indicated (see also Note 2.19).

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

(d) Reclassification of Accounts

In 2022, the BDO Unibank Group and the Parent Bank presented margin deposits and equity investments - net under Other Resources - Net. In 2023, the said 2022 balances of margin deposits and equity investments - net were reclassified and presented as Due from Other Banks and as a separate line under Equity Investments - net, respectively.

	As Previously Stated	Reclassifications	As Restated
BDO Unibank Group			
Change in resources:			
Due from other banks – net	P 58,766	P 1,689	P 60,455
Equity investments – net	-	5,501	5,501
Other resources – net	59,859	(7,190)	52,669
Effect in resources		P -	
Parent Bank			
Change in resources:			
Due from other banks – net	P 51,055	P 379	P 51,434
Equity investments – net	-	56,115	56,115
Other resources – net	102,815	(56,494)	46,321
Effect in resources		P -	

The BDO Unibank Group and the Parent Bank did not present a third statement of financial position as the reclassifications do not have an impact on the net assets in the 2022 statement of financial position and therefore, did not have any effect on BDO's statement of changes in equity for the year ended December 31, 2022.

2.2 Adoption of Amended PFRS

(a) Effective in 2023 that are Relevant to BDO Unibank Group and the Parent Bank

The BDO Unibank Group and the Parent Bank adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

PAS 1 and PFRS Practice Statement 2 (Amendments)	:	Presentation of Financial Statements – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Definition of Accounting Estimates
PAS 12 (Amendments)	:	Deferred Tax Related to Assets and Liabilities from a Single Transaction

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 and PFRS Practice Statement 2 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies.* The amendments replaced the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial, that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The application of these amendments is reflected in the BDO Unibank Group and the Parent Bank's financial statements under Notes 2 and 3.

(ii) PAS 8 (Amendments), *Definition of Accounting Estimates.* The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the BDO Unibank Group and the Parent Bank's financial statements.

(iii) PAS 12 (Amendments), *Deferred Tax Related to Assets and Liabilities from a Single Transaction.* The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the BDO Unibank Group and the Parent Bank's financial statements.

(b) Effective in 2023 that are not Relevant to the BDO Unibank Group and the Parent Bank

Among the amendments to PFRS which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*, are not relevant to the BDO Unibank Group and the Parent Bank's financial statements.

(c) Effective Subsequent to 2023 but not Adopted Early

There are new standard and amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the BDO Unibank Group and the Parent Bank's financial statements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)

(iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)

(v) PFRS 17, *Insurance Contracts – Insurance Contracts* (effective from January 1, 2025)

(vi) PFRS 17 (Amendments), *Insurance Contracts – Initial Application of PFRS 17 and PFRS 9 – Comparative Information* (effective from January 1, 2025)

(vii) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

2.3 Basis of Consolidation

The BDO Unibank Group's consolidated financial statements comprise the accounts of the Parent Bank, and its subsidiaries as enumerated in Notes 2.3(c) and 15, after the elimination of material intercompany transactions. All intercompany resources and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the BDO Unibank Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

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

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

(a) Investments in Subsidiaries

In the consolidated statements of the BDO Unibank Group, the acquisition method is applied to account for acquired subsidiaries. Acquisition method requires recognizing and measuring the identifiable resources acquired, the liabilities assumed and any non-controlling interest in the acquiree.

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

Investments in subsidiaries are initially recognized at cost and subsequently accounted for using the equity method in the Parent Bank's financial statements (see Note 2.10).

(b) Investment in Associates

Investments in associates are initially recognized at cost and subsequently accounted for using the equity method. Acquired investment in associate is subject to the purchase method.

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

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

(c) Transactions with Non-controlling Interests

BDO Unibank Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of BDO Unibank Group in their capacity as owners.

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

The BDO Unibank Group holds interests in the following subsidiaries:

	Percentage of Ownership		
Subsidiaries	**2023**	2022	2021
Rural Bank			
BDO Network Bank, Inc. (BDO Network)	**84.91%**	87.37%	84.87%
Investment House			
BDO Capital & Investment Corporation (BDO Capital)	**99.88%**	99.88%	99.88%

Subsidiaries	Percentage of Ownership 2023	2022	2021
Private Banking			
BDO Private Bank, Inc. (BDO Private)	**100%**	100%	100%
Leasing and Finance			
Averon Holdings Corporation (Averon)	**99.88%**	99.88%	99.88%
BDO Rental, Inc. (BDO Rental)	**100%**	100%	100%
BDO Finance Corporation (BDO Finance)	**100%**	100%	100%
SM Keppel Land, Inc. (SMKL)**	**100%**	50%	50%
Securities Companies			
BDO Securities Corporation (BDO Securities)	**99.88%**	99.88%	99.88%
Armstrong Securities, Inc. (ASI)	**-**	-	80%
Real Estate Companies			
BDORO Europe Ltd. (BDORO)	**100%**	100%	100%
Equimark-NFC Development Corporation (Equimark)	**60%**	60%	60%
Insurance Companies			
BDO Life Assurance Company Inc. (BDO Life)	**100%**	100%	100%
BDO Insurance Brokers, Inc. (BDOI)	**100%**	100%	100%
Holding Companies			
Dominion Holdings, Inc. (Dominion Holdings) (formerly BDO Leasing and Finance, Inc.)	**88.54%**	88.54%	88.54%
BDO Strategic Holdings, Inc. (BDOSHI)	**100%**	100%	100%
Remittance Companies			
BDO Remit (USA), Inc. (BRUSA)	**100%**	100%	100%
BDO Remit (Japan) Ltd.	**100%**	100%	100%
BDO Remit (Canada) Ltd.	**100%**	100%	100%
BDO Remit Limited	**100%**	100%	100%
BDO Remit (Macau) Ltd.	**100%**	100%	100%
BDO Remit (UK) Ltd.	**99.88%**	99.88%	96.20%
BDO Remit International Holdings B.V. (BDO RIH)*	**96.20%**	96.20%	96.20%
BDO Remit (Spain) S.A.***	**-**	96.20%	96.20%
CBN Greece S.A*	**96.13%**	96.13%	96.13%

** Under liquidation*
*** Consolidated on December 22, 2023 (see Note 30.4)*
**** Liquidated on February 7, 2023 (see Note 30.3)*

Non-controlling interests represent the interests not held by BDO Unibank Group in BDO Network, BDO Capital, Dominion Holdings, Averon, BDO Securities, Equimark, BDO Remit (UK), BDO RIH, BDO Remit Spain and CBN Greece (see Note 15).

On July 18, 2022, the SEC approved the change in name and purpose of BDO Leasing and Finance, Inc. into Dominion Holdings, Inc., a holding company and remains listed in the PSE.

On August 18, 2022 and October 28, 2022, BDO Unibank subscribed to additional 53,505,727 and 80,258,590 of BDO Network common shares, respectively, at the total subscription price of P4,250, thereby increasing its shareholdings from 84.87% in 2021 to 87.37% in 2022.

On November 29, 2023, non-controlling interests infused additional capital amounting to P450 in BDO Network, decreasing the BDO Unibank Group's ownership to 84.91%.

2.4 Financial Assets and Financial Liabilities

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

(a) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets are described below.

(i) Financial Assets at Amortized Cost

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

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

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

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

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

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

Equity securities are classified as financial assets at FVTPL, unless the BDO Unibank Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The BDO Unibank Group's financial assets at FVTPL include equity securities which are held for trading purposes.

The fair values of these financial assets are determined by reference to active market transactions or using valuation technique when no active market exists.

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

(b) Effective Interest Rate Method and Interest Income

Interest income is recognized using the effective interest rate (EIR) method for all financial instruments measured at amortized cost and financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVOCI are also recorded by using the EIR method.

The BDO Unibank Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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

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

For financial assets that have become credit-impaired subsequent to initial recognition [see Note 2.4(c)], interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

(c) Impairment of Financial Assets

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

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

- debt securities that are identified to have 'low credit risk' at the reporting date; and,

- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

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

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

(d) Measurement of ECL

The measurement of the ECL reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and, (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The BDO Unibank Group's detailed ECL measurement as determined by the management is disclosed in Note 4.3.5.

(e) Derecognition of Financial Assets – Modification of Loans

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

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

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

As to the impact on ECL measurement, the expected fair value of the "new" asset is treated as the final cash flow from the existing financial asset at the date of derecognition. Such amount is included in the calculation of cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the BDO Unibank Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss.

(f) Classification and Measurement of Financial Liabilities

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

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

- *Bills payable* are recognized initially at fair value, equivalent to the issue proceeds (fair value of consideration received), net of direct issue costs. Bills payable are subsequently measured at amortized cost. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

- *Derivatives with negative fair values* are recognized initially and subsequently measured at fair value with changes in fair value recognized in profit or loss (see Note 2.5).

- *Lease deposits from operating and finance leases* (presented as Lease deposits under Other Liabilities account in the statement of financial position) are initially recognized at fair value. The excess of the principal amount of the deposits over its fair or present value is immediately recognized as day-one gain and is included as part of Miscellaneous - net under Other Operating Income account in the statement of income. Meanwhile, interest expense on the subsequent amortization of the lease deposits is accrued using the effective interest method and is included as part of Interest Expense account in the statement of income.

- *Dividend distributions to shareholders* are recognized as financial liabilities when the dividends are declared by BDO Unibank Group and subject to the requirements of BSP Circular No. 888.

(g) Financial Guarantees and Undrawn Loan Commitments

The BDO Unibank Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the BDO Unibank Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract or agreement. Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the BDO Unibank Group is required to provide a loan or credit with pre-specified terms to the customer.

The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not reflected in the statement of financial position. These contracts are in the scope of the ECL requirements where the BDO Unibank Group estimates the expected portion of the irrevocable undrawn loan commitments that will be drawn over their expected life based on the BDO Unibank Group's historical observations of actual drawdowns and forward-looking forecasts. The ECL related to financial guarantees and loan commitments without outstanding drawn amounts is recognized under Other Liabilities account in the statement of financial position.

2.5 Derivative Financial Instruments

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

For more complex instruments, BDO Unibank Group uses valuation models, which usually use the discounted cash flow approach [see Note 3.2(c)]. Some or all of the inputs into these models may not be market observable, and are derived from market prices or rates or are estimated based on assumptions.

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

2.6 Premises, Furniture, Fixtures and Equipment

Land is stated at cost less impairment losses, if any. All other premises, furniture, fixtures and equipment are carried at cost less accumulated depreciation, amortization and any impairment in value.

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

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

2.7 Investment Properties

Investment properties are stated at cost. The cost of an investment property comprises its purchase price and directly attributable costs incurred. This also includes land and building acquired by BDO Unibank Group from defaulting borrowers not held for sale in the next 12 months. For these properties, the cost is recognized initially at fair value. Investment properties, except land, are depreciated on a straight-line basis over a period of 10 to 50 years.

BDO Unibank Group adopted the cost model in measuring its investment properties; hence, these are carried at cost less accumulated depreciation and any impairment in value.

Depreciation and impairment loss are recognized in the same manner as in premises, furniture, fixtures and equipment (see Notes 2.6 and 2.18).

2.8 Real Properties for Development and Sale

Real properties for development and sale (included as part of Other Resources account) consist of subdivision land for sale and development, and land acquired for home building, home development, and other types of real estate development. These are carried at the lower of aggregate cost and net realizable value. Costs, which are determined through specific identification, include acquisition costs and costs incurred for development, improvement and construction of subdivision land.

2.9 Non-current Assets Held for Sale

Non-current assets held for sale include other properties (chattels) acquired through repossession or foreclosure that BDO Unibank Group intends to sell within one year from the date of classification as held for sale.

BDO Unibank Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In the event that the sale of the asset is extended beyond one year, the extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond BDO Unibank Group's control and there is sufficient evidence that BDO Unibank Group remains committed to sell the asset.

2.10 Equity Investments

In the Parent Bank's financial statements, investments in subsidiaries and associates (presented under Equity Investments account in the statements of financial position) are accounted for under the equity method of accounting and are initially recognized at cost less allowance for impairment, if any (see Note 2.18).

2.11 Intangible Assets

Intangible assets include goodwill, trading rights, branch licenses, customer lists, trademark and computer software licenses.

Goodwill represents the excess of the cost of acquisition over the fair value of the net assets acquired at the date of acquisition. Goodwill is subsequently carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

Trading rights represent the rights given to securities subsidiaries of BDO Unibank Group in stock brokerage to preserve access to the trading facilities and to transact business on PSE. Trading right is assessed as having an indefinite useful life. It is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment loss, if any. BDO Unibank Group has no intention to sell its trading right in the future as it intends to continue to operate its stock brokerage business. The trading right is tested annually for any impairment in realizable value (see Note 2.18).

Branch licenses, on the other hand, represent the rights given to BDO Unibank Group to establish certain number of branches as an incentive in acquiring distressed banks or as provided by the BSP in addition to the current branches of the acquired banks. Branch licenses are assessed as having an indefinite useful life and are tested annually for any impairment (see Note 2.18).

Customer lists consist of information about customers such as their name, contact information, and managed accounts under BDO Unibank Group's trust business. The customer list is classified as intangible asset with indefinite useful life, hence, would be reviewed for impairment by assessing at each reporting date whether there is any indication that the trust business brought about by the customer lists may be impaired (see Note 2.18).

Trademark pertains to the license granted to the Parent Bank for the exclusive right to use the trademark, service mark, name or logo of Diners Club International, Ltd. (Diners) in connection with the Parent Bank's operation of Diners Club card business in the Philippines. The trademark is covered by a trademark license agreement with a term of five years, renewable every five years, subject to certain conditions set by trademark owner. This intangible asset is recognized at an amount equal to the excess of purchase price for the acquisition of Diners credit card portfolio over the acquisition-date fair value of the net assets acquired. It is amortized on a straight-line basis over a finite useful life of five years based on the term of the trademark license agreement, which is deemed to have a finite useful life since renewal is not guaranteed.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. These costs are amortized on straight-line basis over the expected useful life of five years.

2.12 Insurance Contract Liabilities

(a) Legal Policy Reserves

Life insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The provision for life insurance contracts is calculated on the basis of a prospective actuarial valuation method and assumptions subject to the provisions of the Insurance Code and guidelines set by the Insurance Commission (IC).

The BDO Unibank Group uses gross premium valuation (GPV) as the basis for valuation of the reserves for traditional life insurance policies. GPV is calculated as the sum of the present value of future benefits and expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate risk-free discount rate provided by the IC. For this purpose, the expected future cash flows shall be determined using the best estimate assumptions with due regard to significant recent experience and appropriate margin for adverse deviation (MfAD) from the expected experience. The methods and assumptions shall be in accordance with the internationally accepted actuarial standards and consider the generally accepted actuarial principles concerning financial reporting framework promulgated by the Actuarial Society of the Philippines, which considers other assumptions such as morbidity, lapse and/or persistency, non-guaranteed benefits and MfAD.

The changes in legal policy reserves for traditional life insurance policies are recognized as follows:

(i) the increase or decrease in legal policy reserves in the current year due to other assumptions excluding change in discount rate will be recognized to profit or loss; and,

(ii) remeasurement on life insurance reserves due to changes in discount rates will be recognized in other comprehensive income.

(b) Insurance Contracts with Fixed and Guaranteed Terms

Liabilities are determined as the sum of the present value of future benefits and expenses less the present value of future gross premiums discounted at rates prescribed by the IC. Future cash flows are determined using best estimate assumptions with regard to significant recent experience and appropriate margin for adverse deviation from the expected experience.

BDO Unibank Group has different assumptions for different products. However, the reserves are computed to comply with the statutory requirements, wherein discount rates are based on risk-free discount rates provided by IC and other assumptions such as mortality, disability, lapse, and expenses taking into account BDO Unibank Group's experience.

(c) Variable Unit-linked Insurance (VUL) Contracts

BDO Unibank Group, through BDO Life, issues unit-linked insurance contracts. In addition to providing insurance coverage, a unit-linked contract links payments to units of an internal investment fund set up by BDO Unibank Group with the consideration received from the policyholders. Premiums received from the issuance of unit-linked insurance contracts are recognized as premiums revenue. As allowed by PFRS 4, *Insurance Contracts*, BDO Unibank Group chose not to unbundle the investment portion of its unit-linked products.

The reserve for unit-linked liability is increased by additional deposits and changes in unit prices and is decreased by policy administration fees, mortality and surrender charges and any withdrawals. At each reporting date, this reserve is computed on the basis of the number of units allocated to the policyholders multiplied by the unit price of the underlying investment funds. The assets and liabilities underlying the internal investment funds have been consolidated with the general accounts of BDO Unibank Group.

(d) Liability Adequacy Test

Liability adequacy tests are performed annually to ensure the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of future contractual cash flows, claims handling and policy administration expenses are used. Any deficiency is immediately charged against profit or loss initially by establishing a provision for losses arising from the liability adequacy tests.

2.13 Equity

Equity consists of the following:

(a) Capital stock represents the nominal value of shares that have been issued.

(b) Additional paid-in capital includes any premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

(c) Surplus reserves consist of (i) reserve for trust business - represents the accumulated amount set aside by BDO Unibank Group under existing regulations requiring the BDO Unibank Group to carry to surplus 10% of its net profits accruing from its trust business until the surplus shall amount to 20% of the regulatory capital and, to the appropriation for general loan loss provision as prescribed by BSP; (ii) reserve for insurance fund and additional working capital for underwriting and equity trading securities and reserve fund requirement for subsidiaries engaged in the security brokerage business (see Note 22); and, (iii) share options outstanding (SOO) - represents the accumulated total of employee share options' amortizations over the vesting period as the share-based employee remuneration are recognized and reported in the statement of income. SOO will be deducted for any exercise or forfeiture of share options already vested.

(d) Other reserves pertain to the amount recognized from changes in BDO Unibank Group's ownership interest in any of its subsidiaries that do not result in loss of control.

(e) Surplus free includes all current and prior period results as disclosed in the statement of income and which are available and not restricted for use by BDO Unibank Group, reduced by the amounts of dividends declared, if any.

(f) Net unrealized gain or loss (NUGL) on FVOCI composed of cumulative mark-to-market valuation of outstanding securities and accumulated impairment on debt securities classified as FVOCI.

(g) Accumulated actuarial gains (losses) from the remeasurements of post-employment defined benefit plan.

(h) Revaluation increment pertains to gains from the revaluation of land under premises, furniture, fixtures and equipment, which is treated as part of the deemed cost of the assets (see Note 2.6).

(i) Remeasurement on life insurance reserves arises from the increase or decrease of the reserves brought about by changes in discount rates.

(j) Accumulated translation adjustment pertains to foreign exchange differences arising on translation of the resources and liabilities of foreign branch and subsidiaries that are taken up in other comprehensive income (see Note 2.19).

(k) Accumulated share in other comprehensive income (loss) of subsidiaries and associates pertains to changes resulting from the BDO Unibank Group and the Parent Bank's share in other comprehensive income (loss) of subsidiaries and associates or items recognized directly in the subsidiaries and associates' equity.

(l) Non-controlling interests represent the portion of the net resources and profit or loss not attributable to BDO Unibank Group, which are presented separately in BDO Unibank Group's statement of income, statement of comprehensive income and within the equity in BDO Unibank Group's statement of financial position and changes in equity.

2.14 Related Party Transactions and Relationships

The BDO Unibank Group established policies and procedures on related party transactions in accordance with the regulations of the BSP and the Securities and Exchange Commission (SEC). All material related party transactions, which exceed the established materiality thresholds, must undergo prior review and approval from the board-level Related Party Transactions Committee before endorsing the same to the BOD for approval.

Related party transactions, whose value exceeds 10% of the BDO Unibank Group's total resources, either single or aggregated within a 12-month period, require review of an external independent party and approval of two-thirds vote of the BOD, with at least a majority of the independent directors voting affirmatively. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within 12-month period that breaches the materiality threshold of 10% of BDO Unibank Group's total resources based on the latest audited consolidated financial statements, the same approval of the BOD would be required for the transaction that meets and exceeds the materiality threshold covering the same related party.

2.15 Other Income and Expense Recognition

A contract with a customer that results in a recognized financial instrument in the BDO Unibank Group's financial statements may be partially within the scope of PFRS 9, *Financial Instruments*, and partially within the scope of PFRS 15, *Revenue from Contracts with Customers*. In such case, the BDO Unibank Group first applies PFRS 9 to separate and measure the part of the contract that is in-scope of PFRS 9, and then applies PFRS 15 to the residual part of the contract.

The BDO Unibank Group also earns service fees and commissions in various banking services, and gains on sale of properties, which are supported by contracts approved by the parties involved. These revenues are accounted for by the BDO Unibank Group in accordance with PFRS 15.

For revenues arising from these various banking services which are to be accounted for under PFRS 15, the following provides information about the nature and timing of satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

(a) *Service charges, fees and commissions* – Service charges, fees and commissions are generally recognized over time as the service is being provided and is based on the various criteria of recognition for each specific income source. These include the following accounts:

  (i) *Commission and fees* arising from loans, deposits, and other banking transactions are taken up as income based on agreed terms and conditions.

  (ii) *Loan syndication fees* are recognized as revenue when the syndication has been completed and that BDO Unibank Group retained no part of the loan package for itself or retained a part at the same effective interest rate for the other participants.

  (iii) *Arranger fees* arising from negotiating or participating in the negotiation of a transaction for a third party such as arrangement of the acquisition of shares or other securities or the purchase or sale of businesses are recognized at the completion of the underlying assumptions.

  (iv) *Portfolio and other management advisory and service fees* are recognized based on the applicable service contracts, usually on a time-proportionate basis.

(b) *Asset management services* – The BDO Unibank Group recognizes trust fees related to asset management services, which include trust and fiduciary services. Trust fees related to investment funds are recognized ratably over the period the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time.

For other income outside the scope of PFRS 15, the following provides information about the nature and the related revenue recognition policies:

(a) *Trading and securities gains (losses)* – These are recognized when the ownership of the securities is transferred to the buyer and is computed as the difference between the selling price and the carrying amount of the securities disposed of. These also include trading gains and losses as a result of the mark-to-market valuation of investment securities classified as FVTPL.

(b) *Gain or loss from assets sold or exchanged* – Income or loss from assets sold or exchanged is recognized when the title to the properties is transferred to the buyer or when the collectability of the entire sales price is reasonably assured. This is included in statement of income as part of Other Operating Income account.

(c) *Recovery on charged-off assets* – Income arising from collections on accounts or recoveries from impairment of items previously written off are recognized in the year of recovery. This is included in statement of income as part of Other Operating Income account.

The BDO Unibank Group recognizes an expense and liability relative to the fair value of the reward points earned by clients and customers [see Note 3.2(j)] since such points are redeemable primarily from the goods or services provided by a third party participating in the program, for example, SM Group (a related party) and rewards partners of the Parent Bank.

2.16 Provisions and Contingencies

The BDO Unibank Group offers monetized rewards to active account holders in relation to its credit card and marketing rewards program. Provisions for rewards are recognized at a certain rate of the account holders' availments, determined by management based on redeemable amounts.

2.17 Leases

BDO Unibank Group accounts for its leases as follows:

(a) BDO Unibank Group as Lessor

Leases, wherein BDO Unibank Group substantially transfers to the lessee all risks and benefits incidental to ownership of the leased item, are classified as finance leases and are presented as receivable at an amount equal to BDO Unibank Group's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on BDO Unibank Group's net investment outstanding in respect of the finance lease.

(b) BDO Unibank Group as Lessee

Subsequent to initial recognition, the BDO Unibank Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The BDO Unibank Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.18).

BDO Unibank Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense as incurred.

On the statement of financial position, right-of-use assets and lease liabilities have been presented as part of Premises, Furniture, Fixtures and Equipment and Other Liabilities, respectively.

2.18 Impairment of Non-financial Assets

Intangible assets with an indefinite useful life, such as goodwill, branch licenses, customer lists and trading rights are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.19 Foreign Currency Transactions and Translations

(a) Foreign Currency Transactions

The financial statements of the Foreign Currency Deposit Unit (FCDU) of BDO Unibank Group are translated at the prevailing current exchange rates (for statement of financial position accounts) and average exchange rate during the period (for statement of income accounts) for consolidation purposes.

(b) Foreign Currency Translation

The accounting records of BDO Unibank Group are maintained in Philippine pesos except for foreign branches and subsidiaries, which are maintained in U.S. Dollars (USD), Canadian Dollar (CAD), European Union Euro (Euro), Great Britain Pound (GBP), Japanese Yen (JPY), Hong Kong Dollars (HKD) or Singapore Dollar (SGD).

On consolidation, exchange differences arising from the translation of foreign branch and net investment in foreign subsidiaries are recognized in other comprehensive income as part of Accumulated Translation Adjustment account. When a foreign operation is sold, the cumulative amount of exchange differences is recognized in profit or loss.

The translation of the financial statements into Philippine peso should not be construed as a representation that the USD, CAD, Euro, GBP, JPY, HKD or SGD amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

2.20 Compensation and Benefits Expense

BDO Unibank Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plan, and other employee benefits.

BDO Unibank Group's defined benefit post-employment plan covers all regular full-time employees. The post-employment plan is tax-qualified, noncontributory and administered by a trustee. The defined benefit obligation (DBO) is calculated annually by independent actuaries using the projected unit credit method.

A defined contribution plan is a post-employment plan under which BDO Unibank Group pays the required employer's contributions into an independent entity, such as the Social Security System. BDO Unibank Group has no legal or constructive obligations to pay further contributions after payment of the required employer's contribution.

Short-term employee benefits include wages, salaries, bonuses, and non-monetary benefits provided to current employees, which are expected to be settled before 12 months after the end of the reporting period during which the employee services are rendered, but do not include termination benefits.

Termination benefits are payable when employment is terminated by BDO Unibank Group for authorized cause before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

BDO Unibank Group recognizes a liability and an expense for bonuses based on the BDO Unibank Group's bonus policy. A provision is recognized by BDO Unibank Group where it is contractually obliged to pay the benefits or where there is a past practice that has created a constructive obligation.

BDO Unibank Group has an employee stock option plan (ESOP) for its senior officers (from vice-president up) for their contribution to BDO Unibank Group's performance and attainment of team goals. None of the BDO Unibank Group's stock plan is cash-settled.

All services received in exchange for the grant of the stock options are measured at their fair values using the Black-Scholes option model. Where employees are rewarded using stock options, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. The amount of stock options allocated to the qualified officers is based on the performance of the senior officers as determined by management and it requires a vesting period of five years. These are adjusted accordingly for any resignation or disqualification. The vested options may be exercised within three years from vesting date. The cost of ESOP is amortized over five years (vesting period) starting from the approval of the BOD. The annual amortization of stock options is included in Compensation and benefits under Other Operating Expenses account in the statement of income with corresponding recognition of SOO (included as part of Surplus Reserves under the Equity section of the statements of financial position).

2.21 Earnings Per Share

Basic earnings per share is determined by dividing consolidated net profit by the weighted average number of common shares issued and outstanding during the period, after retroactive adjustment for any stock dividend declared in the current period.

The diluted earnings per share is computed in the same manner, however, consolidated net profit attributable to common shares and the weighted average number of common shares outstanding are adjusted to reflect the effects of potentially dilutive convertible preferred shares and stock option plan granted by BDO Unibank Group to the qualified officers (to the extent that shares under the stock option plan shall be issued from the unissued authorized capital stock and not purchased from the market or stock exchange).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

BDO Unibank Group and the Parent Bank's financial statements, prepared in accordance with PFRS, require management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates and the differences could be significant.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying BDO Unibank Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Application of ECL to Financial Assets at Amortized Cost and Financial Assets at FVOCI

BDO Unibank Group uses the general approach to calculate ECL for all debt instruments carried at amortized cost and FVOCI, together with loan commitments and financial guarantee contracts. The allowance for impairment is based on the ECLs associated with the PD of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized. This is where significant judgment is required.

BDO Unibank Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument (see Note 4.3.5).

(b) Evaluation of Business Model Applied in Managing Financial Instruments

BDO Unibank Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely its core deposit funding arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for trading activities consistent with its risk appetite.

BDO Unibank Group developed business models which reflect how it manages its portfolio of financial instruments. BDO Unibank Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by BDO Unibank Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, BDO Unibank Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by BDO Unibank Group (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to BDO Unibank Group's investment, trading and lending strategies.

(c) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets, BDO Unibank Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, BDO Unibank Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows).

If the resulting difference is significant, the SPPI criterion is not met. In view of this, BDO Unibank Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

If more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

In making this judgment, BDO Unibank Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if BDO Unibank Group can explain the reasons for those sales and why those sales do not reflect a change in BDO Unibank Group's objective for the business model.

(d) Distinction Between Investment Properties and Owner-occupied Properties

BDO Unibank Group determines whether a property qualifies as investment property. In making its judgment, BDO Unibank Group considers whether the property generates cash flows largely independent of the other assets held by BDO Unibank Group. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other resources used in the supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If the portions can be sold separately (or leased out separately under finance lease), BDO Unibank Group accounts for those portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The BDO Unibank Group considers each property separately in making its judgment.

(e) Distinction Between Operating and Finance Leases for Contracts where BDO Unibank Group is the Lessor

The BDO Unibank Group has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of resources.

(f) Determination of Lease Term

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of land and office spaces, the factors that are normally the most relevant are (i) if there are significant penalties should BDO Unibank Group pre-terminate the contract, and (ii) if any leasehold improvements are expected to have a significant remaining value, BDO Unibank Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the BDO Unibank Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The BDO Unibank Group did not include the renewal period as part of the lease term of the land and office spaces because the terms of most of the contracts are renewable upon the mutual agreement of the parties.

The lease term is reassessed if an option is actually exercised or not or the BDO Unibank Group becomes obliged to exercise or not. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the BDO Unibank Group.

(g) Classification and Fair Value Determination of Acquired Properties

The BDO Unibank Group classifies its acquired properties as Premises, Furniture, Fixtures and Equipment if used in operations, chattels as Non-current assets held for sale (presented under Other Resources account) if expected to be recovered through sale rather than use, real properties as Investment Properties if intended to be held for capital appreciation or lease, as financial assets if qualified as such in accordance with PFRS 9 or as Other properties (presented under Other Resources account) if held for sale but the depreciable properties (other than building) are not yet disposed within certain years. At initial recognition, the BDO Unibank Group determines the fair value of the acquired properties through internally or externally generated appraisal. The appraised value is determined based on the current economic and market conditions as well as the physical condition of the properties. The BDO Unibank Group's methodology in determining the fair value of acquired properties is further discussed in Note 7.5.

(h) Assessment of Significant Influence on Entities in which BDO Unibank Group Holds Less than 20% Ownership

The management considers that the BDO Unibank Group and the Parent Bank have significant influence on NLEX Corporation even though it holds less than 20% of the ordinary shares in the latter. In making this judgment, management considered the BDO Unibank Group and the Parent Bank's voting rights, which is based on its acquired right to nominate a director in NLEX Corporation as granted in the Amended and Restated Shareholders' Agreement (ARSA).

ARSA provides that investors shall be entitled to nominate one director for as long as it owns at least 10% of the equity of NLEX Corporation or shall be entitled to nominate two directors for as long as it owns at least 16.5% of the equity of NLEX Corporation.

Failure to make the right judgment will result in either overstatement or understatement of resources, liabilities, income and expenses.

(i) Determination of Timing of Satisfaction of Performance Obligations

The BDO Unibank Group determines that its revenues from services for account management and loan administration shall be recognized over time while all other revenue streams are recognized at point in time. In making its judgment, the BDO Unibank Group considers the timing of receipt and consumption of benefits provided by the BDO Unibank Group to the customers. As the work is performed, the BDO Unibank Group becomes entitled to payments. This demonstrates that the customers simultaneously receive and consume the benefits of the BDO Unibank Group's rendering of these retail and corporate banking services as it performs.

In determining the best method of measuring the progress of the BDO Unibank Group's rendering of aforementioned services, the management considers the output method, which uses direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised as basis in recognizing revenues. Such measurements include results of performance completed to date and time elapsed.

(j) Determination of Branch Licenses Having Indefinite Useful Lives

The BDO Unibank Group's branch licenses were regarded as having indefinite useful lives considering there is no foreseeable limit to the period over which such assets are expected to generate net cash inflows for the BDO Unibank Group. The assessment of having indefinite useful lives is reviewed periodically and is updated whether events and circumstances such as the period of control over these assets and legal or similar limits on the use of these assets continue to support such assessment.

(k) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. Similarly, possible outflows of economic benefits to the BDO Unibank Group that do not yet meet the recognition criteria of a liability are considered contingent liabilities, hence, are not recognized in the financial statements. Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures are presented in Note 34.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of resources and liabilities within the next reporting period.

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost and debt instruments measured at FVOCI is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.3.5.

The carrying value of financial assets at FVOCI, Investment securities at amortized cost and Loans and Other Receivables, and the analysis of the allowance for impairment on such financial assets, are shown in Notes 10.2, 10.3, 11, and 17, respectively.

(b) Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. Valuation techniques are used to determine fair values which are validated and periodically reviewed by management. To the extent practicable, models use observable data, however, areas such as counterparty credit risk, volatilities and correlations require management to make estimates. Changes in assumptions could affect the reported fair value of financial instruments.

The carrying values of the BDO Unibank Group's financial assets at FVTPL and financial assets at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Notes 10.1 and 10.2, respectively.

(c) Determination of Fair Value of Derivatives

The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques normally using the discounted cash flow model.

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

(d) Estimation of Useful Lives of Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources

The BDO Unibank Group estimates the useful lives of premises, furniture, fixtures and equipment, investment properties and other properties, including trademark and computer software license, based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

The carrying amounts of premises, furniture, fixtures and equipment are analyzed in Note 12 while investment properties and other resources, including trademark, goodwill and branch licenses, are analyzed in Notes 14 and 16, respectively.

(e) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The BDO Unibank Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the BDO Unibank Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(f) Determination of Assumptions for Management's Estimation of Fair Value of Investment Properties

Investment properties are measured using the cost model. The fair value disclosed in Note 14 to the financial statements is determined by BDO Unibank Group using the discounted cash flows valuation technique which are mainly based on existing market conditions and actual transactions at each reporting period such as selling price under installment sales, expected timing of sale and appropriate discount rates. The expected selling price is determined by either an independent or internal appraiser on the basis of current appraised values of the properties or similar properties in the same location and condition (see Note 7.5).

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties. A significant change in key inputs and sources of information used in the determination of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the financial statements if their fair value will indicate evidence of impairment.

(g) Determination of Realizable Amount of Deferred Tax Assets

BDO Unibank Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is applied by the management to determine the amount of deferred tax assets that can be recognized based on the likely timing and level of BDO Unibank Group's future taxable income. The BDO Unibank Group assessed its projected performance in determining the sufficiency of the future taxable income to support the recognition of deferred tax assets.

The carrying value of deferred tax assets, which management assessed to be utilized within the next two to three years, as of December 31, 2023 and 2022 is disclosed in Note 31.1.

(h) Impairment of Non-financial Assets

In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Except for goodwill and other intangible assets with indefinite useful lives, PAS 36, *Impairment of Assets*, requires that an impairment review be performed when certain impairment indicators are present. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Impairment losses recognized in profit or loss are disclosed in Note 17.

(i) Valuation of Post-employment Defined Benefit

The determination of BDO Unibank Group's obligation and cost of post-employment and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 26.2 and include, among others, discount rates, expected rate of return on plan asset and salary increase rates. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit obligation, as well as the significant assumptions in estimating such obligation are presented in Note 26.2.

(j) Recognition of Reward Points

The BDO Unibank Group provides rewards points to its banking clients and customers based on the month-to-date average daily balance they maintain in their personal current and savings accounts and credit card usages. Reward points are redeemable in a wide selection of reward categories, including travel, merchandise of third parties, reward credits and gift certificates. Certain loyalty points for credit card have no expiration date unless the credit card is cancelled but for other rewards program, unredeemed points may expire at some future date.

The BDO Unibank Group sets up a liability to cover the cost of future reward redemptions for points earned to date. The estimated liability is based upon points earned by the clients and the current cost per point of redemption. The estimated points to be redeemed are measured and adjusted based on many factors including but not limited to past redemption behavior of the clients, product type on which the points are earned and their ultimate redemption rate on the points earned to date but not yet redeemed.

The BDO Unibank Group continually evaluates its estimates for rewards based on developments in redemption patterns, cost per point redeemed and other factors. The estimated liability for unredeemed points is impacted over time by enrollment levels, amount of points earned and redeemed, weighted-average cost per point, redemption choices made by the clients and other membership rewards program changes. The calculation is most sensitive to changes in the estimated ultimate redemption rate. This rate is based on the expectation that a large majority of all points earned will eventually be redeemed.

The carrying value of the rewards points accrued by BDO Unibank Group are presented as part of Accrued expenses under Other Liabilities account in the statement of financial position as disclosed in Note 21.

(k) Valuation of Legal Policy Reserves

Legal policy reserves represent estimates of present value of future benefits and expenses in excess of present value of future gross premiums. These estimates are based on interest rates, mortality/morbidity tables, lapses and valuation method subject to the provisions of the Code and guidelines set by the IC.

The liability for life insurance contracts uses the discount rate as provided by the IC with other assumptions based on best estimate with regard to significant recent experience and appropriate MfAD from the expected experience. At each reporting date, these estimates are reassessed for adequacy and changes will be reflected in adjustments to the liability. The main assumptions used relate to mortality, morbidity, lapse, discount rate and expense.

For life insurance contracts, estimates are made as to the expected number of deaths and lapses for each of the years in which the BDO Unibank Group is exposed to risk. The BDO Unibank Group uses mortality tables and lapse rates subject to the guidelines set by the IC as the basis of these estimates. The estimated number of lapses, deaths, illness or injury determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future premiums (see Note 20).

(l) Fair Value Measurement of Share Options

The BDO Unibank Group estimates the fair value of the executive stock option by applying the Black-Scholes option pricing model, considering the terms and conditions on which the stock option plan was granted. The estimates and assumptions used include, among others, the option's vesting period, applicable risk-free interest rate, expected dividend yield, volatility of the BDO Unibank Group's share price, and fair value of the BDO Unibank Group's common shares. Changes in these factors can affect the fair value of stock options at grant date.

4. RISK MANAGEMENT

The BOD 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.

The BOD has constituted the Risk Management Committee (RMC) as the Board-Level Committee responsible for the oversight of the risk management program. Considering the importance of appropriately addressing credit risk, the BOD has also constituted the Executive Committee. The Executive Committee is responsible for approving credit-specific transactions, while the RMC is responsible for approving risk appetite levels, policies, and risk tolerance limits related to credit portfolio risk, market risk, liquidity risk, interest rate risk, operational risk (including business continuity risk, information technology (IT) risk, information security and cyber-security risk, data privacy risk, and social media risk), consumer protection risk and environmental and social risk to ensure that current and emerging risk exposures are consistent with BDO Unibank Group's strategic direction and overall risk appetite.

Within BDO Unibank Group's overall risk management system is the Assets and Liabilities Committee (ALCO), which is responsible for managing the BDO Unibank Group's statement of financial position, including the BDO Unibank Group's liquidity, interest rate and foreign exchange related risks. In addition, ALCO formulates investment and financial policies by determining the asset allocation and funding mix strategies that are likely to yield the targeted financial results.

The BDO Unibank Group operates an enterprise-wide risk management system to address the risks it faces in its banking activities. The Risk Management Group (RMG) is mandated to adequately and consistently evaluate, manage, control, and monitor the overall risk profile of the BDO Unibank Group's activities across the different risk areas, i.e., credit, market, liquidity, interest rate, and operational risks, including business continuity risk, IT risk, information security, cyber-security, and data privacy risk, to optimize the risk-reward balance and maximize return on capital. RMG also has the responsibility for recommending to the appropriate body, risk policies across the full range of risks to which the BDO Unibank Group is exposed. RMG functionally reports to the RMC.

The evaluation, analysis, and control performed by the Risk Function, in conjunction with the Risk Takers, constitute the risk management process. The risk management process is applied at three levels: the transaction level, the business unit level, and the portfolio level. This framework ensures that risks are properly identified, quantified and analyzed, in the light of its potential effect on the BDO Unibank Group's business. The goal of the risk management process is to ensure rigorous adherence to the BDO Unibank Group's standards for precision in risk measurement and reporting and to make possible, in-depth analysis of the deployment of capital and the returns that are delivered to the shareholders.

In 2023, there was no significant change on the policies and process for managing the risk and the methods used to measure the risk of the BDO Unibank Group and the Parent Bank.

4.1 Liquidity Risk

Liquidity risk is the risk that there could be insufficient funds available to repay depositors, to fulfill commitments to lend, or to meet any other liquidity commitments. The BDO Unibank Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to meet funding requirements, manage and control liquidity gaps through Maximum Cumulative Outflow (MCO) limits, regular liquidity stress testing to ensure positive cashflow across all identified stress scenarios, and establishment of a Liquidity Contingency Plan, to ensure adequate liquidity under both business-as-usual and stress conditions.

The analyses of the maturity groupings of resources, liabilities and off-book items as of December 31, 2023 and 2022 in accordance with account classification of the BSP are presented below and in the succeeding pages. The amounts disclosed in the maturity analysis are the contractual cash flows using the primary contractual maturities or behavioral assumptions on core levels (e.g., core deposit liabilities and core deposit substitutes with maturities within one year have been classified in the more than three years category), if the latter is more relevant for purposes of profiling the liquidity gap.

BDO Unibank Group

	2023				
	One to Three Months	More Than Three Months to One Year	More Than One Year to Three Years	More Than Three Years	Total
Resources:					
Cash and other cash items	P 94,278	P -	P -	P -	P 94,278
Due from BSP and other banks	219,221	18,098	106,415	77,316	421,050
Trading and investment securities	134,670	77,721	129,054	590,440	931,885
Loans and other receivables - net	571,985	339,568	615,428	1,359,047	2,886,028
Other resources - net*	3,720	75	14	140,611	144,420
Total Resources	1,023,874	435,462	850,911	2,167,414	4,477,661
Liabilities and Equity:					
Deposit liabilities	1,075,259	174,678	1,300,373	1,017,240	3,567,550
Bills payable	46,576	32,008	104,880	6,118	189,582
Insurance contract liabilities**	(182)	(1,719)	(907)	80,018	77,210
Other liabilities	49,469	1,668	3,138	70,490	124,765
Total Liabilities	1,171,122	206,635	1,407,484	1,173,866	3,959,107
Equity	-	-	-	518,554	518,554
Total Liabilities and Equity	1,171,122	206,635	1,407,484	1,692,420	4,477,661
On-book gap	(147,248)	228,827	(556,573)	474,994	-
Cumulative on-book gap	(147,248)	81,579	(474,994)	-	-
Contingent assets	328,348	67,910	26,231	17,346	439,835
Contingent liabilities	413,073	69,394	28,686	17,311	528,464
Off-book gap	(84,725)	(1,484)	(2,455)	35	(88,629)
Net Periodic Gap	(231,973)	227,343	(559,028)	475,029	88,629
Cumulative Total Gap	(231,973)	(P 4,630)	(P 563,658)	(P 88,629)	P -

** Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments - net, and Other Resources – net.*
*** Insurance Contract Liabilities with maturity of one to three months, more than three months to one year and more than one year to three years have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.*

BDO Unibank Group

	2022				
	One to Three Months	More Than Three Months to One Year	More Than One Year to Three Years	More Than Three Years	Total
Resources:					
Cash and other cash items	P 82,944	P -	P -	P -	P 82,944
Due from BSP and other banks	213,571	19,429	116,275	96,959	446,234
Trading and investment securities	17,190	27,519	161,374	516,747	722,830
Loans and other receivables - net	564,041	290,147	528,938	1,313,775	2,696,901
Other resources - net*	12,932	3,855	4	109,008	125,799
Total Resources	890,678	340,950	806,591	2,036,489	4,074,708
Liabilities and Equity:					
Deposit liabilities	915,451	164,764	1,164,877	975,791	3,220,883
Bills payable	61,727	27,388	79,144	30,632	198,891
Insurance contract liabilities**	77	(1,124)	637	64,773	64,363
Other liabilities	64,736	4,157	2,410	57,811	129,114
Total Liabilities	1,041,991	195,185	1,247,068	1,129,007	3,613,251
Equity	-	-	-	461,457	461,457
Total Liabilities and Equity	1,041,991	195,185	1,247,068	1,590,464	4,074,708
On-book gap	(151,313)	145,765	(440,477)	446,025	-
Cumulative on-book gap	(151,313)	(5,548)	(446,025)	-	-
Contingent assets	272,616	46,778	18,167	25,477	363,038
Contingent liabilities	344,710	47,875	18,013	25,533	436,131
Off-book gap	(72,094)	(1,097)	154	(56)	(73,093)
Net Periodic Gap	(223,407)	144,668	(440,323)	445,969	73,093
Cumulative Total Gap	(P 223,407)	(P 78,739)	(P 519,062)	(P 73,093)	P -

** Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments – net, and Other Resources – net.*
*** Insurance Contract Liabilities with maturity of more than three months to one year have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.*

Parent Bank

	2023				
	One to Three Months	**More Than Three Months to One Year**	**More Than One Year to Three Years**	**More Than Three Years**	**Total**
Resources:					
Cash and other cash items	**P 91,635**	**P -**	**P -**	**P -**	**P 91,635**
Due from BSP and other banks	**212,083**	**14,983**	**106,413**	**75,740**	**409,219**
Trading and investment securities	**128,210**	**66,734**	**113,451**	**479,296**	**787,691**
Loans and other receivables – net	**567,671**	**320,813**	**575,731**	**1,345,332**	**2,809,547**
Other resources – net*	**-**	**-**	**-**	**164,555**	**164,555**
Total Resources	**999,599**	**402,530**	**795,595**	**2,064,923**	**4,262,647**
Liabilities and Equity:					
Deposit liabilities	**1,055,779**	**173,870**	**1,299,973**	**947,245**	**3,476,867**
Bills payable	**23,379**	**26,278**	**115,771**	**2,560**	**167,988**
Other liabilities	**38,157**	**-**	**344**	**69,094**	**107,595**
Total Liabilities	**1,117,315**	**200,148**	**1,416,088**	**1,018,899**	**3,752,450**
Equity	**-**	**-**	**-**	**510,197**	**510,197**
Total Liabilities and Equity	**1,117,315**	**200,148**	**1,416,088**	**1,529,096**	**4,262,647**
On-book gap *(Balance carried forward)*	**(P 117,716)**	**P 202,382**	**(P 620,493)**	**P 535,827**	**P -**

Parent Bank

	2023				
	One to Three Months	**More Than Three Months to One Year**	**More Than One Year to Three Years**	**More Than Three Years**	**Total**
On-book gap *(Balance brought forward)*	**(P 117,716)**	**P 202,382**	**(P 620,493)**	**P 535,827**	**P -**
Cumulative on-book gap	**(117,716)**	**84,666**	**(535,827)**	**-**	**-**
Contingent assets	**289,716**	**43,534**	**2,469**	**1,053**	**336,772**
Contingent liabilities	**374,683**	**45,129**	**5,045**	**1,051**	**425,908**
Off-book gap	**(84,967)**	**(1,595)**	**(2,576)**	**2**	**(89,136)**
Net Periodic Gap	**(202,683)**	**200,787**	**(623,069)**	**535,829**	**89,136**
Cumulative Total Gap	**(P 202,683)**	**(P 1,896)**	**(P 624,965)**	**(P 89,136)**	**P -**

* *Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments - net, and Other Resources - net.*

	2022				
	One to Three Months	More Than Three Months to One Year	More Than One Year to Three Years	More Than Three Years	Total
Resources:					
Cash and other cash items	P 80,666	P -	P -	P -	P 80,666
Due from BSP and other banks	204,651	18,101	116,268	94,624	433,644
Trading and investment securities	13,079	22,138	144,385	427,187	606,789
Loans and other receivables - net	565,422	274,410	497,832	1,283,557	2,621,221
Other resources - net*	1,673	3,806	-	152,524	158,003
Total Resources	865,491	318,455	758,485	1,957,892	3,900,323
Liabilities and Equity:					
Deposit liabilities	884,615	163,300	1,163,399	929,702	3,141,016
Bills payable	64,621	17,683	76,110	30,458	188,872
Other liabilities	48,727	2,786	-	59,023	110,536
Total Liabilities	997,963	183,769	1,239,509	1,019,183	3,440,424
Equity	-	-	-	459,899	459,899
Total Liabilities and Equity	997,963	183,769	1,239,509	1,479,082	3,900,323
On-book gap	(132,472)	134,686	(481,024)	478,810	-
Cumulative on-book gap	(132,472)	2,214	(478,810)	-	-
Contingent assets	251,178	31,050	2,145	2,074	286,447
Contingent liabilities	323,587	32,353	2,082	2,071	360,093
Off-book gap	(72,409)	(1,303)	63	3	(73,646)
Net Periodic Gap	(204,881)	133,383	(480,961)	478,813	73,646
Cumulative Total Gap	(P 204,881)	(P 71,498)	(P 552,459)	(P 73,646)	P -

* *Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments - net, and Other Resources – net.*

The negative liquidity gap in the MCO is due to the timing difference in the contractual maturities of resources and liabilities. The MCO measures the maximum funding requirement the BDO Unibank Group may need to support its maturing obligations. To ensure that the BDO Unibank Group maintains a prudent and manageable level of cumulative negative gap, the BDO Unibank Group maintains a pool of highly liquid assets in the form of tradable investment securities. Moreover, the BOD has approved the MCO Limits which reflect the BDO Unibank Group's overall appetite for liquidity risk exposure. This limit is reviewed every year. Compliance to MCO Limits is monitored and reported to the BOD and senior management.

In case of breach in the MCO Limit, the RMG elevates the concern to the BOD through the RMC for corrective action by senior management. Additional measures to mitigate liquidity risks include reporting of funding concentration, short-term liquidity reporting, available funding sources, and liquid assets analysis. More frequent analysis of projected funding source and requirements as well as pricing strategies is discussed thoroughly during the weekly ALCO meetings.

Pursuant to applicable BSP regulations, the BDO Unibank Group is required to maintain reserves against deposit liabilities which are based on certain percentages of deposits. The required reserves against deposit liabilities shall be kept in the form of deposits placed in the BDO Unibank Group demand deposit accounts with the BSP. The BSP also requires the BDO Unibank Group to maintain asset cover of 100% for foreign currency-denominated liabilities of its FCDU.

4.1.1 Liquidity Risk Stress

To augment the effectiveness of the BDO Unibank Group's gap analysis, the BDO Unibank Group regularly assesses liquidity risk based on behavioral and hypothetical assumptions under stress conditions. Survivability and resilience of the BDO Unibank Group are assessed for a minimum stress period of 30 days for all crisis scenarios enumerated in BSP Circular No. 981, *Guidelines on Liquidity Risk Management*. The results of these liquidity stress simulations are reported monthly to RMC.

4.1.2 Foreign Currency Liquidity Management

The liquidity risk management policies and objectives described in this section also apply to the management of any foreign currency to which the BDO Unibank Group maintains significant exposure. Specifically, the BDO Unibank Group ensures that its measurement, monitoring and control systems account for these exposures as well. The BDO Unibank Group sets and regularly reviews limits on the size of the cash flow mismatches for each significant individual currency and in aggregate over appropriate time horizons. The BDO Unibank Group also assesses its access to foreign exchange markets when setting up its risk limits.

4.2 Market Risk

The BDO Unibank Group's exposure to market risk, the risk of future loss from changes in the price of a financial instrument, relates primarily to its holdings in foreign exchange instruments, debt securities, equity securities and derivatives. The BDO Unibank Group manages its risk by identifying, analyzing and measuring relevant or likely market risks. The Market and Liquidity Risk Management Unit of the Parent Bank recommends market risk limits based on relevant activity indicators for approval by BDO Unibank Group's RMC and the BOD.

4.2.1 Foreign Exchange Risk

The BDO Unibank Group manages its exposure to effects of fluctuations in the foreign currency exchange rates by maintaining foreign currency exposure within the existing regulatory guidelines and at a level that it believes to be relatively conservative for a financial institution engaged in that type of business.

The BDO Unibank Group's net foreign exchange exposure is computed as its foreign currency resources less foreign currency liabilities. BSP regulations impose a cap of 25% of qualifying capital or US$150 million, whichever is lower, on a bank's consolidated net open foreign exchange position. The BDO Unibank Group's foreign exchange exposure is primarily limited to the day-to-day, over-the-counter buying and selling of foreign exchange in BDO Unibank Group's branches as well as foreign exchange trading with corporate accounts and other financial institutions. The BDO Unibank Group, being a major market participant in the Philippine Dealing System, may engage in proprietary trading to take advantage of foreign exchange fluctuations.

The BDO Unibank Group's foreign exchange exposure at end-of-day is guided by the limits set forth in BDO Unibank Group's Risk Management Manual. These limits are within the prescribed ceilings mandated by the BSP. At the end of each day, BDO Unibank Group reports to the BSP on its compliance with the mandated foreign currency exposure limits. In addition, it also reports to the BSP on the respective foreign currency positions of its subsidiaries. The breakdown of the financial assets and financial liabilities as to foreign and peso-denominated balances as of December 31, 2023 and 2022 is presented below.

BDO Unibank Group

	2023			2022		
	Foreign Currencies	**Philippine Pesos**	**Total**	Foreign Currencies	Philippine Pesos	Total
Resources:						
Cash and other cash items and due from BSP	**P 58**	**P 429,296**	**P 429,354**	P 90	P 468,633	P 468,723
Due from other banks	**79,790**	**6,184**	**85,974**	56,875	3,580	60,455
Trading and investment securities:						
At FVTPL	**6,159**	**41,061**	**47,220**	7,857	36,855	44,712
At FVOCI	**100,808**	**207,872**	**308,680**	80,243	85,826	166,069
At amortized cost	**207,053**	**368,932**	**575,985**	196,188	315,861	512,049
Loans and other receivables	**309,951**	**2,576,077**	**2,886,028**	389,365	2,307,536	2,696,901
Other resources	**9,023**	**5,938**	**14,961**	10,622	1,483	12,105
	P 712,842	**P 3,635,360**	**P 4,348,202**	P 741,240	P 3,219,774	P 3,961,014
Liabilities:						
Deposit liabilities	**P 484,860**	**P 3,082,690**	**P 3,567,550**	P 505,050	P 2,715,833	P 3,220,883
Bills payable	**115,768**	**73,814**	**189,582**	136,277	62,614	198,891
Insurance contract liabilities	**7,450**	**69,760**	**77,210**	7,844	56,519	64,363
Other liabilities	**13,146**	**101,626**	**114,772**	14,089	104,760	118,849
	P 621,224	**P 3,327,890**	**P 3,949,114**	P 663,260	P 2,939,726	P 3,602,986

Parent Bank

	2023			2022		
	Foreign Currencies	**Philippine Pesos**	**Total**	Foreign Currencies	Philippine Pesos	Total
Resources:						
Cash and other cash items and due from BSP	**P 54**	**P 424,009**	**P 424,063**	P 6	P 462,870	P 462,876
Due from other banks	**76,514**	**277**	**76,791**	50,990	444	51,434
Trading and investment securities:						
At FVTPL	**2,711**	**5,758**	**8,469**	3,649	2,234	5,883
At FVOCI	**93,096**	**131,483**	**224,579**	71,632	38,015	109,647
At amortized cost	**201,824**	**352,819**	**554,643**	190,632	300,627	491,259
Loans and other receivables	**309,287**	**2,500,260**	**2,809,547**	388,598	2,232,623	2,621,221
Other resources	**8,988**	**1,100**	**10,088**	10,582	1,213	11,795
	P 692,474	**P 3,415,706**	**P 4,108,180**	P 716,089	P 3,038,026	P 3,754,115
Liabilities:						
Deposit liabilities	**P 475,751**	**P 3,001,116**	**P 3,476,867**	P 493,041	P 2,647,975	P 3,141,016
Bills payable	**115,088**	**52,900**	**167,988**	136,176	52,696	188,872
Other liabilities	**12,055**	**87,454**	**99,509**	12,034	89,853	101,887
	P 602,894	**P 3,141,470**	**P 3,744,364**	P 641,251	P 2,790,524	P 3,431,775

4.2.2 Interest Rate Risk

The BDO Unibank Group prepares an interest rate gap analysis in the Banking Book to measure the sensitivity of its resources, liabilities and off-book items to interest rate fluctuations. The Banking Book is a term for resources on a bank's statement of financial position that are expected to be held to maturity, usually consisting of customer loans to and deposits from retail and corporate customers. The Banking Book can also include those derivatives that are used to hedge exposures arising from the Banking Book activity, including interest rate risk. The focus of analysis is the impact of changes in interest rates on accrual or reported earnings. This analysis would give management a glimpse of the re-pricing profile of its interest sensitive resources and liabilities in the Banking Book.

An interest rate gap report is prepared by classifying all resources and liabilities into various time buckets according to contracted maturities if fixed or anticipated repricing dates if floating, or based on behavioral assumptions if more applicable. In the interest rate gap presented, loans and investments are profiled based on next repricing if floating or contracted maturity if fixed rate while non-maturity deposit liabilities are considered non-rate sensitive. The difference in the amount of resources and liabilities maturing or being repriced in any time period category would then give BDO Unibank Group an indication of the extent to which it is exposed to the risk of potential changes in net interest income. Interest rate financial instruments (e.g., interest rate derivatives) may be used to hedge the interest rate exposures in the Banking Book. There are however, no outstanding interest rate derivatives used as hedges in the Banking Book.

The analyses of the groupings of resources, liabilities and off-book items as of December 31, 2023 and 2022 based on the expected interest realization or recognition are shown below and in the succeeding pages.

BDO Unibank Group

	2023					
	One to Three Months	More Than Three Months to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and other cash items	P -	P -	P -	P -	P 94,278	P 94,278
Due from BSP and other banks	64,132	3,103	-	-	353,815	421,050
Trading and investment securities	125,982	75,408	335,739	347,536	47,220	931,885
Loans and other receivables - net	1,392,326	440,894	950,339	102,469	-	2,886,028
Other resources - net*	-	-	-	-	144,420	144,420
Total Resources	1,582,440	519,405	1,286,078	450,005	639,733	4,477,661
Liabilities and Equity:						
Deposit liabilities	1,409,286	198,505	28,293	450	1,931,016	3,567,550
Bills payable	80,393	14,832	88,821	5,536	-	189,582
Insurance contract liabilities**	(1,171)	(2,912)	(327)	50,283	31,337	77,210
Other liabilities	-	211	959	2,489	121,106	124,765
Total Liabilities	1,488,508	210,636	117,746	58,758	2,083,459	3,959,107
Equity	-	-	-	-	518,554	518,554
Total Liabilities and Equity	1,488,508	210,636	117,746	58,758	2,602,013	4,477,661
On-book gap *(Balance carried forward)*	P 93,932	P 308,769	P 1,168,332	P 391,247	(P 1,962,280)	P -

BDO Unibank Group

	2023					
	One to Three Months	**More Than Three Months to One Year**	**More Than One Year to Five Years**	**More Than Five Years**	**Non-rate Sensitive**	**Total**
On-book gap (*Balance brought forward*)	**P 93,932**	**P 308,769**	**P 1,168,332**	**P 391,247**	**(P 1,962,280)**	**P -**
Cumulative on-book gap	**93,932**	**402,701**	**1,571,033**	**1,962,280**	**-**	**-**
Contingent assets	**30,906**	**5,550**	**355**	**-**	**-**	**36,811**
Contingent liabilities	**27,727**	**277**	**8,383**	**-**	**-**	**36,387**
Off-book gap	**3,179**	**5,273**	**(8,028)**	**-**	**-**	**424**
Net Periodic Gap	**97,111**	**314,042**	**1,160,304**	**391,247**	**(1,962,280)**	**(424)**
Cumulative Total Gap	**P 97,111**	**P 411,153**	**P 1,571,457**	**P 1,962,704**	**P 424**	**P -**

** Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments - net, and Other Resources - net.*
*** Insurance Contract Liabilities with maturities of one to three months, more than three months to one year and more than one year to five years have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.*

	2022					
	One to Three Months	More Than Three Months to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and other cash items	P -	P -	P -	P -	P 82,944	P 82,944
Due from BSP and other banks	130,852	1,294	-	-	314,088	446,234
Trading and investment securities	11,874	26,823	289,426	349,995	44,712	722,830
Loans and other receivables – net	1,320,621	377,502	876,912	121,866	-	2,696,901
Other resources – net*	10,036	3,807	3	-	111,953	125,799
Total Resources	1,473,383	409,426	1,166,341	471,861	553,697	4,074,708
Liabilities and Equity:						
Deposit liabilities	1,107,910	183,996	26,346	6,328	1,896,303	3,220,883
Bills payable	85,036	13,188	91,937	5,576	3,154	198,891
Insurance contract liabilities**	(802)	(2,159)	696	37,066	29,562	64,363
Other liabilities	12,832	76	660	70	115,476	129,114
Total Liabilities	1,204,976	195,101	119,639	49,040	2,044,495	3,613,251
Equity	-	-	-	-	461,457	461,457
Total Liabilities and Equity	1,204,976	195,101	119,639	49,040	2,505,952	4,074,708
On-book gap (*Balance carried forward*)	P 268,407	P 214,325	P 1,046,702	P 422,821	(P 1,952,255)	P -

BDO Unibank Group

	2022					
	One to Three Months	More Than Three Months to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	Total
On-book gap (*Balance brought forward*)	P 268,407	P 214,325	P 1,046,702	P 422,821	(P 1,952,255)	P -
Cumulative on-book gap	268,407	482,732	1,529,434	1,952,255	-	-
Contingent assets	40,387	1,130	2,788	-	-	44,305
Contingent liabilities	30,346	836	13,102	-	-	44,284
Off-book gap	10,041	294	(10,314)	-	-	21
Net Periodic Gap	278,448	214,619	1,036,388	422,821	(1,952,255)	(21)
Cumulative Total Gap	P 278,448	P 493,067	P 1,529,455	P 1,952,276	P 21	P -

** Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments - net, and Other Resources - net.*
*** Insurance Contract Liabilities with maturities of one to three months and more than three months to one year have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.*

Parent Bank

	2023					
	One to Three Months	**More Than Three Months to One Year**	**More Than One Year to Five Years**	**More Than Five Years**	**Non-rate Sensitive**	**Total**
Resources:						
Cash and other cash items	**P -**	**P -**	**P -**	**P -**	**P 91,635**	**P 91,635**
Due from BSP and other banks	**58,963**	**-**	**-**	**-**	**350,256**	**409,219**
Trading and investment securities	**121,949**	**66,734**	**297,562**	**292,977**	**8,469**	**787,691**
Loans and other receivables - net	**1,390,145**	**431,677**	**879,690**	**108,035**	**-**	**2,809,547**
Other resources - net*	**-**	**-**	**-**	**-**	**164,555**	**164,555**
Total Resources	**1,571,057**	**498,411**	**1,177,252**	**401,012**	**614,915**	**4,262,647**
Liabilities and Equity:						
Deposit liabilities	**1,381,980**	**194,465**	**26,424**	**5,980**	**1,868,018**	**3,476,867**
Bills payable	**57,712**	**9,667**	**94,174**	**6,435**	**-**	**167,988**
Other liabilities	**-**	**-**	**-**	**-**	**107,595**	**107,595**
Total Liabilities	**1,439,692**	**204,132**	**120,598**	**12,415**	**1,975,613**	**3,752,450**
Equity	**-**	**-**	**-**	**-**	**510,197**	**510,197**
Total Liabilities and Equity	**1,439,692**	**204,132**	**120,598**	**12,415**	**2,485,810**	**4,262,647**
On-book gap	**131,365**	**294,279**	**1,056,654**	**388,597**	**(1,870,895)**	**-**
Cumulative on-book gap	**131,365**	**425,644**	**1,482,298**	**1,870,895**	**-**	**-**
Contingent assets	**26,948**	**7,466**	**-**	**-**	**-**	**34,414**
Contingent liabilities	**26,655**	**7,345**	**-**	**-**	**-**	**34,000**
Off-book gap	**293**	**121**	**-**	**-**	**-**	**414**
Net Periodic Gap	**131,658**	**294,400**	**1,056,654**	**388,597**	**(1,870,895)**	**(414)**
Cumulative Total Gap	**P 131,658**	**P 426,058**	**P 1,482,712**	**P 1,871,309**	**P 414**	**P -**

** Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments - net, and Other Resources - net.*

Parent Bank

	2022					
	One to Three Months	More Than Three Months to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	Total
Resources:						
Cash and other cash items	P -	P -	P -	P -	P 80,666	P 80,666
Due from BSP and other banks	125,084	-	-	-	308,560	433,644
Trading and investment securities	10,657	22,138	255,436	312,675	5,883	606,789
Loans and other receivables - net	1,318,458	368,986	819,563	114,214	-	2,621,221
Other resources - net*	10,036	3,806	-	-	144,161	158,003
Total Resources	1,464,235	394,930	1,074,999	426,889	539,270	3,900,323
Liabilities and Equity:						
Deposit liabilities	1,080,372	181,248	31,093	8,627	1,839,676	3,141,016
Bills payable	79,571	6,633	97,222	5,446	-	188,872
Other liabilities	12,820	-	-	-	97,716	110,536
Total Liabilities	1,172,763	187,881	128,315	14,073	1,937,392	3,440,424
Equity	-	-	-	-	459,899	459,899
Total Liabilities and Equity	1,172,763	187,881	128,315	14,073	2,397,291	3,900,323
On-book gap	291,472	207,049	946,684	412,816	(1,858,021)	-
Cumulative on-book gap	291,472	498,521	1,445,205	1,858,021	-	-
Contingent assets	39,041	1,965	-	-	-	41,006
Contingent liabilities	38,974	1,965	-	-	-	40,939
Off-book gap	67	-	-	-	-	67
Net Periodic Gap	291,539	207,049	946,684	412,816	(1,858,021)	(67)
Cumulative Total Gap	P 291,539	P 498,588	P 1,445,272	P 1,858,088	P 67	P -

** Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties, Equity Investments - net and Other Resources - net.*

The BDO Unibank Group and the Parent Bank's market risk management limits are generally categorized as limits on:

- Value-at-risk (VaR) – The RMG computes the VaR benchmarked at a level, which is a percentage of projected earnings. The BDO Unibank Group and the Parent Bank use the VaR model to estimate the daily potential loss that the BDO Unibank Group and the Parent Bank can incur from its trading book, based on a number of assumptions with a confidence level of 99%. The measurement is designed such that exceptions over limits should only arise in very exceptional circumstances.

- Stop loss – The RMG sets the amount of each risk-bearing activity at a percentage of the budgeted annual income for such activity.

- Nominal position – The RMG sets the nominal amount to prevent over-trading, excessive concentration, and to limit financial loss supplementing other established limits.

- Trading volume – The RMG sets the volume of transactions that any employee may execute at various levels based on the rank of the personnel making the risk-bearing decision.

- Earnings-at-risk (EAR) – The RMG computes the EAR based on the repricing profile of the Banking Book and benchmarks against projected annual net interest income and capital.

VaR is one of the key measures in BDO Unibank Group and Parent Bank's management of market risk. VaR is defined as a statistical estimate of the maximum possible loss on a given position during a time horizon within a given confidence interval. The BDO Unibank Group and the Parent Bank use a 99% confidence level and a 260-day observation period in VaR calculation. The BDO Unibank Group and the Parent Bank's VaR limit is established as a percentage of projected earnings and is used to alert senior management whenever the potential losses in the BDO Unibank Group and the Parent Bank's portfolios exceed tolerable levels. Because the VaR measure is tied to market volatility, it therefore allows management to react quickly and adjust its portfolio strategies in different market conditions in accordance with its risk philosophy and appetite. The VaR model is validated through back-testing.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations. The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio. In addition, the BDO Unibank Group and the Parent Bank use a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the BDO Unibank Group and the Parent Bank's overall position. Stress VaR is also performed on all portfolios as a complementary measure of risk. While VaR deals with risk during times of normality, stress testing is used to measure the potential effect of a crisis or low probability event.

A summary of the VaR position of the trading portfolios at December 31 follows:

	2023		2022	
	VaR	**Stress VaR**	VaR	Stress VaR
BDO Unibank Group				
Foreign currency risk	**(P 12)**	**(P 128)**	(P 9)	(P 84)
Interest rate risk – Peso	**(124)**	**(2,217)**	(91)	(1,469)
Interest rate risk – USD	**(10)**	**(200)**	(13)	(194)
	(P 146)	**(P 2,545)**	(P 113)	(P 1,747)
Parent Bank				
Foreign currency risk	**(P 12)**	**(P 126)**	(P 7)	(P 72)
Interest rate risk – Peso	**(53)**	**(1,052)**	(31)	(641)
Interest rate risk – USD	**(3)**	**(48)**	(1)	(31)
	(P 68)	**(P 1,226)**	(P 39)	(P 744)

For the BDO Unibank Group, the earnings perspective using an EAR approach is the more relevant measure for the interest rate risks in the Banking Book given a "going concern" assumption and also because the component of earnings in focus is net interest income.

EAR is a measure of likely earnings volatility for accrual portfolios. The appropriate yield curve used is the relevant benchmark rate and the volatilities of the relevant benchmark interest rate curve are calculated similar to the method employed for VaR. The volatility calculations make use of actual pre-defined time series data, using five-years' worth of yearly changes, at the 99% confidence level. The frequency of measurement for EAR is monthly. EAR Stress Test uses 300 basis points increase in USD interest rates and 400 basis points increase in Peso interest rates.

The EAR before tax in a rising and declining interest rate scenario for financial assets and liabilities repriced during 2023 and 2022 is shown below and in the succeeding page.

BDO Unibank Group

	2023			
	Change in Interest Rates (in basis points)			
	-100	+100	-50	+50
Change on annualized net interest income	(P 1,681)	P 1,681	(P 840)	P 840
As a percentage of the BDO Unibank Group's net interest income for 2023	(0.90%)	0.90%	(0.45%)	0.45%
EAR	P 16,394			
As a percentage of the BDO Unibank Group's net interest income for 2023	8.80%			
Average (1yr) EAR	P 16,426			
Average (1yr) Stress EAR	P 19,249			

	2022			
	Change in Interest Rates (in basis points)			
	-100	+100	-50	+50
Change on annualized net interest income	(P 5,085)	P 5,085	(P 2,543)	P 2,543
As a percentage of the BDO Unibank Group's net interest income for 2022	(3.41%)	3.41%	(1.70%)	1.70%
EAR	P 17,284			
As a percentage of the BDO Unibank Group's net interest income for 2022	11.60%			
Average (1yr) EAR	P 23,455			
Average (1yr) Stress EAR	P 30,506			

Parent Bank

	2023			
	Change in Interest Rates (in basis points)			
	-100	+100	-50	+50
Change on annualized net interest income	(P 1,974)	P 1974	(P 987)	P 987
As a percentage of the Parent Bank's net interest income for 2023	(1.13%)	1.13%	(0.56%)	0.56%
EAR	P 17,100			
As a percentage of the Parent Bank's net interest income for 2023	9.80%			
Average (1yr) EAR	P 16,852			
Average (1yr) Stress EAR	P 21,649			

Parent Bank

	2022			
	Change in Interest Rates (in basis points)			
	-100	+100	-50	+50
Change on annualized net interest income	(P 5,572)	P 5,572	(P 2,786)	P 2,786
As a percentage of the Parent Bank's net interest income for 2022	(4.00%)	4.00%	(2.00%)	2.00%
EAR	P 18,854			
As a percentage of the Parent Bank's net interest income for 2022	13.50%			
Average (1yr) EAR	P 23,845			
Average (1yr) Stress EAR	P 31,169			

4.2.3 Price Risk

The BDO Unibank Group and the Parent Bank are exposed to equity securities price risk because of investments in equity securities held by the BDO Unibank Group and the Parent Bank classified on the statement of financial position either as financial assets at FVOCI or financial assets at FVTPL. The BDO Unibank Group and the Parent Bank are not exposed to commodity price risk. To manage its price risk arising from investments in listed equity securities, the BDO Unibank Group maintains a diversified portfolio. Diversification of the portfolio is done in accordance with the limits set by the BDO Unibank Group.

The table below summarizes the impact of equity prices on listed equity securities classified as financial assets at FVTPL and financial assets at FVOCI on BDO Unibank Group and Parent Bank's net profit after tax and equity as of December 31, 2023 and 2022. The results are based on the volatility assumption of the benchmark equity index, which was 2.31% and 4.15% in 2023 and 2022, respectively, for securities classified as financial assets at FVTPL and FVOCI securities with all other variables held constant and all the BDO Unibank Group and the Parent Bank's equity instruments moved according to the historical correlation with the index.

	Impact on Net Profit After Tax Increase			**Impact on Other Comprehensive Income Increase**		
	2023	2022	2021	**2023**	2022	2021
BDO Unibank Group						
Financial assets at FVTPL	**P 609**	P 1,054	P 806	**P -**	P -	P -
Financial assets at FVOCI	**-**	-	-	**114**	158	148
	P 609	P 1,054	P 806	**P 114**	P 158	P 148
Parent Bank						
Financial assets at FVOCI	**P -**	P -	P -	**P 36**	P 25	P 30

4.3 Credit Risk

Credit risk is the risk that the counterparty in a transaction may default and arises from lending, trade finance, treasury, derivatives and other activities undertaken by the BDO Unibank Group. RMG undertakes several functions with respect to credit risk management including credit analysis, risk ratings for corporate accounts, and development and performance monitoring of credit risk rating and scoring models for both corporate and consumer loans. It also ensures that BDO Unibank Group's credit policies and procedures are adequate to meet the demands of the business.

RMG also subjects the loan portfolio to a regular portfolio quality review, credit portfolio stress testing and rapid portfolio reviews based on specific and potential events that may affect borrowers in particular geographic locations or industries.

BDO Unibank Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers. Such risks are monitored on a regular basis and subject to an annual or more frequent review. Approval for credit limits is secured from the Credit Committee. On the industry segments, set limits and exposures are monitored and reported to the RMC.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also managed in part by obtaining collateral or corporate and personal guarantees.

4.3.1 Credit Risk Assessment

Loan classification and credit risk rating are an integral part of the BDO Unibank Group's management of credit risk. On an annual basis, loans are reviewed, classified as necessary, and rated based on internal and external factors that affect its performance. On a monthly basis, loan classifications of impaired accounts are assessed and the results are used as basis for the review of loan loss provisions.

The BDO Unibank Group's definition of its loan classification and corresponding credit risk ratings are as follows:

- Pass/Current : Grades AAA to B
- Watchlisted : Grade B-
- Especially Mentioned : Grade C
- Substandard : Grade D
- Doubtful : Grade E
- Loss : Grade F

Once an account is Watchlisted or Adversely Classified, the resulting risk rating grade is aligned based on the above classification.

(a) Pass/Current

These are individual credits that do not have a greater-than-normal risk and do not possess the characteristics of adversely classified loans. These are credits that have the apparent ability to satisfy their obligations in full and therefore, no loss in ultimate collection is anticipated. These are adequately secured by readily marketable collateral or other forms of support security or are supported by sufficient credit and financial information of favorable nature to assure repayment as agreed.

(b) Watchlisted

Since early identification of troublesome or potential accounts is vital in portfolio management, a "Watchlisted" classification of credit accounts is maintained. These accounts are not adversely classified but they require more than normal attention to prevent these accounts from deteriorating to said category.

(c) Adversely Classified

Past due or individually impaired financial assets comprise accounts under the following risk ratings:

(i) Especially Mentioned (EM)

It is an adverse classification of loans/accounts that have potential weaknesses and deserves management's close attention. These potential weaknesses, if left uncorrected, may affect the repayment of the loan.

(ii) Substandard

Accounts classified as "Substandard" are individual credits or portions thereof, that have well-defined weakness/(es) that may jeopardize repayment/liquidation in full, either in respect of the business, cash flow or financial position, which may include adverse trends or developments that affect willingness or repayment ability of the borrower.

(iii) Doubtful

Accounts classified as "Doubtful" are individual credits or portions thereof which exhibit more severe weaknesses than those classified as "Substandard" whose characteristics on the basis of currently known facts, conditions and values make collection or liquidation highly improbable, however, the exact amount remains undeterminable as yet. Classification as "Loss" is deferred because of specific pending factors, which may strengthen the assets.

(iv) Loss

Accounts classified as "Loss" are individual credits or portions thereof, which are considered uncollectible or worthless, and of such little value that their continuance as bankable assets are not warranted although the loans may have some recovery or salvage value.

This shall be viewed as a transitional category for loans and other credit accommodations, which have been identified as requiring write-off during the current reporting period even though partial recovery may be obtained in the future.

In addition, credit portfolio review is another integral part of the BDO Unibank Group's management of credit risk. This exercise involves the conduct of periodic post approval review of individual credits whose main objective is to help monitor and maintain sound and healthy risk asset portfolio. Parameters of the credit portfolio review are structured so as to reflect both sides of the risk management equation such as credit quality and process. This function actuates the philosophy that credit quality is derived from sound risk management process. The credit quality of financial assets is managed by the BDO Unibank Group using internal credit ratings.

4.3.2 Credit Quality Analysis

This section sets out information about the credit quality of loans and other receivables, financial assets measured at amortized cost, and FVOCI debt investments. Unless specifically indicated for financial assets, the amounts represent gross carrying amounts. For loan commitments and other contingent accounts, the amounts in the table, it represents the amounts committed. As of December 31, 2023 and 2022, there are no POCI financial assets in both BDO Unibank Group and Parent Bank's financial statements.

The following tables show the exposure to credit risk as of December 31, 2023 and 2022 for each internal risk grade and the related allowance for ECL:

BDO Unibank Group

	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from Other Banks				
Grades AAA to B : Pass/Current	P 86,032	P -	P -	P 86,032
ECL allowance	(58)	-	-	(58)
Carrying amount	P 85,974	P -	P -	P 85,974
Receivables from customers - corporate				
Grades AAA to B : Pass/Current	P 2,101,888	P -	P -	P 2,101,888
Grade B- : Watchlisted	9	8,773	143	8,925
Grade C : EM	51	40,554	1,462	42,067
Grade D : Substandard	-	13,562	5,580	19,142
Grade E : Doubtful	-	-	7,673	7,673
Grade F : Loss	-	-	3,781	3,781
	2,101,948	62,889	18,639	2,183,476
ECL allowance	(6,248)	(33,106)	(15,640)	(54,994)
Carrying amount	P 2,095,700	P 29,783	P 2,999	P 2,128,482
Receivables from customers - consumer				
Grades AAA to B : Pass/Current	P 629,582	P -	P 77	P 629,659
Grade B- : Watchlisted	-	8	3	11
Grade C : EM	8	1,454	46	1,508
Grade D : Substandard	-	2,105	3,788	5,893
Grade E : Doubtful	-	-	5,118	5,118
Grade F : Loss	-	2	25,699	25,701
	629,590	3,569	34,731	667,890
ECL allowance	(8,602)	(877)	(18,661)	(28,140)
Carrying amount	P 620,988	P 2,692	P 16,070	P 639,750
Other receivables				
Grades AAA to B : Pass/Current	P 116,022	P -	P -	P 116,022
Grade C : EM	-	11	-	11
Grade D : Substandard	535	432	725	1,692
Grade E : Doubtful	-	-	402	402
Grade F : Loss	-	-	2,384	2,384
	116,557	443	3,511	120,511
ECL allowance	(217)	(42)	(2,456)	(2,715)
Carrying amount	P 116,340	P 401	P 1,055	P 117,796

BDO Unibank Group

			2023			
			Stage 1	Stage 2	Stage 3	Total
Debt investment securities at amortized cost						
Grades AAA to B	:	Pass/Current	**P 576,218**	**P -**	**P -**	**P 576,218**
Grade C	:	EM	**-**	**56**	**-**	**56**
Grade E	:	Doubtful	**-**	**-**	**1,580**	**1,580**
Grade F	:	Loss	**-**	**-**	**266**	**266**
			576,218	**56**	**1,846**	**578,120**
ECL allowance			**(240)**	**(49)**	**(1,846)**	**(2,135)**
Carrying amount			**P 575,978**	**P 7**	**P -**	**P 575,985**
Debt investment securities at FVOCI						
Grades AAA to B	:	Pass/Current	**P 303,849**	**P -**	**P -**	**P 303,849**
Grade B	:	Watchlisted	**-**	**15**	**-**	**15**
Carrying amount			**P 303,849**	**P 15**	**P -**	**P 303,864**
Loan commitments and other contingent accounts						
Grades AAA to B	:	Pass/Current	**P 606,864**	**P -**	**P -**	**P 606,864**
Grade B	:	Watchlisted	**-**	**-**	**49**	**49**
Grade C	:	EM	**-**	**1,052**	**-**	**1,052**
Grade D	:	Substandard	**-**	**27**	**-**	**27**
			606,864	**1,079**	**49**	**607,992**
ECL allowance			**(176)**	**(27)**	**-**	**(203)**
Carrying amount			**P 606,688**	**P 1,052**	**P 49**	**P 607,789**

			2022			
			Stage 1	Stage 2	Stage 3	Total
Due from Other Banks						
Grades AAA to B	:	Pass/Current	P 60,470	P -	P -	P 60,470
ECL allowance			(15)	-	-	(15)
Carrying amount			P 60,455	P -	P -	P 60,455
Receivables from customers - corporate						
Grades AAA to B	:	Pass/Current	P 1,922,405	P -	P -	P 1,922,405
Grade B-	:	Watchlisted	24	23,020	1,640	24,684
Grade C	:	EM	55	47,691	3,028	50,774
Grade D	:	Substandard	-	4,391	7,145	11,536
Grade E	:	Doubtful	-	-	3,332	3,332
Grade F	:	Loss	-	-	2,611	2,611
			1,922,484	75,102	17,756	2,015,342
ECL allowance			(6,950)	(26,614)	(14,025)	(47,589)
Carrying amount			P 1,915,534	P 48,488	P 3,731	P 1,967,753
Receivables from customers - consumer						
Grades AAA to B	:	Pass/Current	P 560,560	P -	P 118	P 560,678
Grade B-	:	Watchlisted	-	57	38	95
Grade C	:	EM	-	953	87	1,040
Grade D	:	Substandard	-	1,598	4,311	5,909
Grade E	:	Doubtful	-	-	3,561	3,561
Grade F	:	Loss	-	-	27,186	27,186
			560,560	2,608	35,301	598,469
ECL allowance			(6,614)	(890)	(18,683)	(26,187)
Carrying amount			P 553,946	P 1,718	P 16,618	P 572,282
Other receivables						
Grades AAA to B	:	Pass/Current	P 155,344	P 115	P 213	P 155,672
Grade C	:	EM	-	3	-	3
Grade D	:	Substandard	511	417	339	1,267
Grade E	:	Doubtful	-	-	419	419
Grade F	:	Loss	-	-	2,089	2,089
			155,855	535	3,060	159,450
ECL allowance			(101)	(78)	(2,405)	(2,584)
Carrying amount			P 155,754	P 457	P 655	P 156,866

BDO Unibank Group

	2022			
	Stage 1	Stage 2	Stage 3	Total
Debt investment securities at amortized cost				
Grades AAA to B : Pass/Current	P 512,128	P -	P -	P 512,128
Grade C : EM	-	56	-	56
Grade E : Doubtful	-	-	1,252	1,252
Grade F : Loss	-	-	267	267
	512,128	56	1,519	513,703
ECL allowance	(106)	(29)	(1,519)	(1,654)
Carrying amount	P 512,022	P 27	P -	P 512,049
Debt investment securities at FVOCI				
Grades AAA to B : Pass/Current	P 161,301	P -	P -	P 161,301
Grade C : EM	-	53	-	53
Carrying amount	P 161,301	P 53	P -	P 161,354
Loan commitments and other contingent accounts				
Grades AAA to B : Pass/Current	P 131,273	P -	P -	P 131,273
Grade B- : Watchlisted	-	28	-	28
Grade C : EM	-	9	-	9
	131,273	37	-	131,310
ECL allowance	(233)	-	-	(233)
Carrying amount	P 131,040	P 37	P -	P 131,077

The table below sets out the credit quality of trading debt securities of the BDO Unibank Group measured at FVTPL (see Note 10.1).

	2023	2022
Grade:		
AAA	**P 12,779**	P 7,678
AA+ to AA	**550**	151
BBB+ to BBB-	**1,555**	2,131
BB+ to BB-	**255**	158
	P 15,139	P 10,118

The table below shows an analysis of counterparty credit exposures arising from derivative transactions of the BDO Unibank Group. Outstanding derivative exposures to counterparties are generally with investment grade counterparty banks. Derivative transactions with non-bank counterparties are on a fully secured basis.

					Over-the-counter			
	Total		Exchange-traded		Central Counterparties		Other Bilateral Collateralized	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
2023								
Derivative assets	**P 216,702**	**P 6,070**	**P 465**	**P 3**	**P 178,277**	**P 2,154**	**P 37,960**	**P 3,913**
Derivative liabilities	**230,684**	**5,139**	**465**	**3**	**191,980**	**1,856**	**38,239**	**3,280**
2022								
Derivative assets	P 172,551	P 8,613	P 1,072	P -	P 139,990	P 3,468	P 31,489	P 5,145
Derivative liabilities	205,608	7,809	2,489	1	169,658	3,634	33,461	4,174

As of December 31, 2023 and 2022, the BDO Unibank Group held Cash and Other Cash Items, Due from Other Banks and Due from BSP totaling to P515,328 and P529,178, respectively. The financial assets are held with the BSP and financial institution counterparties that are rated at least BBB to AAA+, based on external rating agencies.

Parent Bank

	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from Other Banks				
Grades AAA to B : Pass/Current	P 76,846	P -	P -	P 76,846
ECL allowance	(55)	-	-	(55)
Carrying amount	P 76,791	P -	P -	P 76,791
Receivables from customers - corporate				
Grades AAA to B : Pass/Current	P 2,094,050	P -	P -	P 2,094,050
Grade B- : Watchlisted	-	8,710	143	8,853
Grade C : EM	-	40,546	1,462	42,008
Grade D : Substandard	-	13,539	5,576	19,115
Grade E : Doubtful	-	-	7,673	7,673
Grade F : Loss	-	-	3,779	3,779
	2,094,050	62,795	18,633	2,175,478
ECL allowance	(6,238)	(33,069)	(15,638)	(54,945)
Carrying amount	P 2,087,812	P 29,726	P 2,995	P 2,120,533
Receivables from customers - consumer				
Grades AAA to B : Pass/Current	P 565,228	P -	P -	P 565,228
Grade B- : Watchlisted	-	8	3	11
Grade C : EM	-	1,390	-	1,390
Grade D : Substandard	-	1,723	3,738	5,461
Grade E : Doubtful	-	-	4,741	4,741
Grade F : Loss	-	-	23,171	23,171
	565,228	3,121	31,653	600,002
ECL allowance	(8,099)	(733)	(17,025)	(25,857)
Carrying amount	P 557,129	P 2,388	P 14,628	P 574,145
Other receivables				
Grades AAA to B : Pass/Current	P 113,642	P -	P -	P 113,642
Grade D : Substandard	534	417	218	1,169
Grade E : Doubtful	-	-	351	351
Grade F : Loss	-	-	2,275	2,275
	114,176	417	2,844	117,437
ECL allowance	(185)	(42)	(2,341)	(2,568)
Carrying amount	P 113,991	P 375	P 503	P 114,869
Debt investment securities at amortized cost				
Grades AAA to B : Pass/Current	P 554,856	P -	P -	P 554,856
Grade C : EM	-	56	-	56
Grade E : Doubtful	-	-	1,580	1,580
Grade F : Loss	-	-	266	266
	554,856	56	1,846	556,758
ECL allowance	(220)	(49)	(1,846)	(2,115)
Carrying amount	P 554,636	P 7	P -	P 554,643
Debt investment securities at FVOCI				
Grades AAA to B : Pass/Current	P 222,992	P -	P -	P 222,992
Grade B- : Watchlisted	-	15	-	15
Carrying amount	P 222,992	P 15	P -	P 223,007
Loan commitments and other contingent accounts				
Grades AAA to B : Pass/Current	P 606,864	P -	P -	P 606,864
Grade B : Watchlisted	-	-	49	49
Grade C : EM	-	1,052	-	1,052
Grade D : Substandard	-	27	-	27
	606,864	1,079	49	607,992
ECL allowance	(176)	(27)	-	(203)
Carrying amount	P 606,688	P 1,052	P 49	P 607,789

Parent Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Due from Other Banks				
Grades AAA to B : Pass/Current	P 51,448	P -	P -	P 51,448
ECL allowance	(14)	-	-	(14)
Carrying amount	P 51,434	P -	P -	P 51,434
Receivables from customers - corporate				
Grades AAA to B : Pass/Current	P 1,914,938	P -	P -	P 1,914,938
Grade B- : Watchlisted	-	23,020	1,640	24,660
Grade C : EM	-	47,691	3,024	50,715
Grade D : Substandard	-	4,391	7,145	11,536
Grade E : Doubtful	-	-	3,332	3,332
Grade F : Loss	-	-	2,609	2,609
	1,914,938	75,102	17,750	2,007,790
ECL allowance	(6,906)	(26,614)	(14,022)	(47,542)
Carrying amount	P 1,908,032	P 48,488	P 3,728	P 1,960,248
Receivables from customers - consumer				
Grades AAA to B : Pass/Current	P 494,913	P -	P -	P 494,913
Grade B- : Watchlisted	-	57	38	95
Grade C : EM	-	906	75	981
Grade D : Substandard	-	1,308	4,272	5,580
Grade E : Doubtful	-	-	3,300	3,300
Grade F : Loss	-	-	24,985	24,985
	494,913	2,271	32,670	529,854
ECL allowance	(6,050)	(775)	(17,209)	(24,034)
Carrying amount	P 488,863	P 1,496	P 15,461	P 505,820
Other receivables				
Grades AAA to B : Pass/Current	P 153,966	P -	P -	P 153,966
Grade D : Substandard	509	416	336	1,261
Grade E : Doubtful	-	-	366	366
Grade F : Loss	-	-	1,984	1,984
	154,475	416	2,686	157,577
ECL allowance	(74)	(78)	(2,272)	(2,424)
Carrying amount	P 154,401	P 338	P 414	P 155,153
Debt investment securities at amortized cost				
Grades AAA to B : Pass/Current	P 491,324	P -	P -	P 491,324
Grade C : EM	-	56	-	56
Grade E : Doubtful	-	-	1,252	1,252
Grade F : Loss	-	-	267	267
	491,324	56	1,519	492,899
ECL allowance	(92)	(29)	(1,519)	(1,640)
Carrying amount	P 491,232	P 27	P -	P 491,259
Debt investment securities at FVOCI				
Grades AAA to B : Pass/Current	P 108,053	P -	P -	P 108,053
Grade C : EM	-	53	-	53
Carrying amount	P 108,053	P 53	P -	P 108,106
Loan commitments and other contingent accounts				
Grades AAA to B : Pass/Current	P 131,273	P -	P -	P 131,273
Grade B- : Watchlisted	-	28	-	28
Grade C : EM	-	9	-	9
	131,273	37	-	131,310
ECL allowance	(233)	-	-	(233)
Carrying amount	P 131,040	P 37	P -	P 131,077

The table below sets out the credit quality of trading debt securities of the Parent Bank measured at FVTPL (see Note 10.1).

	2023	2022
Grade:		
AAA	**P 5,693**	P 2,088
AA+ to AA	**352**	5
BBB+ to BBB-	**184**	216
BB+ to BB-	**82**	105
	P 6,311	P 2,414

The table below shows an analysis of counterparty credit exposures arising from derivative transactions. Derivative transactions of the Parent Bank are generally fully collateralized by cash.

					Over-the-counter			
	Total		Exchange-traded		Central Counterparties		Other Bilateral Collateralized	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
2023								
Derivative assets	**P 178,742**	**P 2,157**	**P 465**	**P 3**	**P 178,277**	**P 2,154**	**P -**	**P -**
Derivative liabilities	**192,445**	**1,859**	**465**	**3**	**191,980**	**1,856**	**-**	**-**
2022								
Derivative assets	P 141,062	P 3,468	P 1,072	P -	P 139,990	P 3,468	P -	P -
Derivative liabilities	170,730	3,636	1,072	1	169,658	3,635	-	-

As of December 31, 2023 and 2022, the Parent Bank held Cash and Other Cash Items, Due from Other Banks and Due from BSP totaling to P500,854 and P514,310, respectively. The financial assets are held with the BSP and financial institution counterparties that are rated at least BBB to AAA+, based on external rating agencies.

4.3.3 Concentrations of Credit Risk

The BDO Unibank Group and the Parent Bank monitor concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk (gross of allowance) at the reporting date is shown below and in the succeeding page.

BDO Unibank Group

	2023			2022		
	Cash and Cash Equivalents*	**Receivables from Customers****	**Trading and Investment Securities**	Cash and Cash Equivalents*	Receivables from Customers**	Trading and Investment Securities
Concentration by sector:						
Financial and insurance activities	**P 598,091**	**P 272,746**	**P 238,769**	P 664,420	P 402,156	P 547,225
Activities of private household as employers and undifferentiated goods and services and producing activities of households for own use	**-**	**456,149**	**-**	-	399,101	-
Electricity, gas, steam and air-conditioning supply	**-**	**369,626**	**5,608**	-	281,036	26,017
Real estate activities	**-**	**363,830**	**12,486**	-	324,074	20,022
Wholesale and retail trade	**-**	**356,962**	**114**	-	299,896	3,010
Manufacturing	**-**	**282,334**	**13,877**	-	232,488	15,627
Information and communication	**-**	**120,710**	**7,792**	-	90,342	7,157
Transportation and storage	**-**	**111,991**	**4,582**	-	87,256	4,089
Construction	**-**	**96,994**	**2**	-	90,712	181
Education	**-**	**74,033**	**-**	-	71,731	-
Arts, entertainment and recreation	**-**	**72,606**	**1,000**	-	83,076	1,025
Water supply, sewerage waste management and remediation activities	**-**	**46,112**	**541**	-	38,760	321
Accommodation and food service activities	**-**	**41,499**	**213**	-	36,529	-
Human health and social work activities	**-**	**34,431**	**1,533**	-	31,875	980
Agriculture, forestry and fishing	**-**	**33,163**	**113**	-	15,642	-
Mining and quarrying	**-**	**14,688**	**2,611**	-	10,578	3,732
Administrative and support services	**-**	**10,056**	**1,171**	-	9,581	1,060
Professional, scientific and technical services	**-**	**8,223**	**1,900**	-	9,912	1,059
Public administrative and defense; compulsory social security	**-**	**1,159**	**6,564**	-	1,030	5,858
Activities of extraterritorial organizations and bodies	**-**	**-**	**484,419**	-	-	-
Other service activities	**459**	**84,054**	**118,734**	34	98,036	55,318
	P 598,550	**P 2,851,366**	**P 902,029**	P 664,454	P 2,613,811	P 692,681
Concentration by location:						
Philippines	**P 471,119**	**P 2,694,575**	**P 760,717**	P 508,615	P 2,439,453	P 588,929
Foreign countries	**127,431**	**156,791**	**141,312**	155,839	174,358	103,752
	P 598,550	**P 2,851,366**	**P 902,029**	P 664,454	P 2,613,811	P 692,681

** Cash and cash equivalents include cash and other cash items, due from BSP and other banks, reverse repurchase agreements, FCNC, certain interbank loans receivables and investment securities at amortized cost (see Note 2.4).*

***Receivables from customers are reported as gross of allowance but net of unearned interests or discounts.*

Parent Bank

	2023			2022		
	Cash and Cash Equivalents*	**Receivables from Customers****	**Trading and Investment Securities**	Cash and Cash Equivalents*	Receivables from Customers**	Trading and Investment Securities
Concentration by sector:						
Financial and insurance activities	**P 585,092**	**P 272,566**	**P 215,908**	P 654,033	P 401,394	P 512,005
Activities of private household as employers and undifferentiated goods and services and producing activities of households for own use	**-**	**462,899**	**-**	-	391,623	-
Electricity, gas, steam and air-conditioning supply	**-**	**369,586**	**4,122**	-	280,969	23,554
Real estate activities	**-**	**365,008**	**9,174**	-	325,088	15,631
Wholesale and retail traded	**-**	**350,319**	**114**	-	294,838	3,010
Manufacturing	**-**	**280,839**	**13,146**	-	231,327	14,923
Information and communication	**-**	**120,497**	**5,255**	-	90,123	4,584
Transportation and storage	**-**	**112,117**	**4,252**	-	87,613	3,720
Construction	**-**	**95,384**	**2**	-	89,326	181
Arts, entertainment and recreation	**-**	**71,681**	**1,000**	-	82,107	1,025
Water supply, sewerage waste management and remediation activities	**-**	**46,006**	**541**	-	38,714	321
Accommodation and food service activities	**-**	**41,373**	**213**	-	36,329	-
Human health and social work activities	**-**	**34,238**	**1,533**	-	31,616	980
Agriculture, forestry and fishing	**-**	**18,358**	**113**	-	14,876	-
Mining and quarrying	**-**	**14,549**	**2,611**	-	10,483	3,732
Administrative and support services	**-**	**9,818**	**1,171**	-	9,375	1,060
Education	**-**	**9,496**	**-**	-	10,151	-
Professional, scientific and technical services	**-**	**8,150**	**1,900**	-	9,861	1,059
Public administrative and defense; compulsory social security	**-**	**1,147**	**6,564**	-	1,030	5,858
Activities of extraterritorial organizations and bodies	**-**	**-**	**483,905**	-	-	-
Other service activities	**-**	**91,449**	**36,001**	-	100,801	14,137
	P 585,092	**P 2,775,480**	**P 787,525**	P 654,033	P 2,537,644	P 605,780
Concentration by location						
Philippines	**P 459,261**	**P 2,618,689**	**P 649,726**	P 502,022	P 2,363,286	P 507,850
Foreign countries	**125,831**	**156,791**	**137,799**	152,011	174,358	97,930
	P 585,092	**P 2,775,480**	**P 787,525**	P 654,033	P 2,537,644	P 605,780

** Cash and cash equivalents include cash and other cash items, due from BSP and other banks, reverse repurchase agreements, FCNC, certain interbank loans receivables and investment securities at amortized cost (see Note 2.4).*

*** Receivables from customers are reported as gross of allowance but net of unearned interests or discounts.*

4.3.4 Collateral Held as Security and Other Credit Enhancements

The BDO Unibank Group and the Parent Bank hold collateral against credit exposures from customers in the form of mortgage interests over property, other registered securities over assets, financial collateral including deposits, debt and equity securities, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are updated periodically. Collateral generally is not held over from due from other banks, interbank loans and investment securities, except when securities are held as part of reverse repurchase and securities borrowing activity.

There is no significant change in the quality of the collateral and other security enhancements held against the credit exposures except for the fair value of the collaterals driven by the change in market conditions.

Estimate of the fair value of collateral and other security enhancements held against the following credit exposures as of December 31 follows:

	BDO Unibank Group		**Parent Bank**	
	2023	2022	**2023**	2022
Receivable from customers:				
Corporate:				
Property	**P 850,522**	P 816,641	**P 838,521**	P 813,925
Equity securities	**209,053**	200,243	**208,257**	199,187
Hold-out deposits	**7,929**	53,976	**7,206**	53,342
Debt securities	**27,930**	10,649	**27,340**	9,987
Others	**98,337**	99,530	**98,186**	99,329
	1,193,771	1,181,039	**1,179,510**	1,175,770
Consumer:				
Property	**629,932**	606,259	**617,266**	589,616
Debt securities	**71**	704	**71**	675
Equity securities	**7**	183	**7**	183
Hold-out deposits	**681**	7	**644**	7
Others	**207,540**	195,833	**207,540**	195,833
	838,231	802,986	**825,528**	786,314
Other receivables:				
Property	**2,754**	1,914	**2,754**	1,914
Others	**25,362**	26,305	**24,963**	26,091
	28,116	28,219	**27,717**	28,005
	P 2,060,118	P 2,012,244	**P 2,032,755**	P 1,990,089

The BDO Unibank Group and the Parent Bank have acquired certain properties in settlement of loan account amounting to P3,502 and P3,445, respectively, in 2023 and P8,333 and P8,230, respectively, in 2022 (see Note 14 and 16.4).

The BDO Unibank Group's manner of disposing the collateral for impaired loans and receivables is normally through sale of these assets after foreclosure proceedings have taken place.

The general creditworthiness of a corporate and individual customer tends to be the most relevant indicator of credit quality of a loan extended to it (see Note 4.3.2). However, collateral provides additional security and the BDO Unibank Group generally requests that corporate and individual borrowers provide it. The BDO Unibank Group may take collateral in the form of a first charge over real estate, floating charges over all corporate and individual assets and other liens and guarantees.

While the BDO Unibank Group is focused on corporate and individual customers' creditworthiness, it continuously and regularly updates the valuation of collateral held against all loans to corporate and individual customers. Most frequent updating, however, is required when the loan is put on a watch list and the loan is monitored more closely. The same applies to credit-impaired loans, as the BDO Unibank Group obtains appraisals or valuation of collateral to provide input into determining the management credit risk actions.

(a) Receivable from Customers and Other Receivables

The net carrying amount of credit impaired receivables (under stages 2 and 3) and the value of identifiable collateral held against those loans and advances as of December 31, 2023 and 2022 are as follows:

	2023		2022	
	Net Carrying Amount	**Identifiable Collateral**	Net Carrying Amount	Identifiable Collateral
BDO Unibank Group				
Receivable from customers:				
Corporate	**P 32,782**	**P 51,616**	P 52,219	P 52,297
Consumer	**18,762**	**51,829**	18,336	64,043
Other receivables	**1,456**	**708**	1,112	393
Parent Bank				
Receivable from customers:				
Corporate	**P 32,721**	**P 49,961**	P 52,216	P 52,297
Consumer	**17,016**	**45,322**	16,957	47,370
Other receivables	**878**	**708**	752	393

For each loan, the value of disclosed collateral (mainly collateral properties) is capped at the nominal amount of the loan that it is held against.

(b) Debt Investment Securities

The BDO Unibank Group and the Parent Bank invest in non-collateralized debt securities issued by various government and corporate entities. The maximum exposure to credit risk of debt investment securities is equivalent to their carrying amount as of December 31, 2023 and 2022 as shown below:

	BDO Unibank Group		**Parent Bank**	
	2023	2022	**2023**	2022
Debt securities:				
At amortized cost	**P 575,985**	P 512,049	**P 554,643**	P 491,259
At FVOCI	**303,864**	161,354	**223,007**	108,106
At FVTPL	**15,139**	10,118	**6,311**	2,414
	P 894,988	P 683,521	**P 783,961**	P 601,779

4.3.5 Amounts Arising from Expected Credit Losses

At each reporting date, BDO Unibank Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired (referred to as Stages 2 and 3 financial assets). A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The BDO Unibank Group measures credit risk using PD, loss given default (LGD) and exposure at default (EAD).

(a) Significant Increase in Credit Risk (SICR)

As outlined in PFRS 9, a '3-stage' impairment model was adopted by the BDO Unibank Group based on changes in credit quality since initial recognition of the financial asset. A financial asset that is not credit-impaired on initial recognition is classified as 'Stage 1', with credit risk continuously monitored by the BDO Unibank Group as its ECL is measured at an amount equal to the portion of lifetime ECL that results from possible default events within the next 12 months. If an SICR since initial recognition is identified, the classification will be moved to 'Stage 2' but is not yet deemed to be credit-impaired. Such assessment is based on the following criteria in determining whether there has been a significant increase in credit risk that could result to rescheduling or restructuring: (i) qualitative indicators, such as net losses, intermittent delays in payment, affected by adverse economic conditions; and (ii) quantitative test based on movement in risk rating and PD. The borrowers can be moved to Stage 1 upon completion of the seasoning period which shall be 6 months of continuous payment with no incident of past due.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the BDO Unibank Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the BDO Unibank Group's historical experience and expert credit assessment and including forward-looking information (FLI).

The objective of the assessment is to identify whether an SICR has occurred for an exposure by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

(i) Credit risk grading

The BDO Unibank Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

The credit grades are defined and calibrated such that the risk of default increases exponentially at each higher risk grade so, for example, the difference in the PD between an AAA and AA rating grade is lower than the difference in the PD between a B and B- rating grade.

(ii) Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The BDO Unibank Group collects performance and default information about its credit risk exposures analyzed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information from external credit reference agencies is also used.

The BDO Unibank Group employs statistical models to analyze the data collected and generates the term structure of PD estimates.

(iii) Determining whether credit risk has increased significantly

The BDO Unibank Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower. What is considered significant varies across financial assets of the BDO Unibank Group.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the BDO Unibank Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as net loss, significant drop in risk ratings and intermittent delays in payments that could result to rescheduling or restructuring.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured using 12-month ECL.

(b) Definition of Default

The BDO Unibank Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the BDO Unibank Group in full, without recourse by the BDO Unibank Group to actions such as realizing security (if any is held);

- the borrower is more than 90 days past due on any material credit obligation to the BDO Unibank Group; or,

- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the BDO Unibank Group considers indicators that are qualitative (e.g., breaches of covenant) and quantitative (overdue or non-payment).

Inputs into the assessment of whether a financial instrument is in default as well as their significance may vary over time to reflect changes in circumstances.

These criteria have been applied to all financial instruments held by the BDO Unibank Group andare consistent with the definition of default used for internal credit risk management purposes. Such definition has been consistently applied in determining PD, EAD, and LGD throughout the ECL calculations of the BDO Unibank Group.

An instrument is considered to have cured when it no longer meets any of the default criteria for a consecutive period of six months. The cure period sets the tolerance period wherein the borrowers are allowed to update the payments in compliance with the regulatory requirements on transfer between stages.

(c) Measurement of ECL

The key inputs into the measurement of ECL are the term structure of PD, LGD and EAD.

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD.

LGD is the magnitude of the likely loss if there is a default. The BDO Unibank Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, loan-to-value (LTV) ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The BDO Unibank Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the BDO Unibank Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the BDO Unibank Group considers a longer period. The maximum contractual period extends to the date at which the BDO Unibank Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

For portfolios in respect of which the BDO Unibank Group has limited historical data, external benchmark information (e.g., PD from external credit rating agencies, Basel LGD) issued are used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL include exposures to foreign borrowers and low default borrower segments.

There were no significant changes in the estimation techniques or significant assumptions made by the BDO Unibank Group in 2023.

(d) Collective Basis of Measurement of ECL

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics such as:

- instrument type;
- credit risk gradings;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and,
- geographic location of the borrower.

The groupings are subject to the regular review by the BDO Unibank Group's RMG in order to ensure that credit exposures within a particular group remain appropriately homogenous.

(e) Forward-looking Information (FLI)

The BDO Unibank Group incorporates FLI into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The BDO Unibank Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The relevant macro-economic variables for selection generally include, but are not limited to, GDP growth rate, unemployment rate, inflation rate, foreign exchange rates, stock market index, oil prices and interest rates.

Predicted relationships between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 10 to 15 years.

The significance of the selected macro-economic variables as predictors of default may change over time as historical information is added. As such, the generated macro-economic models are updated at least on an annual basis.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore, the actual outcomes may be significantly different from the projections. The BDO Unibank Group considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the BDO Unibank Group different product types to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Management has also considered other FLIs not incorporated within the above economic scenarios, such as any regulatory, legislative, or political changes, but are not deemed to have a significant impact on the calculation of ECL. Management reviews and monitors the appropriateness of FLIs at least annually.

(f) Modified Financial Assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognized and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The BDO Unibank Group renegotiates loans of customers in financial difficulties (referred to as 'restructuring') to maximize collection opportunities and minimize the risk of default.

The revised terms usually include extending the maturity, deferment of principal payment, changing the timing of interest payments and amending the terms of loan covenants. The proposals for loan restructuring are for approval by the BDO Unibank Group's Executive Committee.

For financial assets modified as part of the BDO Unibank Group's restructuring policy, the estimate of credit loss will reflect the probability to collect interest and principal. As part of this process, the BDO Unibank Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioral indicators.

Generally, restructuring is a qualitative indicator of an SICR and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 4.3.2). A customer needs to demonstrate consistently good payment behavior over a period of time (in accordance with the new terms for six consecutive months or more) before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

The following tables provide a summary of the outstanding principal balance net of allowance for impairment of modified loans provided by the BDO Unibank Group and the Parent Bank as of December 31, 2023 and 2022:

	BDO Unibank Group		**Parent Bank**	
	2023	2022	**2023**	2022
Stage 1 (Performing)				
Corporate	**P 38,830**	P 79,515	**P 38,830**	P 79,515
Consumer	**58,216**	55,423	**58,034**	55,063
	97,046	134,938	**96,864**	134,578
Allowance for impairment	**(424)**	(892)	**(413)**	(840)
	P 96,622	P 134,046	**P 96,451**	P 133,738
Stage 2 (Underperforming)				
Corporate	**P 46,095**	P 19,596	**P 46,095**	P 19,596
Consumer	**21,446**	67,691	**20,977**	67,688
	67,541	87,287	**67,072**	87,284
Allowance for impairment	**(17,612)**	(16,350)	**(17,560)**	(16,349)
	P 49,929	P 70,937	**P 49,512**	P 70,935

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Stage 3 (Non-performing)				
Corporate	**P 6,079**	P 5,474	**P 6,078**	P 5,474
Consumer	**8,336**	6,872	**7,612**	6,783
	14,415	12,346	**13,690**	12,257
Allowance for impairment	**(8,361)**	(6,124)	**(7,801)**	(6,039)
	P 6,054	P 6,222	**P 5,889**	P 6,218

(g) Write-offs

The BDO Unibank Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include cessation of enforcement activity and, where the BDO Unibank Group's recovery method is through foreclosure of collateral and the value of the collateral is less than the outstanding contractual amounts of the financial assets to be written-off. The BDO Unibank Group and the Parent Bank have still, however, enforceable right to receive payment even if the financial assets have been written off except in certain cases.

The BDO Unibank Group and the Parent Bank had written off certain accounts from which it no longer has an enforceable right to receive payment amounting to P306 and P279, respectively, in 2023, and P793 and P331, respectively, in 2022.

(h) Credit Risk Exposure

The BDO Unibank Group and the Parent Bank's maximum exposure to credit risk is equal to the carrying value of its financial assets as shown below and in the succeeding page.

BDO Unibank Group

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2023				
Loans and discounts:				
Corporate	**P 2,183,476**	**P 1,193,771**	**P 989,705**	**P 1,193,771**
Consumer	**667,890**	**838,231**	**-**	**667,890**
Reverse repurchase agreements	**25,370**	**25,362**	**8**	**25,362**
Sales contracts receivables	**1,384**	**2,754**	**-**	**1,384**
	P 2,878,120	**P 2,060,118**	**P 989,713**	**P 1,888,407**

BDO Unibank Group

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2022				
Loans and discounts:				
Corporate	P 2,015,342	P 1,181,039	P 834,303	P 1,181,039
Consumer	598,469	802,986	-	598,469
Reverse repurchase agreements	26,305	26,305	-	-
Sales contracts receivables	1,421	1,914	-	1,421
	P 2,641,537	P 2,012,244	P 834,303	P 1,780,929

Parent Bank

	Gross Maximum Exposure	**Fair Value of Collaterals**	**Net Exposure**	**Financial Effect of Collaterals**
2023				
Loans and discounts:				
Corporate	**P 2,175,478**	**P 1,179,510**	**P 995,968**	**P 1,179,510**
Consumer	**600,002**	**825,528**	**-**	**600,002**
Reverse repurchase agreements	**24,970**	**24,963**	**7**	**24,963**
Sales contracts receivables	**1,351**	**2,754**	**-**	**1,351**
	P 2,801,801	**P 2,032,755**	**P 995,975**	**P 1,805,826**
2022				
Loans and discounts:				
Corporate	P 2,007,790	P 1,175,770	P 832,020	P 1,175,770
Consumer	529,854	786,314	-	529,854
Reverse Repurchase Agreements	26,091	26,091	-	-
Sales contracts receivables	1,323	1,914	-	1,323
	P 2,565,058	P 1,990,089	P 832,020	P 1,706,947

An analysis of the maximum credit risk exposure relating to Stage 3 financial assets as of December 31, 2023 and 2022 is shown below and in the succeeding page.

BDO Unibank Group

	Gross Maximum Exposure	**Fair Value of Collaterals**	**Net Exposure**	**Financial Effect of Collaterals**
2023				
Loans and discounts:				
Corporate	**P 18,639**	**P 9,203**	**P 9,436**	**P 9,203**
Consumer	**34,731**	**41,975**	**-**	**34,731**
Sales contracts receivables	**305**	**628**	**-**	**305**
	P 53,675	**P 51,806**	**P 9,436**	**P 44,239**

BDO Unibank Group

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2022				
Loans and discounts:				
Corporate	P 17,756	P 7,273	P 10,483	P 7,273
Consumer	35,301	53,010	-	35,301
Sales contracts receivables	282	348	-	282
	P 53,339	P 60,631	P 10,483	P 42,856

Parent Bank

	Gross Maximum Exposure	**Fair Value of Collaterals**	**Net Exposure**	**Financial Effect of Collaterals**
2023				
Loans and discounts:				
Corporate	**P 18,633**	**P 7,548**	**P 11,085**	**P 7,548**
Consumer	**31,653**	**41,865**	**-**	**31,653**
Sales contracts receivables	**305**	**628**	**-**	**305**
	P 50,591	**P 50,041**	**P 11,085**	**P 39,506**
2022				
Loans and discounts:				
Corporate	P 17,750	P 7,273	P 10,477	P 7,273
Consumer	32,670	45,337	-	32,670
Sales contracts receivables	282	348	-	282
	P 50,702	P 52,958	P 10,477	P 40,225

The following table sets out the gross carrying amounts of the exposures to credit risk on financial assets with low credit risk measured at amortized cost and debt securities at FVOCI as of December 31:

		BDO Unibank Group		**Parent Bank**	
	Notes	**2023**	2022	**2023**	2022
Cash equivalents	8, 9	**P 515,386**	P 529,193	**P 500,909**	P 514,324
Debt securities:					
At FVOCI	10.2	**303,864**	161,354	**223,007**	108,106
At amortized cost	10.3	**578,120**	513,703	**556,758**	492,899
		P 881,984	P 675,057	**P 779,765**	P 601,005

Cash equivalents includes loans and amounts due from BSP and from other banks. Debt securities includes government and corporate bonds. These are held by the BSP, financial institutions and other counterparties that are reputable and with low credit risk; hence, ECL is negligible.

(i) Loss allowance

In 2023 and 2022, the BDO Unibank Group and the Parent Bank performed recalibration of its existing ECL model to incorporate the most-recent default and recovery experience of the BDO Unibank Group and the Parent Bank and developments in the macroeconomic environment. Independent macroeconomic variables used to forecast the PD could either be dictated by their statistical significance in the model or economic significance. Inputs are updated to ensure that models are robust, predictive and reliable.

The tables below and in the succeeding pages show the reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument.

BDO Unibank Group

	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P 15	P -	P -	P 15
Net remeasurement of loss allowance	46	-	-	46
Derecognition of financial assets	(3)	-	-	(3)
Balance at December 31	P 58	P -	P -	P 58
Receivables from customers – corporate				
Balance at January 1	P 6,950	P 26,614	P 14,025	P 47,589
Transfers to:				
Stage 1	3,231	(3,231)	-	-
Stage 2	(57)	59	(2)	-
Stage 3	(3)	(80)	83	-
Net remeasurement of loss allowance	(4,446)	8,199	1,424	5,177
New financial assets originated or purchased	2,947	3,527	598	7,072
Derecognition of financial assets	(2,370)	(1,960)	(207)	(4,537)
Write-offs	-	-	(275)	(275)
Foreign exchange	(4)	(22)	(6)	(32)
Balance at December 31	P 6,248	P 33,106	P 15,640	P 54,994
Receivables from customers – consumer				
Balance at January 1	P 6,614	P 890	P 18,683	P 26,187
Transfers to:				
Stage 1	1,112	(114)	(998)	-
Stage 2	(95)	410	(315)	-
Stage 3	(747)	(1,515)	2,262	-
Net remeasurement of loss allowance	260	952	6,107	7,319
New financial assets originated or purchased	2,338	399	2,265	5,002
Derecognition of financial assets	(880)	(145)	(3,430)	(4,455)
Write-offs	-	-	(5,912)	(5,912)
Foreign exchange	-	-	(1)	(1)
Balance at December 31	P 8,602	P 877	P 18,661	P 28,140
Other receivables				
Balance at January 1	P 101	P 78	P 2,405	P 2,584
Transfers to				
Stage 1	22	(2)	(20)	-
Stage 2	-	1	(1)	-
Stage 3	(3)	(37)	40	-
Net remeasurement of loss allowance	(20)	39	86	105
New financial assets originated or purchased	143	36	720	899
Derecognition of financial assets	(26)	(73)	(669)	(768)
Foreign exchange	-	-	2	2
Write-offs	-	-	(107)	(107)
Balance at December 31	P 217	P 42	P 2,456	P 2,715

BDO Unibank Group

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Debt investment securities at amortized cost				
Balance at January 1	**P 106**	**P 29**	**P 1,519**	**P 1,654**
Transfers to:				
Stage 1	**-**	**-**	**-**	**-**
Stage 2	**(2)**	**2**	**-**	**-**
Stage 3	**(111)**	**(208)**	**319**	**-**
Net remeasurement of loss allowance	**131**	**226**	**17**	**374**
New financial assets originated or purchased	**132**	**-**	**-**	**132**
Foreign exchange	**-**	**-**	**(9)**	**(9)**
Derecognition of financial assets	**(16)**	**-**	**-**	**(16)**
Balance at December 31	**P 240**	**P 49**	**P 1,846**	**P 2,135**
Debt investment securities at FVOCI				
Balance at January 1	**P 57**	**P 60**	**P -**	**P 117**
Net remeasurement of loss allowance	**61**	**37**	**-**	**98**
New financial assets originated or purchased	**22**	**-**	**-**	**22**
Derecognition of financial assets	**(12)**	**-**	**-**	**(12)**
Balance at December 31	**P 128**	**P 97**	**P -**	**P 225**
Loan commitments and other contingent accounts				
Balance at January 1	**P 233**	**P -**	**P -**	**P 233**
Net remeasurement of loss allowance	**(130)**	**27**	**-**	**(103)**
New financial assets originated or purchased	**119**	**-**	**-**	**119**
Derecognition of financial assets	**(44)**	**-**	**-**	**(44)**
Foreign exchange	**(2)**	**-**	**-**	**(2)**
Balance at December 31	**P 176**	**P 27**	**P -**	**P 203**

	2022			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P -	P -	P -	P -
Net remeasurement of loss allowance	15	-	-	15
Derecognition of financial assets	-	-	-	-
Balance at December 31	P 15	P -	P -	P 15
Receivables from customers – corporate				
Balance at January 1	P 7,513	P 17,205	P 13,237	P 37,955
Transfers to:				
Stage 1	7,025	(7,020)	(5)	-
Stage 2	(25)	31	(6)	-
Stage 3	(3)	(18)	21	-
Net remeasurement of loss allowance	(7,431)	11,833	2,750	7,152
New financial assets originated or purchased	3,075	6,296	4,465	13,836
Derecognition of financial assets	(3,262)	(1,713)	(6,001)	(10,976)
Write-offs	-	-	(1,017)	(1,017)
Foreign exchange	58	-	581	639
Balance at December 31	P 6,950	P 26,614	P 14,025	P 47,589

BDO Unibank Group

	2022			
	Stage 1	Stage 2	Stage 3	Total
Receivables from customers – consumer				
Balance at January 1	P 5,554	P 504	P 21,246	P 27,304
Transfers to:				
Stage 1	1,312	(157)	(1,155)	-
Stage 2	(102)	382	(280)	-
Stage 3	(744)	(1,060)	1,804	-
Net remeasurement of loss allowance	(735)	1,153	5,607	6,025
New financial assets originated or purchased	1,836	155	508	2,499
Derecognition of financial assets	(510)	(87)	(1,638)	(2,235)
Write-offs	-	-	(7,426)	(7,426)
Foreign exchange	3	-	17	20
Balance at December 31	P 6,614	P 890	P 18,683	P 26,187
Other receivables				
Balance at January 1	P 79	P 77	P 2,328	P 2,484
Transfers to				
Stage 1	8	(2)	(6)	-
Stage 2	-	(2)	2	-
Stage 3	(24)	15	9	-
Net remeasurement of loss allowance	65	(17)	(9)	39
New financial assets originated or purchased	39	17	605	661
Derecognition of financial assets	(66)	(10)	(359)	(435)
Write-offs	-	-	(165)	(165)
Balance at December 31	P 101	P 78	P 2,405	P 2,584
Debt investment securities at amortized cost				
Balance at January 1	P 61	P -	P 1,410	P 1,471
Transfers to:				
Stage 2	(1)	1	-	-
Net remeasurement of loss allowance	43	28	-	71
New financial assets originated or purchased	4	-	-	4
Foreign exchange	5	-	109	114
Derecognition of financial assets	(6)	-	-	(6)
Balance at December 31	P 106	P 29	P 1,519	P 1,654
Debt investment securities at FVOCI				
Balance at January 1	P 50	P -	P -	P 50
Net remeasurement of loss allowance	14	60	-	74
New financial assets originated or purchased	5	-	-	5
Derecognition of financial assets	(12)	-	-	(12)
Balance at December 31	P 57	P 60	P -	P 117
Loan commitments and other contingent accounts				
Balance at January 1	P 289	P -	P -	P 289
Net remeasurement of loss allowance	(54)	-	-	(54)
New financial assets originated or purchased	43	-	-	43
Derecognition of financial assets	(51)	-	-	(51)
Foreign exchange	6	-	-	6
Balance at December 31	P 233	P -	P -	P 233

Parent Bank

	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P 14	P -	P -	P 14
Net remeasurement of loss allowance	41	-	-	41
Balance at December 31	P 55	P -	P -	P 55
Receivables from customers – corporate				
Balance at January 1	P 6,906	P 26,614	P 14,022	P 47,542
Transfers to:				
Stage 1	3,230	(3,230)	-	-
Stage 2	(45)	47	(2)	-
Stage 3	(3)	(79)	82	-
Net remeasurement of loss allowance	(4,435)	8,172	1,426	5,163
New financial assets originated or purchased	2,927	3,527	598	7,052
Derecognition of financial assets	(2,339)	(1,960)	(207)	(4,506)
Write-offs	-	-	(275)	(275)
Foreign exchange	(3)	(22)	(6)	(31)
Balance at December 31	P 6,238	P 33,069	P 15,638	P 54,945
Receivables from customers – consumer				
Balance at January 1	P 6,050	P 775	P 17,209	P 24,034
Transfers to:				
Stage 1	790	(104)	(686)	-
Stage 2	(85)	391	(306)	-
Stage 3	(711)	(520)	1,231	-
Net remeasurement of loss allowance	783	(42)	5,690	6,431
New financial assets originated or purchased	2,012	334	2,079	4,425
Derecognition of financial assets	(740)	(101)	(2,851)	(3,692)
Write-offs	-	-	(5,340)	(5,340)
Foreign exchange	-	-	(1)	(1)
Balance at December 31	P 8,099	P 733	P 17,025	P 25,857
Other receivables				
Balance at January 1	P 74	P 78	P 2,272	P 2,424
Transfers to:				
Stage 1	22	(1)	(21)	-
Stage 2	-	1	(1)	-
Stage 3	(4)	(1)	5	-
Net remeasurement of loss allowance	(20)	2	117	99
New financial assets originated or purchased	138	36	718	892
Derecognition of financial assets	(25)	(73)	(652)	(750)
Write-offs	-	-	(99)	(99)
Foreign exchange	-	-	2	2
Balance at December 31	P 185	P 42	P 2,341	P 2,568
Debt investment securities at amortized cost				
Balance at January 1	P 92	P 29	P 1,519	P 1,640
Transfers to:				
Stage 1	-	-	-	-
Stage 2	(2)	2	-	-
Stage 3	(111)	(208)	319	-
Net remeasurement of loss allowance	122	226	16	364
New financial assets originated or purchased	132	-	-	132
Foreign exchange	-	-	(8)	(8)
Derecognition of financial assets	(13)	-	-	(13)
Balance at December 31	P 220	P 49	P 1,846	P 2,115

Parent Bank

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Debt investment securities at FVOCI				
Balance at January 1	**P 42**	**P 60**	**P -**	**P 102**
Net remeasurement of loss allowance	**52**	**37**	**-**	**89**
New financial assets originated or purchased	**17**	**-**	**-**	**17**
Derecognition of financial assets	**(9)**	**-**	**-**	**(9)**
Balance at December 31	**P 102**	**P 97**	**P -**	**P 199**
Loan commitments and other contingent accounts				
Balance at January 1	**P 233**	**P -**	**P -**	**P 233**
Net remeasurement of loss allowance	**(130)**	**27**	**-**	**(103)**
New financial assets originated or purchased	**119**	**-**	**-**	**119**
Derecognition of financial assets	**(44)**	**-**	**-**	**(44)**
Foreign exchange	**(2)**	**-**	**-**	**(2)**
Balance at December 31	**P 176**	**P 27**	**P -**	**P 203**

	2022			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P -	P -	P -	P -
Net remeasurement of loss allowance	14	-	-	14
Balance at December 31	P 14	P -	P -	P 14
Receivables from customers – corporate				
Balance at January 1	P 7,477	P 17,204	P 13,233	P 37,914
Transfers to:				
Stage 1	7,009	(7,005)	(4)	-
Stage 2	(25)	31	(6)	-
Stage 3	(3)	(16)	19	-
Net remeasurement of loss allowance	(7,413)	11,817	2,750	7,154
New financial assets originated or purchased	3,059	6,296	4,465	13,820
Derecognition of financial assets	(3,256)	(1,713)	(6,001)	(10,970)
Write-offs	-	-	(1,015)	(1,015)
Foreign exchange	58	-	581	639
Balance at December 31	P 6,906	P 26,614	P 14,022	P 47,542
Receivables from customers – consumer				
Balance at January 1	P 5,194	P 414	P 19,752	P 25,360
Transfers to:				
Stage 1	1,158	(115)	(1,043)	-
Stage 2	(99)	377	(278)	-
Stage 3	(675)	(213)	888	-
Net remeasurement of loss allowance	(551)	279	5,930	5,658
New financial assets originated or purchased	1,434	90	396	1,920
Derecognition of financial assets	(413)	(57)	(1,487)	(1,957)
Write-offs	-	-	(6,966)	(6,966)
Foreign exchange	2	-	17	19
Balance at December 31	P 6,050	P 775	P 17,209	P 24,034

Parent Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Other receivables				
Balance at January 1	P 31	P 77	P 2,210	P 2,318
Transfers to:				
Stage 1	8	(2)	(6)	-
Stage 2	-	(2)	2	-
Stage 3	-	(2)	2	-
Net remeasurement of loss allowance	63	-	(40)	23
New financial assets originated or purchased	38	17	601	656
Derecognition of financial assets	(66)	(10)	(339)	(415)
Write-offs	-	-	(158)	(158)
Balance at December 31	P 74	P 78	P 2,272	P 2,424
Debt investment securities at amortized cost				
Balance at January 1	P 45	P -	P 1,410	P 1,455
Transfers to:				
Stage 2	(1)	1	-	-
Net remeasurement of loss allowance	44	28	-	72
New financial assets originated or purchased	4	-	-	4
Foreign exchange	4	-	109	113
Derecognition of financial assets	(4)	-	-	(4)
Balance at December 31	P 92	P 29	P 1,519	P 1,640
Debt investment securities at FVOCI				
Balance at January 1	P 37	P -	P -	P 37
Net remeasurement of loss allowance	13	60	-	73
New financial assets originated or purchased	2	-	-	2
Derecognition of financial assets	(10)	-	-	(10)
Balance at December 31	P 42	P 60	P -	P 102
Loan commitments and other contingent accounts				
Balance at January 1	P 289	P -	P -	P 289
Net remeasurement of loss allowance	(54)	-	-	(54)
New financial assets originated or purchased	43	-	-	43
Derecognition of financial assets	(51)	-	-	(51)
Foreign exchange	6	-	-	6
Balance at December 31	P 233	P -	P -	P 233

The following table sets out a reconciliation of changes in the total loss allowance.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at January 1	**P 78,379**	P 69,553	**P 75,989**	P 67,373
Net remeasurement of loss allowance	**13,016**	13,322	**12,084**	12,940
New financial assets originated or purchased	**13,246**	17,048	**12,637**	16,445
Derecognition of financial assets	**(9,835)**	(13,715)	**(9,014)**	(13,407)
Write-offs	**(6,294)**	(8,608)	**(5,714)**	(8,139)
Foreign exchange	**(42)**	779	**(40)**	777
Balance at December 31	**P 88,470**	P 78,379	**P 85,942**	P 75,989

(j) Significant Changes in Gross Carrying Amount Affecting Allowance for ECL

The tables below and in the succeeding pages provide information how the significant changes in the gross carrying amount of financial instruments in 2023 and 2022 contributed to the changes in the allowance for ECL.

BDO Unibank Group

	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P 60,470	P -	P -	P 60,470
Net remeasurement of loss allowance	23,981	-	-	23,981
Acquired from business combination	713	-	-	713
Foreign exchange	868	-	-	868
Balance at December 31	P 86,032	P -	P -	P 86,032
Receivables from customers – corporate				
Balance at January 1	P 1,922,484	P 75,102	P 17,756	P 2,015,342
Transfers to:				
Stage 1	12,266	(12,248)	(18)	-
Stage 2	(9,634)	9,634	-	-
Stage 3	(471)	(765)	1,236	-
New financial assets originated or purchased	1,837,736	6,885	914	1,845,535
Derecognition of financial assets	(1,660,433)	(15,719)	(974)	(1,677,126)
Write-offs	-	-	(275)	(275)
Balance at December 31	P 2,101,948	P 62,889	P 18,639	P 2,183,476
Receivables from customers – consumer				
Balance at January 1	P 560,560	P 2,608	P 35,301	P 598,469
Transfers to:				
Stage 1	34,448	(29,721)	(4,727)	-
Stage 2	(2,450)	2,810	(360)	-
Stage 3	(11,460)	(2,593)	14,053	-
New financial assets originated or purchased	222,907	31,461	3,583	257,951
Derecognition of financial assets	(174,415)	(996)	(7,207)	(182,618)
Write-offs	-	-	(5,912)	(5,912)
Balance at December 31	P 629,590	P 3,569	P 34,731	P 667,890
Other receivables				
Balance at January 1	P 155,855	P 535	P 3,060	P 159,450
Transfers to				
Stage 1	89	(7)	(82)	-
Stage 2	(11)	57	(46)	-
Stage 3	(187)	(36)	223	-
New financial assets originated or purchased	25,313	198	1,486	26,997
Acquired from business combination	181	-	-	181
Derecognition of financial assets	(64,683)	(304)	(1,023)	(66,010)
Write-offs	-	-	(107)	(107)
Balance at December 31	P 116,557	P 443	P 3,511	P 120,511

BDO Unibank Group

	2023			
	Stage 1	Stage 2	Stage 3	Total
Debt investment securities at amortized cost				
Balance at January 1	**P 512,128**	**P 56**	**P 1,519**	**P 513,703**
Amortization	**12,600**	**-**	**-**	**12,600**
New financial assets originated or purchased	**100,380**	**3**	**15**	**100,398**
Foreign exchange	**(709)**	**1**	**(10)**	**(718)**
Transfers to:				
Stage 1	**(332)**	**(1)**	**333**	**-**
Stage 2	**-**	**-**	**-**	**-**
Stage 3	**-**	**-**	**-**	**-**
Derecognition of financial assets	**(47,849)**	**(3)**	**(11)**	**(47,863)**
Balance at December 31	**P 576,218**	**P 56**	**P 1,846**	**P 578,120**
Debt investment securities at FVOCI				
Balance at January 1	**P 161,301**	**P 53**	**P -**	**P 161,354**
Amortization	**3,968**	**-**	**-**	**3,968**
Fair value gain	**7,370**	**(37)**	**-**	**7,333**
New financial assets originated or purchased	**898,490**	**-**	**-**	**898,490**
Foreign exchange	**(687)**	**(1)**	**-**	**(688)**
Derecognition of financial assets	**(766,593)**	**-**	**-**	**(766,593)**
Balance at December 31	**P 303,849**	**P 15**	**P -**	**P 303,864**
Loan commitments and other contingent accounts				
Balance at January 1	**P 131,273**	**P 37**	**P -**	**P 131,310**
Transfers to:				
Stage 1	**3**	**(3)**	**-**	**-**
New financial assets originated or purchased	**565,483**	**1,052**	**49**	**566,584**
Derecognition of financial assets	**(89,895)**	**(7)**	**-**	**(89,902)**
Balance at December 31	**P 606,864**	**P 1,079**	**P 49**	**P 607,992**

	2022			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P 70,673	P -	P -	P 70,673
Net remeasurement of loss allowance	(12,734)	-	-	(12,734)
New financial assets originated or purchased	-	-	-	-
Derecognition of financial assets	-	-	-	-
Acquired from business combination	-	-	-	-
Foreign exchange	2,531	-	-	2,531
Balance at December 31	P 60,470	P -	P -	P 60,470
Receivables from customers – corporate				
Balance at January 1	P 1,733,956	P 116,369	P 19,030	P 1,869,355
Transfers to:				
Stage 1	38,178	(38,133)	(45)	-
Stage 2	(2,804)	2,929	(125)	-
Stage 3	(745)	(556)	1,301	-
New financial assets originated or purchased	1,674,386	13,508	6,417	1,694,311
Derecognition of financial assets	(1,520,487)	(19,015)	(7,805)	(1,547,307)
Write-offs	-	-	(1,017)	(1,017)
Balance at December 31	P 1,922,484	P 75,102	P 17,756	P 2,015,342

BDO Unibank Group

	2022			
	Stage 1	Stage 2	Stage 3	Total
Receivables from customers – consumer				
Balance at January 1	P 473,756	P 3,043	P 54,039	P 530,838
Transfers to:				
Stage 1	32,222	(26,905)	(5,317)	-
Stage 2	(1,502)	1,927	(425)	-
Stage 3	(8,532)	(1,471)	10,003	-
New financial assets originated or purchased	214,499	26,655	617	241,771
Derecognition of financial assets	(149,883)	(641)	(16,190)	(166,714)
Write-offs	-	-	(7,426)	(7,426)
Balance at December 31	P 560,560	P 2,608	P 35,301	P 598,469
Other receivables				
Balance at January 1	P 115,309	P 470	P 2,674	P 118,453
Transfers to				
Stage 1	51	(22)	(29)	-
Stage 2	(18)	27	(9)	-
Stage 3	(208)	(12)	220	-
New financial assets originated or purchased	57,801	196	1,124	59,121
Derecognition of financial assets	(17,080)	(124)	(755)	(17,959)
Write-offs	-	-	(165)	(165)
Balance at December 31	P 155,855	P 535	P 3,060	P 159,450
Debt investment securities at amortized cost				
Balance at January 1	P 397,595	P -	P 1,410	P 399,005
Amortization	(1,621)	-	-	(1,621)
New financial assets originated or purchased	158,756	-	-	158,756
Foreign exchange	15,453	-	109	15,562
Transfers to:				
Stage 2	(56)	56	-	-
Derecognition of financial assets	(57,999)	-	-	(57,999)
Balance at December 31	P 512,128	P 56	P 1,519	P 513,703
Debt investment securities at FVOCI				
Balance at January 1	P 165,461	P -	P -	P 165,461
Amortization	(749)	-	-	(749)
Fair value gain	(16,659)	-	-	(16,659)
New financial assets originated or purchased	280,222	-	-	280,222
Foreign exchange	7,309	-	-	7,309
Transfers to:				
Stage 2	(53)	53	-	-
Derecognition of financial assets	(274,230)	-	-	(274,230)
Balance at December 31	P 161,301	P 53	P -	P 161,354
Loan commitments and other contingent accounts				
Balance at January 1	P 112,403	P 503	P -	P 112,906
New financial assets originated or purchased	106,296	30	-	106,326
Derecognition of financial assets	(87,426)	(496)	-	(87,922)
Balance at December 31	P 131,273	P 37	P -	P 131,310

Parent Bank

	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P 51,448	P -	P -	P 51,448
Net remeasurement of loss allowance	24,524	-	-	24,524
Foreign exchange	873	-	-	873
Balance at December 31	P 76,845	P -	P -	P 76,845
Receivables from customers – corporate				
Balance at January 1	P 1,914,938	P 75,102	P 17,750	P 2,007,790
Transfers to:				
Stage 1	12,023	(12,005)	(18)	-
Stage 2	(9,541)	9,541	-	-
Stage 3	(471)	(764)	1,235	-
New financial assets originated or purchased	1,833,568	6,638	915	1,841,121
Derecognition of financial assets	(1,656,467)	(15,717)	(974)	(1,673,158)
Write-offs	-	-	(275)	(275)
Balance at December 31	P 2,094,050	P 62,795	P 18,633	P 2,175,478
Receivables from customers – consumer				
Balance at January 1	P 494,913	P 2,271	P 32,670	P 529,854
Transfers to:				
Stage 1	2,563	(504)	(2,059)	-
Stage 2	(2,185)	2,516	(331)	-
Stage 3	(10,649)	(1,179)	11,828	-
New financial assets originated or purchased	162,533	362	855	163,750
Derecognition of financial assets	(81,947)	(345)	(5,970)	(88,262)
Write-offs	-	-	(5,340)	(5,340)
Balance at December 31	P 565,228	P 3,121	P 31,653	P 600,002
Other receivables				
Balance at January 1	P 154,475	P 416	P 2,686	P 157,577
Transfers to				
Stage 1	68	(7)	(61)	-
Stage 2	-	1	(1)	-
Stage 3	(131)	(15)	146	-
New financial assets originated or purchased	11,176	186	1,171	12,533
Derecognition of financial assets	(51,412)	(164)	(998)	(52,574)
Write-offs	-	-	(99)	(99)
Balance at December 31	P 114,176	P 417	P 2,844	P 117,437
Debt investment securities at amortized cost				
Balance at January 1	P 491,324	P 56	P 1,519	P 492,899
Amortization	12,625	-	-	12,625
New financial assets originated or purchased	96,439	3	15	96,457
Foreign exchange	(675)	1	(10)	(684)
Transfers to (from):				
Stage 1	(332)	(1)	333	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Derecognition of financial assets	(44,525)	(3)	(11)	(44,539)
Balance at December 31	P 554,856	P 56	P 1,846	P 556,758

Parent Bank

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Debt investment securities at FVOCI				
Balance at January 1	**P 108,053**	**P 53**	**P -**	**P 108,106**
Amortization	**4,196**	**-**	**-**	**4,196**
Fair value gain	**3,645**	**(37)**	**-**	**3,608**
New financial assets originated or purchased	**867,743**	**-**	**-**	**867,743**
Foreign exchange	**(532)**	**(1)**	**-**	**(533)**
Transfers to (from):				
Stage 2	**-**	**-**	**-**	**-**
Derecognition of financial assets	**(760,113)**	**-**	**-**	**(760,113)**
Balance at December 31	**P 222,992**	**P 15**	**P -**	**P 223,007**
Loan commitments and other contingent accounts				
Balance at January 1	**P 131,273**	**P 37**	**P -**	**P 131,310**
Transfers to Stage 1	**3**	**(3)**	**-**	**-**
New financial assets originated or purchased	**565,483**	**1,052**	**49**	**566,584**
Derecognition of financial assets	**(89,895)**	**(7)**	**-**	**(89,902)**
Balance at December 31	**P 606,864**	**P 1,079**	**P 49**	**P 607,992**

	2022			
	Stage 1	Stage 2	Stage 3	Total
Due from other banks				
Balance at January 1	P 64,537	P -	P -	P 64,537
Net remeasurement of loss allowance	(15,328)	-	-	(15,328)
Foreign exchange	2,239	-	-	2,239
Balance at December 31	P 51,448	P -	P -	P 51,448
Receivables from customers – corporate				
Balance at January 1	P 1,728,038	P 116,364	P 19,026	P 1,863,428
Transfers to:				
Stage 1	37,967	(37,922)	(45)	-
Stage 2	(2,804)	2,929	(125)	-
Stage 3	(745)	(549)	1,294	-
New financial assets originated or purchased	1,670,470	13,295	6,417	1,690,182
Derecognition of financial assets	(1,517,988)	(19,015)	(7,802)	(1,544,805)
Write-offs	-	-	(1,015)	(1,015)
Balance at December 31	P 1,914,938	P 75,102	P 17,750	P 2,007,790
Receivables from customers – consumer				
Balance at January 1	P 438,721	P 2,743	P 46,659	P 488,123
Transfers to:				
Stage 1	5,227	(752)	(4,475)	-
Stage 2	(1,458)	1,871	(413)	-
Stage 3	(7,518)	(1,187)	8,705	-
New financial assets originated or purchased	154,030	154	328	154,512
Derecognition of financial assets	(94,089)	(558)	(11,168)	(105,815)
Write-offs	-	-	(6,966)	(6,966)
Balance at December 31	P 494,913	P 2,271	P 32,670	P 529,854

Parent Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Other receivables				
Balance at January 1	P 111,300	P 406	P 2,318	P 114,024
Transfers to				
Stage 1	38	(22)	(16)	-
Stage 2	(18)	(1)	19	-
Stage 3	(146)	1	145	-
New financial assets originated or purchased	44,451	156	1,008	45,615
Derecognition of financial assets	(1,150)	(124)	(630)	(1,904)
Write-offs	-	-	(158)	(158)
Balance at December 31	P 154,475	P 416	P 2,686	P 157,577
Debt investment securities at amortized cost				
Balance at January 1	P 377,427	P -	P 1,410	P 378,837
Amortization	(1,598)	-	-	(1,598)
New financial assets originated or purchased	155,205	-	-	155,205
Foreign exchange	14,987	-	109	15,096
Transfers to (from):				
Stage 2	(56)	56	-	-
Derecognition of financial assets	(54,641)	-	-	(54,641)
Balance at December 31	P 491,324	P 56	P 1,519	P 492,899
Debt investment securities at FVOCI				
Balance at January 1	P 114,095	P -	P -	P 114,095
Amortization	(583)	-	-	(583)
Fair value gain	(11,215)	-	-	(11,215)
New financial assets originated or purchased	258,406	-	-	258,406
Foreign exchange	6,239	-	-	6,239
Transfers to (from):				
Stage 2	(53)	53	-	-
Derecognition of financial assets	(258,836)	-	-	(258,836)
Balance at December 31	P 108,053	P 53	P -	P 108,106
Loan commitments and other contingent accounts				
Balance at January 1	P 112,403	P 503	P -	P 112,906
Transfers to Stage 2	-	-	-	-
New financial assets originated or purchased	106,296	30	-	106,326
Derecognition of financial assets	(87,426)	(496)	-	(87,922)
Balance at December 31	P 131,273	P 37	P -	P 131,310

(k) Sensitivity Analysis on ECL Measurement

Set out below are the changes to the BDO Unibank Group's 12-month ECL as of December 31, 2023 and 2022 that would result from reasonably possible changes in these parameters from the actual assumptions used in the BDO Unibank Group's economic variable assumptions.

	2023			2022		
		Impact on ECL			Impact on ECL	
	Change in MEVs	**Increase in MEVs**	**Decrease in MEVs**	Change in MEVs	Increase in MEVs	Decrease in MEVs
Corporate or Commercial Loans:						
GDP growth rate	**+/-1%**	**-11.0%**	**11.0%**	+/-1%	-6.9%	6.9%
Inflation rate	**+/-1%**	**4.2%**	**-4.9%**	+/-1%	3.0%	-3.0%
Credit Card Receivables or Personal Loans:						
GDP growth rate	**+/-1%**	**-1.6%**	**1.6%**	+/-1%	-1.2%	1.2%
Unemployment rate	**+/-1%**	**3.3%**	**-3.3%**	+/-1%	1.8%	-1.8%
Home/Housing Loans:						
GDP growth rate	**+/-1%**	**0.0%**	**0.0%**	+/-1%	-0.2%	0.2%
Inflation rate	**+/-1%**	**0.1%**	**-0.1%**	+/-1%	1.3%	-1.7%
Auto Loans:						
GDP growth rate	**+/-1%**	**-0.02%**	**0.02%**	+/-1%	-0.02%	0.02%
Unemployment rate	**+/-1%**	**1.4%**	**-1.4%**	+/-1%	1.4%	-1.4%

4.4 Operational Risk

Operational risk is the risk of loss due to the BDO Unibank Group's:

- failure to comply with defined operational procedures;
- inability to address fraud committed internally or externally;
- inability to handle system failures; and,
- inability to cope with the impact of external events.

The BDO Unibank Group manages its operational risks by instituting policies to minimize its expected losses, allocating capital for the unexpected losses and having insurance and/or a business continuity plan to prepare for catastrophic losses.

Framework

True to its commitment to sound management and corporate governance, the BDO Unibank Group considers operational risk management as a critical element in the conduct of its business. Under BDO Unibank Group's Operational Risk Management (ORM) framework, the BOD has the ultimate responsibility for providing leadership in the management of operational risk in BDO Unibank Group.

The RMG provides the common risk language and management tools across the BDO Unibank Group as well as monitors the implementation of the ORM framework and policies. The business process owners, as risk owners, are responsible for identifying, assessing and limiting the impact of risk in their businesses/operations.

The BDO Unibank Group continues to conduct periodic Risk and Control Self-Assessment (RCSA) so that business process owners could document both their operational risks and control mechanisms they have put in place to manage those risks. This ORM tool allows the BDO Unibank Group to identify risks the business/operation faces, assess the severity of those risks, evaluate the adequacy of key controls associated to the identified risks, and take proactive action to address any deficiencies identified.

The BDO Unibank Group also continues to use Key Risk Indicators (KRI) as alerts for operational risk vulnerabilities. Reporting of top KRIs to the BOD through the RMC is done quarterly.

The BDO Unibank Group likewise uses Loss Data Collection, Analysis and Reporting that allows the BDO Unibank Group to gather data per Basel loss event category across business lines. The collected data are processed for information and appropriate escalation, root cause analysis, control effectiveness and enables action plans to prevent recurrence.

These ORM tools are continually being reviewed and enhanced to proactively manage operational risks. The Operational Risk Management Solution (ORMS) was implemented to automate the reporting of BDO Unibank Group's RCSAs, KRIs and operational losses. The bank-wide information asset inventory is regularly reviewed to address operational risks arising from information security concerns. The inventory identified critical applications and sensitive data based on the BDO Unibank Group's classification standards, information risks, as well as protection measures in place to mitigate these risks. Under the purview of information security is data privacy. The BDO Unibank Group's data privacy framework is in accordance with the R.A. No. 10173, *Data Privacy Act of 2012*.

Information technology risks which include current and prospective negative impact to earnings arising from failure of IT systems and realization of cyber security threats are appropriately managed through policies and measures that are integrated into BDO Unibank Group's day-to-day operations.

Operational risks arising from health, safety and environmental issues are appropriately managed through policies and measures that are integrated into BDO Unibank Group's Day-to-day operations. These include Environmental Consciousness, Occupational Health and Safety, and Community Health and Safety.

The BDO Unibank Group continues to review its preparedness for major disaster scenarios and implements required changes in its Business Continuity Plan.

4.5 Insurance Risk

The risk under an insurance contract is the risk that an insured event will occur, including the uncertainty of the amount and timing of any resulting claim. The principal risk the BDO Unibank Group faces under such contracts is that the actual claims and benefits payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated, and subsequent development of long-term claims.

(a) Terms and Conditions

The BDO Unibank Group principally writes life insurance where the life of the policyholder is insured against death, illness, injury or permanent disability, usually for a predetermined amount. Life insurance contracts offered by the BDO Unibank Group mainly include whole life, term insurance, endowments, VUL products, group life insurance, and accident and health insurance.

(b) Underwriting risk

Underwriting risk represents the exposure to loss resulting from actual policy experience adversely deviating from assumptions made in the product pricing. Underwriting risks are brought about by a combination of the following:

- Mortality risk – risk of loss arising from the policyholder's death experience being higher than expected.
- Morbidity risk – risk of loss arising from the policyholder's health experience being higher than expected.
- Expense risk – risk of loss arising from expense experience being higher than expected.
- Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

Underwriting guidelines and limits for insurance and reinsurance contracts are regularly monitored for compliance and updated to reflect current requirements. To further control the underwriting risks, the BDO Unibank Group's Actuarial Department regularly assesses the adequacy of the insurance premiums and technical provisions. The risks of defaults by reinsurers are mitigated as the BDO Unibank Group only deals with accredited reinsurers. Additionally, provisions for known and unknown liabilities arising from the BDO Unibank Group's commitments are calculated using prudent actuarial methods.

The main underwriting strategies of the BDO Unibank Group to control risk are the use of reinsurance and the controlled granting of non-medical authority (NMA) to the sales force. The NMA is being given only to members of the sales force who either qualify by virtue of field experience or by passing a certain underwriting and training program. Actual experience is closely monitored and corrective actions are executed whenever necessary.

The BDO Unibank Group utilizes surplus reinsurance programs to manage its mortality risk from large fluctuations in claim experience.

4.6 Anti-Money Laundering Controls

The Anti-Money Laundering (AML) Program of the BDO Unibank Group and the Parent Bank is articulated in the Board-approved Money Laundering, Terrorist Financing and Proliferation Financing Prevention Program (MTPP) Manual. The MTPP encapsulates the policies and procedures covering the: (i) on-boarding of clients, Know Your Client and required due diligence; (ii) customer risk assessment; (iii) on-going monitoring of transactions; (iv) regulatory reporting; (v) record-keeping; (vi) training of all officers and staff including BOD; (vii) Independent Compliance Testing (ICT); and, (viii) Institutional Risk Assessment.

For AML transaction monitoring and end-to-end AML investigation, the Parent Bank has made substantial investments in a robust AML Solution that is in the process of being deployed across the enterprise. This system also facilitates the generation of regulatory reports that are required under the AMLC Registration and Reporting Guidelines (ARRG).

The Chief Compliance Officer directly reports to the BOD through the Board Audit Committee and is also a member of the AML Committee of the Parent Bank. The AML Committee, composed of senior officers from various units, is tasked to oversee the operational implementation of BDO's AML/CTF/ CPF Program.

4.7 Impact of LIBOR Reform

In 2023, BDO Unibank Group has successfully addressed the identified risk areas arising from the replacement of LIBOR: (i) updating systems and processes which capture LIBOR referenced contracts; (ii) amending affected contracts, or existing fallback/transition clauses not operating as anticipated; and, (iii) reviewing mismatches in timing of derivatives and loans transitioning from LIBOR and the resulting impact on economic risk management.

As of December 31, 2023, all of the covered financial instruments held by BDO Unibank Group and the Parent Bank were all transitioned to SOFR in accordance with the Group's transition plan.

The following table contains details of all of the financial instruments that the BDO Unibank Group and the Parent Bank hold at December 31, 2023 and 2022 for each LIBOR rate that have not yet transitioned to SOFR or an alternative interest rate benchmark as of December 31, 2023 and 2022:

	Carrying value		Notional amount	
	2023	2022	**2023**	2022
BDO Unibank Group				
USD LIBOR	**P -**	P 134,799	**P -**	P 348,187
GBP LIBOR	**-**	1,950	**-**	3,124
EUR LIBOR	**-**	1,170	**-**	1,680
CHF LIBOR	**-**	-	**-**	61
JPY LIBOR	**-**	-	**-**	37
	P -	P 137,919	**P -**	P 353,089
Parent Bank				
USD LIBOR	**P -**	P 125,116	**P -**	P 273,651
GBP LIBOR	**-**	1,950	**-**	3,124
EUR LIBOR	**-**	1,170	**-**	1,680
CHF LIBOR	**-**	-	**-**	61
JPY LIBOR	**-**	-	**-**	37
	P -	P 128,236	**P -**	P 278,553

The breakdown of the financial instruments between non-derivative financial assets and liabilities and derivative instruments is as follows:

	Carrying value		Notional amount	
	2023	2022	**2023**	2022
BDO Unibank Group				
Non-derivative financial assets:				
Loans and other receivables	**P -**	P 111,298	**P -**	P -
Other assets	**-**	3,303	**-**	-
Non-derivative financial liabilities –				
Bills payable	**-**	6,691	**-**	-
Derivatives:				
Asset	**-**	8,760	**-**	165,327
Liability	**-**	7,867	**-**	187,762
	P -	P 137,919	**P -**	P 353,089

	Carrying value		Notional amount	
	2023	2022	**2023**	2022
Parent Bank				
Non-derivative financial assets:				
Loans and other receivables	**P -**	P 111,298	**P -**	P -
Other assets	**-**	3,303		
Non-derivative financial liabilities –				
Bills payable	**-**	6,691	**-**	-
Derivatives:				
Asset	**-**	3,432	**-**	129,048
Liability	**-**	3,512	**-**	149,505
	P -	P 128,236	**P -**	P 278,553

The following are the key risks for the BDO Unibank Group arising from the transition:

- Liquidity risk: There are fundamental differences between LIBOR and the various alternative benchmark rates which the BDO Unibank Group will be adopting. LIBOR are forward-looking term rates published for a period (e.g., three months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk-free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments which will require additional liquidity management. The BDO Unibank Group's liquidity risk management policy has been updated to ensure sufficient liquid resources to accommodate unexpected increases in overnight rates.

- Litigation risk: If no agreement is reached to implement the interest rate benchmark reform on existing contracts (e.g., arising from differing interpretation of existing fallback terms), there is a risk of prolonged disputes with counterparties which could give rise to additional legal and other costs. The BDO Unibank Group is working closely with all counterparties to avoid this from occurring.

- Operational risk: The BDO Unibank Group's current treasury management system has undergone updates to fully manage the transition to alternative benchmark rates and there is a risk that such upgrades are not fully functional in time, resulting in additional manual procedures which give rise to operational risks. The BDO Unibank Group is working closely with its system provider to ensure the relevant updates are made in good time and the BDO Unibank Group has alternative manual procedures in place with relevant controls to address any potential delay.

4.8 Maturity Profile of Resources and Liabilities

The table below presents the maturity profile of resources and liabilities analyzed according to whether these are expected to be recovered or settled in less than 12 months and over 12 months from statement of financial position date:

	2023			2022		
	Within 12 Months	**Beyond 12 Months**	**Total**	Within 12 Months	Beyond 12 Months	Total
BDO Unibank Group						
Resources						
Cash and other cash items	**P 94,278**	**P -**	**P 94,278**	P 82,944	P -	P 82,944
Due from BSP and other banks	**421,050**	**-**	**421,050**	446,234	-	446,234
Trading and investment securities	**224,985**	**706,900**	**931,885**	91,776	631,054	722,830
Loans and other receivables - net	**963,798**	**1,922,230**	**2,886,028**	854,188	1,842,713	2,696,901
Premises, furniture, fixtures, and equipment - net	**-**	**48,085**	**48,085**	-	46,471	46,471
Investment properties - net	**-**	**46,810**	**46,810**	-	21,158	21,158
Equity investments - net	**-**	**3,879**	**3,879**	-	5,501	5,501
Other resources - net	**18,867**	**26,779**	**45,646**	15,098	37,571	52,669
	P 1,722,978	**P 2,754,683**	**P 4,477,661**	P 1,490,240	P 2,584,468	P 4,074,708
Liabilities						
Deposit liabilities	**P 3,499,775**	**P 67,775**	**P 3,567,550**	P 3,126,217	P 94,666	P 3,220,883
Bills payable	**111,913**	**77,669**	**189,582**	80,781	118,110	198,891
Insurance contract liabilities	**4,119**	**73,091**	**77,210**	7,844	56,519	64,363
Other liabilities	**103,476**	**21,289**	**124,765**	106,608	22,506	129,114
	P 3,719,283	**P 239,824**	**P 3,959,107**	P 3,321,450	P 291,801	P 3,613,251
Parent Bank						
Resources						
Cash and other cash items	**P 91,635**	**P -**	**P 91,635**	P 80,666	P -	P 80,666
Due from BSP and other banks	**409,219**	**-**	**409,219**	433,644	-	433,644
Trading and investment securities	**206,190**	**581,501**	**787,691**	46,608	560,181	606,789
Loans and other receivables - net	**955,510**	**1,854,037**	**2,809,547**	839,832	1,781,389	2,621,221
Premises, furniture, fixtures, and equipment - net	**-**	**43,878**	**43,878**	-	42,394	42,394
Investment properties - net	**-**	**13,408**	**13,408**	-	13,173	13,173
Equity investments - net	**-**	**70,832**	**70,832**	-	56,115	56,115
Other resources - net	**12,981**	**23,456**	**36,437**	5,100	41,221	46,321
	P 1,675,535	**P 2,587,112**	**P 4,262,647**	P 1,405,850	P 2,494,473	P 3,900,323
Liabilities						
Deposit liabilities	**P 3,411,696**	**P 65,171**	**P 3,476,867**	P 3,050,839	P 90,177	P 3,141,016
Bills payable	**99,547**	**68,441**	**167,988**	74,225	114,647	188,872
Other liabilities	**91,577**	**16,018**	**107,595**	95,158	15,378	110,536
	P 3,602,820	**P 149,630**	**P 3,752,450**	P 3,220,222	P 220,202	P 3,440,424

5. CAPITAL MANAGEMENT

5.1 Capital Management and Regulatory Capital

The Internal Capital Adequacy Assessment Process (ICAAP) document, as required by the BSP, articulates BDO Unibank Group's capital planning strategy and discusses governance, risk assessment, capital assessment and planning, capital adequacy monitoring and reporting, as well as internal control reviews. The Bank likewise incorporates sensitivity analysis and contingency planning, and has set benchmarks that will trigger management action when necessary. Annually as required, BDO Unibank Group submits its updated ICAAP to the BSP.

In implementing current capital requirements, the BSP requires BDO Unibank Group to maintain a prescribed ratio of qualifying capital to risk-weighted assets.

The BSP has adopted the Basel 3 risk-based capital adequacy framework effective January 1, 2014, which was amended on January 1, 2019, which requires BDO Unibank Group to maintain:

(a) Common Equity Tier 1 (CET 1) of at least 6.0% of risk-weighted assets;
(b) Tier 1 Capital of at least 7.5% of risk-weighted assets;
(c) Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets;
(d) Capital Conservation Buffer of 2.5% of risk-weighted assets, comprised of CET 1 Capital; and,
(e) Countercyclical Capital Buffer (CCyB) of 0% subject to upward adjustment to a rate determined by the Monetary Board when systemic conditions warrant but not to exceed 2.5%.

The regulatory capital is analyzed as CET 1 Capital, Additional Tier 1 Capital and Tier 2 Capital, each adjusted for prescribed regulatory deductions.

Risk assets consist of total assets after exclusion of cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items as determined by the Monetary Board of the BSP.

BDO Unibank Group's policy is to maintain a strong capital base to promote investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholder's return is also recognized and BDO Unibank Group recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Under BSP Circular No. 854, universal banks with more than 100 branches are required to comply with the minimum capital requirement of P20 billion. As of December 31, 2023 and 2022, the Parent Bank has complied with the above capitalization requirement.

BSP issued Circular No. 856 on the guidelines on the framework for dealing with domestic systemically important banks (DSIB) that is consistent with the Basel principles, as amended by BSP Circular No. 1051 dated September 27, 2019. Banks, which are identified as DSIB, shall be required to have a higher loss absorbency (HLA) depending on their computed systemic importance. The HLA requirement is aimed at ensuring that DSIBs have a higher share of their statements of financial position funded by instruments, which increase their resilience as a going concern. The HLA requirement is to be met with CET 1 capital.

Under BSP Circular No. 1051, banks identified by the BSP as DSIB are required to put up lower HLA to meet the CET 1 capital ranging from 1.50% to 2.50%, effective October 12, 2019.

BSP Circular No. 1024 requires banks to put up a CCyB, which is set initially at 0%, composed of CET 1. CCyB may be subject to upward adjustment to a rate determined by the Monetary Board when systemic conditions warrant but not to exceed 2.5%. This took effect on December 21, 2018.

BDO Unibank Group and the Parent Bank's regulatory capital position (computed using balances prepared under PFRS) based on the Basel 3 risk-based capital adequacy framework as of December 31, 2023 and 2022 as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Tier 1 Capital				
CET 1	**P 490,815**	P 437,138	**P 490,437**	P 437,314
Additional Tier 1	**6,180**	6,180	**6,180**	6,180
	496,995	443,318	**496,617**	443,494
Tier 2 Capital	**30,251**	27,501	**29,030**	26,540
Total Regulatory Capital	**527,246**	470,819	**525,647**	470,034
Deductions	**(55,664)**	(42,219)	**(89,251)**	(72,666)
Total Qualifying Capital	**P 471,582**	P 428,600	**P 436,396**	P 397,368
Total Risk-Weighted Assets	**P 3,163,658**	P 2,954,935	**P 3,025,832**	P 2,846,030
Capital ratios:				
Total Capital Ratio	**14.9%**	14.5%	**14.4%**	14.0%
Tier 1 Capital Ratio	**14.0%**	13.6%	**13.5%**	13.0%
Total CET 1 Ratio	**13.8%**	13.4%	**13.3%**	12.8%

At the end of each reporting period, the BDO Unibank Group and the Parent Bank have complied with the prescribed ratio of qualifying capital to risk-weighted assets.

5.2 Leverage Ratio

On June 9, 2015, the BSP issued Circular No. 881, *Implementing Guidelines on the Basel III Leverage Ratio Framework*, which provides the implementing guidelines on the leverage ratio framework designed to act as a supplementary measure to the risk-based capital requirements. It sets out a minimum leverage ratio of 5.00% and shall be complied with at all times.

The Basel III leverage ratio is defined as the ratio of capital measure (Tier 1 Capital) and the exposure measure which include on-balance sheet, derivatives and securities financing transactions exposures and off-balance sheet items.

The BDO Unibank Group and the Parent Bank's Basel III Leverage Ratio (BLR) as reported to the BSP are as follows:

	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
BLR	**9.9%**	9.8%	10.3%	**9.4%**	9.4%	9.9%

5.3 Liquidity Coverage Ratio and Net Stable Funding Ratio

On March 10, 2016, the BSP issued Circular No. 905, *Implementation of Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio and Disclosure Standards*, which provides the implementing guidelines on liquidity coverage ratio (LCR) and disclosure standards that are consistent with the Basel III framework. Circular No. 905 requires the BDO Unibank Group to maintain available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflows for a 30-day period under stress conditions. The BDO Unibank Group has fully complied with the LCR minimum requirement of 100% coverage effective January 1, 2019.

To strengthen the BDO Unibank Group's short-term liquidity position and as a defense against potential onset of liquidity stress, it maintains adequate stock of unencumbered HQLAs that consists of cash or assets that can be freely converted into cash at little or no loss of value in private markets.

The BDO Unibank Group and the Parent Bank's LCR as of December 31, 2023, 2022, and 2021 are analyzed below.

	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
LCR	**123.2%**	140.7%	145.4%	**123.5%**	141.2%	145.9%

Net Stable Funding Ratio (NSFR), as detailed in BSP Circular No. 1007, *Implementing Guidelines on the Adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio*, is an assessment of the level of sustainable funding required to reduce funding risk over a one-year time horizon. The NSFR complements the LCR, which promotes short-term resilience of the BDO Unibank Group's liquidity profile. The BDO Unibank Group has fully complied with the NSFR minimum requirement of 100% coverage effective January 1, 2019.

To promote long-term resilience against liquidity risk, the BDO Unibank Group maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and seeks to meet this objective by limiting overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

The BDO Unibank Group and the Parent Bank's Basel III NSFR as of December 31, 2023, 2022 and 2021 are summarized below.

	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
NSFR	**124.1%**	123.9%	123.5%	**123.8%**	123.5%	123.1%

6. SEGMENT REPORTING

6.1 Business Segments

BDO Unibank Group's main operating businesses are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit. These are also the basis of BDO Unibank Group in reporting to its chief operating decision-maker for its strategic decision-making activities.

Management currently identifies BDO Unibank Group's five service lines as primary operating segments. In addition, minor operating segments, for which quantitative thresholds have not been met, as described in PFRS 8, *Operating Segments*, are combined as Others.

(a) ***Commercial banking*** – handles the entire lending (corporate and consumer), trade financing and cash management services for corporate and retail customers;

(b) ***Investment banking*** – provides services to corporate clients outside the traditional loan and deposit products. These services include loan syndications, underwriting and placing of debt and equity securities, financial advisory services, and securities brokerage;

(c) ***Private banking*** – provides traditional and non-traditional investment and structured products to high net worth individuals and institutional accounts;

(d) ***Leasing and financing*** – provides direct leases, sale and leaseback arrangements and real estate leases;

(e) ***Insurance*** – engages in insurance brokerage and life insurance business by providing protection, education, savings, retirement and estate planning solutions to individual and corporate clients through life insurance products and services; and,

(f) ***Others*** – includes remittance, holding, and realty management, none of which individually constitutes a separate reportable segment.

These segments are the basis on which BDO Unibank Group reports its segment information. Transactions between the segments are on normal commercial terms and conditions. Inter-segment transactions are eliminated in consolidation.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on BDO Unibank Group's cost of capital. There are no other material items of income or expense between the segments.

Segment assets and liabilities comprise operating assets and liabilities including items such as taxation and borrowings.

Segment revenues and expenses that are directly attributable to primary operating segment and the relevant portions of BDO Unibank Group's revenues and expenses that can be allocated to that operating segment are accordingly reflected as revenues and expenses of that operating segment. Revenue sharing agreements are used to allocate external customer revenues to a segment on a reasonable basis.

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

6.2 Analysis of Segment Information

In 2022, the service line of Dominion Holdings was changed from Leasing and Financing to Others.

Segment information (by service lines) as of and for the years ended December 31, 2023, 2022 and 2021 are as follows:

	Commercial Banking	Investment Banking	Private Banking	Leasing and Financing	Insurance	Others	Total
December 31, 2023							
Revenues							
From external customer							
Interest income	P 233,797	P 70	P 1,261	P 694	P 4,080	P 294	P 240,196
Interest expense	(53,276)	6	(141)	(332)	(69)	3	(53,809)
Net interest income	180,521	76	1,120	362	4,011	297	186,387
Intersegment revenue							
Interest income	1,055	11	-	-	35	90	1,191
Interest expense	(230)	(49)	(17)	(12)	(793)	(122)	(1,223)
Net interest income	825	(38)	(17)	(12)	(758)	(32)	(32)
Other Operating Income							
Investment banking fees	-	1,781	-	-	-	-	1,781
Others	61,210	278	1,680	566	21,043	459	85,236
	61,210	2,059	1,680	566	21,043	459	87,017
Total net revenues	242,556	2,097	2,783	916	24,296	724	273,372
Expenses							
Other operating expenses							
Depreciation and amortization	11,988	88	105	400	286	82	12,949
Impairment losses	16,365	1	6	-	18	6	16,396
Others	124,759	1,017	1,579	307	17,903	365	145,930
	153,112	1,106	1,690	707	18,207	453	175,275
Segment operating income	89,444	991	1,093	209	6,089	271	98,097
Tax expense	21,361	306	305	50	1,525	74	23,621
Segment net income	P 68,083	P 685	P 788	P 159	P 4,564	P 197	P 74,476

	Commercial Banking	Investment Banking	Private Banking	Leasing and Financing	Insurance	Others	Total
December 31, 2023							
Statement of Financial Position							
Total Resources							
Segment assets	**P 4,360,295**	**P 6,415**	**P 30,331**	**P 27,784**	**P 119,632**	**P 10,790**	**P 4,555,247**
Deferred tax assets (liabilities) - net	**2,133**	**(151)**	**12**	**(1,579)**	**81**	**(5)**	**491**
Intangible assets	**8,205**	**52**	**142**	**1**	**53**	**-**	**8,453**
	P 4,370,633	**P 6,316**	**P 30,485**	**P 26,206**	**P 119,766**	**P 10,785**	**P 4,564,191**
Total liabilities	**P 3,847,611**	**P 1,857**	**P 23,512**	**P 17,563**	**P 97,739**	**P 2,296**	**P 3,990,578**
Other segment information							
Capital expenditures	**P 8,734**	**P 10**	**P 15**	**P 618**	**P 626**	**P 26**	**P 10,029**
Investment in associate under equity method	**P -**	**P -**	**P -**	**P -**	**P -**	**P 4,032**	**P 4,032**
Share in the profit of associates	**P -**	**P -**	**P -**	**P -**	**P -**	**P 1,273**	**P 1,273**
December 31, 2022							
Revenues							
From external customer							
Interest income	P 164,647	P 53	P 1,156	P 629	P 2,587	(P 1)	P 169,071
Interest expense	(19,532)	(2)	(76)	(156)	(76)	3	(19,839)
Net interest income	145,115	51	1,080	473	2,511	2	149,232
Intersegment revenue							
Interest income	182	2	-	-	6	72	262
Interest expense	(121)	(33)	(16)	(18)	(54)	(67)	(309)
Net interest income	61	(31)	(16)	(18)	(48)	5	(47)
Other Operating Income							
Investment banking fees	-	2,856	-	-	-	-	2,856
Others	54,066	245	1,667	651	21,331	600	78,560
	54,066	3,101	1,667	651	21,331	600	81,416
Total net revenues	199,242	3,121	2,731	1,106	23,794	607	230,601
Expenses							
Other operating expenses							
Depreciation and amortization	9,095	85	85	418	296	82	10,061
Impairment losses	16,321	1	(1)	20	26	3	16,370
Others	101,738	1,039	1,325	341	18,340	346	123,129
	127,154	1,125	1,409	779	18,662	431	149,560
Segment operating income	72,088	1,996	1,322	327	5,132	176	81,041
Tax expense	13,961	592	120	88	1,156	42	15,959
Segment net income	P 58,127	P 1,404	P 1,202	P 239	P 3,976	P 134	P 65,082
Statement of Financial Position							
Total Resources							
Segment assets	P 3,975,178	P 8,071	P 36,985	P 8,515	P 92,672	P 10,505	P 4,131,926
Deferred tax assets (liabilities) - net	5,466	(173)	15	17	43	(13)	5,355
Intangible assets	6,908	65	170	-	32	-	7,175
	P 3,987,552	P 7,963	P 37,170	P 8,532	P 92,747	P 10,492	P 4,144,456
Total liabilities	P 3,516,144	P 4,112	P 31,151	P 7,154	P 74,067	P 2,205	P 3,634,833
Other segment information							
Capital expenditures	P 6,794	P 31	P 7	P 585	P 1,160	P 36	P 8,613
Investment in associate under equity method	P -	P -	P -	P -	P -	P 5,654	P 5,654
Share in the profit of associates	P -	P -	P -	P -	P -	P 849	P 849

December 31, 2021	Commercial Banking	Investment Banking	Private Banking	Leasing and Financing	Insurance	Others	Total
Revenues							
From external customer							
Interest income	P 140,997	P 7	P 1,108	P 632	P 2,133	P 2	P 144,879
Interest expense	(13,166)	(1)	(70)	(229)	(66)	(1)	(13,533)
Net interest income	127,831	6	1,038	403	2,067	1	131,346
Intersegment revenue							
Interest income	119	2	-	-	3	1	125
Interest expense	(16)	(45)	(4)	(28)	(11)	(65)	(169)
Net interest income	103	(43)	(4)	(28)	(8)	(64)	(44)
Other Operating Income							
Investment banking fees	-	2,268	-	-	-	-	2,268
Others	42,725	277	1,451	809	20,412	543	66,217
	42,725	2,545	1,451	809	20,412	543	68,485
Total net revenues	170,659	2,508	2,485	1,184	22,471	480	199,787
Expenses							
Other operating expenses							
Depreciation and amortization	8,424	85	72	531	137	85	9,334
Impairment losses	17,066	55	(20)	(20)	(18)	-	17,063
Others	90,521	772	1,204	385	19,005	291	112,178
	116,011	912	1,256	896	19,124	376	138,575
Segment operating income	54,648	1,596	1,229	288	3,347	104	61,212
Tax expense	11,584	375	264	43	623	18	12,907
Segment net income	P 43,064	P 1,221	P 965	P 245	P 2,724	P 86	P 48,305
Statement of Financial Position							
Total Resources							
Segment assets	P 3,506,708	P 6,736	P 37,937	P 15,208	P 82,976	P 4,320	P 3,653,885
Deferred tax assets (liabilities) - net	6,843	(154)	15	16	53	(5)	6,768
Intangible assets	7,194	76	21	-	44	1	7,336
	P 3,520,745	P 6,658	P 37,973	P 15,224	P 83,073	P 4,316	P 3,667,989
Total liabilities	P 3,091,065	P 2,455	P 31,905	P 8,072	P 71,798	P 2,212	P 3,207,507
Other segment information							
Capital expenditures	P 5,020	P 26	P 23	P 239	P 3,564	P 2	P 8,874
Investment in associate under equity method	P -	P -	P -	P -	P -	P 5,347	P 5,347
Share in the profit of associates	P -	P -	P -	P -	P -	P 814	P 814

6.3 Reconciliation

Presented below and in the succeeding page is a reconciliation of the BDO Unibank Group's segment information to the key financial information presented in its consolidated financial statements.

	2023	2022	2021
Revenue			
Total segment net revenues	**P 273,372**	P 230,601	P 199,787
Elimination of intersegment revenues	**(2,968)**	(9,834)	(7,087)
Net revenues as reported in profit or loss	**P 270,404**	P 220,767	P 192,700
Profit or loss			
Total segment net income	**P 74,476**	P 65,082	P 48,305
Elimination of intersegment profit	**(916)**	(7,848)	(5,450)
Net profit as reported in profit or loss	**P 73,560**	P 57,234	P 42,855

	2023	2022	2021
Resources			
Total segment resources	**P 4,564,191**	P 4,144,456	P 3,667,989
Elimination of intersegment assets	**(86,530)**	(69,748)	(44,240)
Total resources	**P 4,477,661**	P 4,074,708	P 3,623,749
Liabilities			
Total segment liabilities	**P 3,990,578**	P 3,634,833	P 3,207,507
Elimination of intersegment liabilities	**(31,471)**	(21,582)	(8,306)
Total liabilities	**P 3,959,107**	P 3,613,251	P 3,199,201

7. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

7.1 Comparison of Carrying Amounts and Fair Values

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below and in the succeeding page.

	BDO Unibank Group			
	2023		2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and other cash items	**P 94,278**	**P 94,278**	P 82,944	P 82,944
Due from BSP	**335,076**	**335,077**	385,779	385,783
Due from other banks	**85,974**	**86,032**	60,455	60,470
Investment securities	**575,985**	**556,721**	512,049	473,270
Loans and other receivables	**2,886,028**	**2,903,715**	2,696,901	2,736,010
Other resources	**14,961**	**14,961**	12,105	12,105
	3,992,302	**3,990,784**	3,750,233	3,750,582
At fair value:				
Investment securities at FVTPL	**47,220**	**47,220**	44,712	44,712
Investment securities at FVOCI	**308,680**	**308,680**	166,069	166,069
	355,900	**355,900**	210,781	210,781
	P 4,348,202	**P 4,346,684**	P 3,961,014	P 3,961,363
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**P 3,567,550**	**P 3,576,455**	P 3,220,883	P 3,263,048
Bills payable	**189,582**	**188,421**	198,891	191,713
Insurance contract liabilities	**77,210**	**77,210**	64,363	64,363
Other liabilities	**109,633**	**109,633**	111,040	111,040
	3,943,975	**3,951,719**	3,595,177	3,630,164
At fair value –				
Other liabilities	**5,139**	**5,139**	7,809	7,809
	P 3,949,114	**P 3,956,858**	P 3,602,986	P 3,637,973

	Parent Bank			
	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and other cash items	**P 91,635**	**P 91,635**	P 80,666	P 80,666
Due from BSP	**332,428**	**332,429**	382,210	382,214
Due from other banks	**76,791**	**76,846**	51,434	51,448
Investment securities	**554,643**	**535,742**	491,259	453,246
Loans and other receivables	**2,809,547**	**2,827,453**	2,621,221	2,661,224
Other resources	**10,088**	**10,088**	11,795	11,795
	3,875,132	**3,874,193**	3,638,585	3,640,593
At fair value:				
Investment securities at FVTPL	**8,469**	**8,469**	5,883	5,883
Investment securities at FVOCI	**224,579**	**224,579**	109,647	109,647
	233,048	**233,048**	115,530	115,530
	P 4,108,180	**P 4,107,241**	P 3,754,115	P 3,756,123
Financial Liabilities				
At amortized cost:				
Deposit liabilities	**P 3,476,867**	**P 3,479,618**	P 3,141,016	P 3,171,809
Bills payable	**167,988**	**167,070**	188,872	184,359
Other liabilities	**97,650**	**97,650**	98,251	98,251
	3,742,505	**3,744,338**	3,428,139	3,454,419
At fair value –				
Other liabilities	**1,859**	**1,859**	3,636	3,636
	P 3,744,364	**P 3,746,197**	P 3,431,775	P 3,458,055

7.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When BDO Unibank Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

7.3 Financial Instruments Measured at Fair Value

The financial assets and financial liabilities as of December 31, 2023 and 2022 are grouped into the fair value hierarchy as presented in the tables below and in the succeeding pages.

Unquoted equity securities consist of preferred and common shares of various unlisted local companies.

BDO Unibank Group

	Notes	Level 1	Level 2	Level 3	Total
December 31, 2023					
Resources:					
Financial assets at FVTPL:	10.1				
Equity securities - quoted		**P 24,824**	**P 1,187**	**P -**	**P 26,011**
Government debt securities		**11,207**	**-**	**-**	**11,207**
Corporate debt securities		**757**	**3,175**	**-**	**3,932**
Derivative financial assets		**-**	**6,070**	**-**	**6,070**
		36,788	**10,432**	**-**	**47,220**
Financial assets at FVOCI:	10.2				
Government debt securities		**239,649**	**-**	**-**	**239,649**
Corporate debt securities		**64,215**	**-**	**-**	**64,215**
Equity securities - quoted		**4,215**	**447**	**-**	**4,662**
Equity securities - not quoted		**-**	**112**	**42**	**154**
		308,079	**559**	**42**	**308,680**
		P 344,867	**P 10,991**	**P 42**	**P 355,900**
Liabilities –					
Derivatives with negative fair values	21	**P 97**	**P 5,042**	**P -**	**P 5,139**

BDO Unibank Group

	Notes	Level 1	Level 2	Level 3	Total
December 31, 2022					
Resources:					
Financial assets at FVTPL:	10.1				
Equity securities - quoted		P 25,197	P 784	P -	P 25,981
Government debt securities		7,135	-	-	7,135
Corporate debt securities		457	2,526	-	2,983
Derivative financial assets		-	8,613	-	8,613
		32,789	11,923	-	44,712
Financial assets at FVOCI:	10.2				
Government debt securities		109,782	-	-	109,782
Corporate debt securities		51,572	-	-	51,572
Equity securities - quoted		4,184	378	-	4,562
Equity securities - not quoted		-	114	39	153
		165,538	492	39	166,069
		P 198,327	P 12,415	P 39	P 210,781
Liabilities –					
Derivatives with negative fair values	21	P 101	P 7,708	P -	P 7,809

Parent Bank

	Notes	**Level 1**	**Level 2**	**Level 3**	**Total**
December 31, 2023					
Resources:					
Financial assets at FVTPL:	10.1				
Government debt securities		**P 6,178**	**P -**	**P -**	**P 6,178**
Derivative financial assets		**-**	**2,157**	**-**	**2,157**
Corporate debt securities		**133**	**-**	**-**	**133**
Equity securities - quoted		**1**	**-**	**-**	**1**
		6,312	**2,157**	**-**	**8,469**
Financial assets at FVOCI:	10.2				
Government debt securities		**169,444**	**-**	**-**	**169,444**
Corporate debt securities		**53,563**	**-**	**-**	**53,563**
Equity securities - quoted		**1,025**	**447**	**-**	**1,472**
Equity securities - not quoted		**-**	**100**	**-**	**100**
		224,032	**547**	**-**	**224,579**
		P 230,344	**P 2,704**	**P -**	**P 233,048**
Liabilities –					
Derivatives with negative fair values	21	**P 97**	**P 1,762**	**P -**	**P 1,859**

Parent Bank

	Notes	Level 1	Level 2	Level 3	Total
December 31, 2022					
Resources:					
Financial assets at FVTPL:	10.1				
Government debt securities		P 2,207	P -	P -	P 2,207
Derivative financial assets		-	3,468	-	3,468
Corporate debt securities		207	-	-	207
Equity securities - quoted		1	-	-	1
		2,415	3,468	-	5,883
Financial assets at FVOCI:	10.2				
Government debt securities		66,465	-	-	66,465
Corporate debt securities		41,641	-	-	41,641
Equity securities - quoted		1,059	369	-	1,428
Equity securities - not quoted		-	113	-	113
		109,165	482	-	109,647
		P 111,580	P 3,950	P -	P 115,530
Liabilities –					
Derivatives with negative fair values	21	P 101	P 3,535	P -	P 3,636

There have been no significant transfers among Levels 1 and 2 in the reporting periods.

Discussed below and in the succeeding page is the information about how fair values of the BDO Unibank Group and the Parent Bank's classes of financial assets are determined.

(a) Equity securities

(i) Quoted equity securities classified as financial assets at FVTPL or financial assets at FVOCI have fair values that were determined based on their closing prices on the PSE. These instruments are included in Level 1.

Financial assets at FVTPL included in Level 2 pertain to investments in Unit Investment Trust Funds (UITFs). The fair value of these financial assets were derived using the net asset value per unit (computed by dividing the net asset value of the fund by the number of outstanding units at the end of the reporting period), as published by banks and the Investment Company Association of the Philippines.

Golf club shares classified as financial assets at FVOCI are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

(ii) Unquoted equity securities consist of preferred shares and common shares of various unlisted local companies. For unquoted preferred shares, the fair value is determined based on their discounted amount of estimated future cash flows expected to be received or paid, or based on their cost which management estimates to approximate their fair values. Further, unlisted common share which are classified as financial assets at FVOCI securities, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument. These instruments are included in Level 3.

(b) Debt securities

The fair value of the debt securities of BDO Unibank Group and the Parent Bank, which are categorized within Level 1 and Level 2, is discussed below.

(i) Fair values of peso-denominated government debt securities issued by the Philippine government, are determined based on the reference price per Bloomberg which used Bloomberg Valuation (BVAL). These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparables.

(ii) For corporate and other quoted debt securities, fair value is determined to be the current mid-price, which is computed as the average of ask and bid prices as appearing on Bloomberg.

(c) Derivatives

The fair values of Republic of the Philippines (ROP) warrants which are categorized within Level 1, is determined to be the current mid-price based on the last trading transaction as defined by third-party market makers. The fair value of other derivative financial instruments, which are categorized within Level 2, is determined through valuation techniques using the net present value computation [see Note 3.2(c)].

7.4 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The tables below and in the succeeding pages summarize the fair value hierarchy of the BDO Unibank Group and the Parent Bank's financial assets and financial liabilities, which are measured at amortized cost in the statements of financial position but for which fair value is disclosed.

BDO Unibank Group

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Resources:				
Cash and other cash items	**P 94,278**	**P -**	**P -**	**P 94,278**
Due from BSP	**335,077**	**-**	**-**	**335,077**
Due from other banks	**86,032**	**-**	**-**	**86,032**
Investment securities at amortized cost	**554,570**	**-**	**2,151**	**556,721**
Loans and other receivables	**-**	**-**	**2,903,715**	**2,903,715**
Other resources	**8,989**	**-**	**5,972**	**14,961**
	P 1,078,946	**P -**	**P 2,911,838**	**P 3,990,784**
Liabilities:				
Deposit liabilities	**P -**	**P -**	**P 3,576,455**	**P 3,576,455**
Bills payable	**-**	**99,264**	**89,157**	**188,421**
Insurance contract liabilities	**-**	**-**	**77,210**	**77,210**
Other liabilities	**-**	**-**	**109,633**	**109,633**
	P -	**P 99,264**	**P 3,852,455**	**P 3,951,719**

BDO Unibank Group

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Resources:				
Cash and other cash items	P 82,944	P -	P -	P 82,944
Due from BSP	385,783	-	-	385,783
Due from other banks	60,470	-	-	60,470
Investment securities at amortized cost	470,887	-	2,383	473,270
Loans and other receivables	-	-	2,736,010	2,736,010
Other resources	10,584	-	1,521	12,105
	P 1,010,668	P -	P 2,739,914	P 3,750,582
Liabilities:				
Deposit liabilities	P -	P -	P 3,263,048	P 3,263,048
Bills payable	-	133,311	58,402	191,713
Insurance contract liabilities	-	-	64,363	64,363
Other liabilities	-	-	111,040	111,040
	P -	P 133,311	P 3,496,853	P 3,630,164

Parent Bank

	Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2023				
Resources:				
Cash and other cash items	**P 91,635**	**P -**	**P -**	**P 91,635**
Due from BSP	**332,429**	**-**	**-**	**332,429**
Due from other banks	**76,846**	**-**	**-**	**76,846**
Investment securities at amortized cost	**535,742**	**-**	**-**	**535,742**
Loans and other receivables	**-**	**-**	**2,827,453**	**2,827,453**
Other resources	**8,987**	**-**	**1,101**	**10,088**
	P 1,045,639	**P -**	**P2,828,554**	**P 3,874,193**
Liabilities:				
Deposit liabilities	**P -**	**P -**	**P 3,479,618**	**P 3,479,618**
Bills payable	**-**	**99,264**	**67,806**	**167,070**
Other liabilities	**-**	**-**	**97,650**	**97,650**
	P -	**P 99,264**	**P3,645,074**	**P3,744,338**
December 31, 2022				
Resources:				
Cash and other cash items	P 80,666	P -	P -	P 80,666
Due from BSP	382,214	-	-	382,214
Due from other banks	51,448	-	-	51,448
Investment securities at amortized cost	453,246	-	-	453,246
Loans and other receivables	-	-	2,661,224	2,661,224
Other resources	10,582	-	1,213	11,795
	P 978,156	P -	P 2,662,437	P 3,640,593

Parent Bank

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Liabilities:				
Deposit liabilities	P -	P -	P 3,171,809	P 3,171,809
Bills payable	-	133,311	51,048	184,359
Other liabilities	-	-	98,251	98,251
	P -	P 133,311	P 3,321,108	P 3,454,419

For financial assets and financial liabilities, management considers that the carrying amounts of those short-term financial instruments approximate their fair values. The following are the methods used to determine the fair value of financial assets and financial liabilities presented in the statements of financial position at their amortized cost.

(a) Cash and Other Cash Items

Cash consists primarily of funds in the form of Philippine currency notes and coins in the BDO Unibank Group and the Parent Bank's vault and those in the possession of tellers, including automated teller machines (see Note 8).

Other cash items includes cash items other than currency and coins on hand (see Note 16) such as checks drawn on the other banks or other branches that were received after the BDO Unibank Group and the Parent Bank's clearing cut-off time until the close of the regular banking hours. Carrying amounts approximate fair values in view of the relatively short-term maturities of these instruments.

(b) Due from BSP and Other Banks

Due from BSP pertains to deposits made by BDO Unibank Group to the BSP for clearing and reserve requirements. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

(c) Investment Securities at Amortized Cost

The fair value of investment securities at amortized cost is determined by direct reference to published price quoted in an active market for traded debt securities.

(d) Loans and Other Receivables

Loans and other receivables are net of provisions for impairment. The estimated fair value of loans and receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(e) Deposits and Borrowings

The estimated fair value of demand deposits with no stated maturity, which includes noninterest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The fair value of Bills Payable under Level 2 is computed based on the average of ask and bid prices as appearing on Bloomberg. For Bills Payable categorized within Level 3, the BDO Unibank Group and the Parent Bank classify financial instruments that have no quoted prices or observable market data where reference of fair value can be derived; hence, fair value is determined based on their discounted amount of estimated future cash flows expected to be received or paid, or based on their cost which management estimates to approximate their fair values.

(f) Other Resources and Liabilities

Due to their short duration, the carrying amounts of other resources and liabilities in the statements of financial position are considered to be reasonable approximation of their fair values.

7.5 Fair Value Measurement for Non-financial Assets

Details of BDO Unibank Group and Parent Bank's investment properties and the information about the fair value hierarchy as of December 31, 2023 and 2022 are shown below.

	BDO Unibank Group				Parent Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
December 31, 2023								
Investment properties:								
Land	**P -**	**P -**	**P 32,118**	**P 32,118**	**P -**	**P -**	**P 24,184**	**P 24,184**
Building and improvements	**-**	**-**	**20,181**	**20,181**	**-**	**-**	**14,813**	**14,813**
Non-current assets held for sale	**-**	**-**	**1,238**	**1,238**	**-**	**-**	**1,238**	**1,238**
	P -	**P -**	**P 53,537**	**P 53,537**	**P -**	**P -**	**P 40,235**	**P 40,235**
December 31, 2022								
Investment properties:								
Land	P -	P -	P 29,677	P 29,677	P -	P -	P 22,735	P 22,735
Building and improvements	-	-	14,720	14,720	-	-	13,798	13,798
Non-current assets held for sale	-	-	3,251	3,251	-	-	3,251	3,251
	P -	P -	P 47,648	P 47,648	P -	P -	P 39,784	P 39,784

The fair value of the investment properties of the BDO Unibank Group and the Parent Bank as of December 31, 2023 and 2022 (see Note 14) was determined on the basis of a valuation carried out on the respective dates by either an independent or internal appraiser having appropriate qualifications and recent experience in the valuation of properties in the relevant locations. To some extent, the valuation process was conducted by the appraisers in discussion with the management of the BDO Unibank Group and the Parent Bank with respect to determination of the inputs such as size, age and condition of the land and buildings and the comparable prices in the corresponding property location.

In estimating the fair value of the properties, management takes into account the market participant's ability to generate economic benefits by using the assets in its highest and best use. Based on management's assessment, the best use of the investment properties of the BDO Unibank Group and the Parent Bank indicated above is their current use. The fair value discussed above as determined by the appraisers were used by the BDO Unibank Group and the Parent Bank in determining the fair value of investment properties and non-current assets held for sale.

The fair value of these investment properties and assets held for sale was determined based on the following approaches:

(a) Fair Value Measurement for Land

The Level 3 fair value of land was derived using the observable recent prices of the reference properties, which were adjusted for differences in key attributes such as property size, zoning and accessibility. The most significant input into this valuation approach is the price per square foot; hence, the higher the price the higher the fair value. On the other hand, if fair value of the land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations, fair value is included in Level 2. Under this approach, when sales prices of comparable land in close proximity are used in the valuation of the subject property, minor adjustments on the price is made to consider peculiarities of the property with that of the benchmark property.

(b) Fair Value Measurement for Buildings and Improvements

The Level 3 fair value of the buildings and improvements was determined using the replacement cost approach that reflects the cost to a market participant to construct an asset of comparable usage, constructions standards, design and lay-out, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

(c) Fair Value Measurement for Assets Held for Sale

The fair value of assets held for sale is determined based on the recent experience in the valuation of similar properties. The fair value, determined under Level 3 measurement, was derived using the market data approach that reflects that recent transaction prices for similar properties, adjusted for differences in property age and condition.

There has been no change to the valuation techniques used by BDO Unibank Group during the year for its non-financial assets. Further, there were no transfers into or out of Level 3 fair value hierarchy in 2023 and 2022.

7.6 Offsetting Financial Assets and Financial Liabilities

Certain financial assets of the BDO Unibank Group and the Parent Bank with amounts presented in the statements of financial position as of December 31, 2023 and 2022 are subject to offsetting, enforceable master netting arrangements and similar agreements.

BDO Unibank Group

	Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position		Net amount
		Financial instruments	Collateral received	
December 31, 2023				
Loans and other receivables - net	P 2,886,028	P -	(P 6,226)	P 2,879,802
Trading and investment securities - net	931,885	(15,802)	-	916,083
	P 3,817,913	(P 15,802)	(P 6,226)	P 3,795,885

BDO Unibank Group

	Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position: Financial instruments	Related amounts not set off in the statements of financial position: Collateral received	Net amount
December 31, 2022				
Loans and other receivables - net	P 2,696,901	P -	(P 20,886)	P 2,676,015
Trading and investment securities - net	722,830	(16,067)	-	706,763
	P 3,419,731	(P 16,067)	(P 20,886)	P 3,382,778

Parent Bank

	Gross amounts recognized in the statements of financial position	**Related amounts not set off in the statements of financial position: Financial instruments**	**Related amounts not set off in the statements of financial position: Collateral received**	**Net amount**
December 31, 2023				
Loans and other receivables - net	**P 2,809,547**	**P -**	**(P 5,672)**	**P 2,803,875**
Trading and investment securities - net	**787,691**	**(14,560)**	**-**	**773,131**
	P 3,597,238	**(P 14,560)**	**(P 5,672)**	**P 3,577,006**
December 31, 2022				
Loans and other receivables - net	P 2,621,221	P -	(P 20,363)	P 2,600,858
Trading and investment securities - net	606,789	(12,855)	-	593,934
	P 3,228,010	(P 12,855)	(P 20,363)	P 3,194,792

Included in the trading and investment securities – net are the currency forwards and interest rate swaps with accrued interest receivable and accrued interest payable subject to enforceable master netting arrangements but were not set-off and presented at gross in the statements of financial position.

Certain financial liabilities with net amounts presented in the statements of financial position of the BDO Unibank Group and the Parent Bank are subject to offsetting, enforceable master netting arrangements and similar agreements.

BDO Unibank Group

	Gross amounts recognized in the statements of financial position	**Related amounts not set off in the statements of financial position: Financial instruments**	**Related amounts not set off in the statements of financial position: Collateral received**	**Net amount**
December 31, 2023				
Deposit liabilities	**P 3,567,550**	**(P 6,226)**	**P -**	**P 3,561,324**
Bills payable	**189,582**	**-**	**(15,080)**	**174,502**
Other liabilities	**124,765**	**(722)**	**-**	**124,043**
	P 3,881,897	**(P 6,948)**	**(P 15,080)**	**P 3,859,869**
December 31, 2022				
Deposit liabilities	P 3,220,883	(P 20,886)	P -	P 3,199,997
Bills payable	198,891	-	(15,179)	183,712
Other liabilities	129,114	(888)	-	128,226
	P 3,548,888	(P 21,774)	(P 15,179)	P 3,511,935

Parent Bank

	Gross amounts recognized in the statements of financial position	Related amounts not set off in the statements of financial position: Financial instruments	Related amounts not set off in the statements of financial position: Collateral received	Net amount
December 31, 2023				
Deposit liabilities	**P 3,476,867**	**(P 5,672)**	**P -**	**P 3,471,195**
Bills payable	**167,988**	**-**	**(14,500)**	**153,488**
Other liabilities	**107,595**	**(60)**	**-**	**107,535**
	P 3,752,450	**(P 5,732)**	**(P 14,500)**	**P 3,732,218**
December 31, 2022				
Deposit liabilities	P 3,141,016	(P 20,363)	P -	P 3,120,653
Bills payable	188,872	-	(12,679)	176,193
Other liabilities	110,536	(176)	-	110,360
	P 3,440,424	(P 20,539)	(P 12,679)	P 3,407,206

For the financial assets and financial liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the BDO Unibank Group and counterparties allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis; however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

8. CASH AND BALANCES WITH THE BSP

These accounts are composed of the following:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Cash and other cash items	**P 94,278**	P 82,944	**P 91,635**	P 80,666
Due from BSP:				
Mandatory reserves	**281,591**	308,817	**279,263**	306,448
Other than mandatory reserves	**53,485**	76,962	**53,165**	75,762
	335,076	385,779	**332,428**	382,210
	P 429,354	P 468,723	**P 424,063**	P 462,876

Mandatory reserves represent the balance of the deposit accounts maintained with the BSP to meet reserve requirements and to serve as clearing accounts for interbank claims (see Note 18).

The Parent Bank opened a Special Savings Account (SSA) with the BSP to comply with InstaPay facility requirement. As of December 31, 2023 and 2022, the balance of this account amounted to P783 and P706, respectively, and is presented as part of Due from BSP.

In 2022, the Parent Bank opened a Demand Deposit Account 3 with the BSP for PESONet transactions. As of December 31, 2023 and 2022, the balance of this account amounted to P7,390 and P14,431, respectively, and is presented as part of Due from BSP.

Due from BSP, excluding mandatory reserves which has no interest, bears annual interest rate of 5.00% to 6.76% in 2023, 1.50% to 6.45% in 2022, and 1.50% to 1.96% in 2021.

The total interest income earned amounted to P5,201, P2,558 and P1,487 in 2023, 2022 and 2021, respectively, in BDO Unibank Group's statements of income, and P5,146, P2,533 and P1,483 in 2023, 2022 and 2021, respectively, in the Parent Bank's statements of income (see Note 23).

Cash and other cash items and balances with the BSP are included in cash and cash equivalents for statements of cash flows purposes.

9. DUE FROM OTHER BANKS

The balance of this account represents deposits with the following:

	Note	BDO Unibank Group		Parent Bank	
		2023	2022	**2023**	2022
Foreign banks		**P 78,641**	P 55,173	**P 76,220**	P 50,374
Local banks		**7,391**	5,297	**626**	1,074
		86,032	60,470	**76,846**	51,448
Allowance for impairment	17	**(58)**	(15)	**(55)**	(14)
		P 85,974	P 60,455	**P 76,791**	P 51,434

The breakdown of this account as to currency follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
U.S. dollars	**P 52,219**	P 47,163	**P 49,906**	P 42,157
Other foreign currencies	**27,571**	9,712	**26,608**	8,833
Philippine pesos	**6,184**	3,580	**277**	444
	P 85,974	P 60,455	**P 76,791**	P 51,434

Annual interest rates on these deposits range from:

	2023	2022	2021
BDO Unibank Group	**0.00% – 6.40%**	0.00% – 5.50%	0.00% – 1.50%
Parent Bank	**0.00% – 5.46%**	0.00% – 4.40%	0.00% – 1.00%

There are deposits such as current accounts, which do not earn interest. The total interest income earned amounted to P2,540, P808, and P67 in 2023, 2022, and 2021, respectively, in the BDO Unibank Group's statements of income, and P2,171, P674, and P50, in 2023, 2022, and 2021, respectively, in the Parent Bank's statements of income (see Note 23). Except for margin deposits amounting to P1,296 and P1,689 in 2023 and 2022, respectively, for the BDO Unibank Group and P224 and P379 in 2023 and 2022, respectively, for the Parent Bank, Due from other banks are included in cash and cash equivalents for statements of cash flows purposes [see Note 2.1(d)].

10. TRADING AND INVESTMENT SECURITIES

The components of this account are shown below.

	Note	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Financial assets at FVTPL	10.1	**P 47,220**	P 44,712	**P 8,469**	P 5,883
Financial assets at FVOCI	10.2	**308,680**	166,069	**224,579**	109,647
Investment securities at amortized cost - net	10.3	**575,985**	512,049	**554,643**	491,259
		P 931,885	P 722,830	**P 787,691**	P 606,789

10.1 Financial Assets at FVTPL

This account is composed of the following:

	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Derivative financial assets	**P 6,070**	P 8,613	**P 2,157**	P 3,468
Government debt securities	**11,207**	7,135	**6,178**	2,207
Corporate debt securities	**3,932**	2,983	**133**	207
	21,209	18,731	**8,468**	5,882
Equity securities - quoted	**26,011**	25,981	**1**	1
	P 47,220	P 44,712	**P 8,469**	P 5,883

All financial assets at FVTPL are held for trading. The following table shows net income (loss) contributed by financial assets at FVTPL to the BDO Unibank Group and the Parent Bank.

	Notes	BDO Unibank Group 2023	BDO Unibank Group 2022	BDO Unibank Group 2021
Interest income	23	**P 128**	P 103	P 92
Trading gain (loss) - net	25	**1,539**	(728)	(214)
Dividend income	25	**95**	66	118
Foreign exchange gain (loss)	25	**(411)**	(357)	71
Total other income (loss)		**1,223**	(1,019)	(25)
Total other expenses		**-**	1	1
Net income (loss)		**P 1,351**	(P 917)	P 66

	Notes	Parent Bank 2023	2022	2021
Interest income	23	**P 89**	P 69	P 59
Trading gain (loss) - net	25	**1,223**	(333)	(648)
Net income (loss)		**P 1,312**	(P 264)	(P 589)

Effective interest rates of debt securities at FVTPL range from:

	2023	2022	2021
BDO Unibank Group			
Government debt securities	**0.25% – 10.63%**	1.37% – 10.63%	0.88% – 10.62%
Corporate debt securities	**2.00% – 8.62%**	0.09% – 8.51%	0.09% – 8.51%
Parent Bank			
Government debt securities	**1.65% – 9.50%**	1.38% – 9.50%	0.88% – 9.50%
Corporate debt securities	**2.00% – 8.62%**	2.13% – 8.51%	2.50% – 8.51%

Foreign currency-denominated securities amounted to P6,159 and P7,857 as of December 31, 2023 and 2022, respectively, in the BDO Unibank Group's statements of financial position, and P2,711 and P3,649 as of December 31, 2023 and 2022, respectively, in the Parent Bank's statements of financial position.

Derivative instruments used by BDO Unibank Group include foreign currency and interest rate forwards/futures, foreign currency and interest rate swaps. Income derived from these derivative instruments are part of trading gains (losses) (see Note 25).

The aggregate contractual or notional amount of derivative financial instruments and the total fair values of derivative financial assets and financial liabilities are shown below [see Notes 21 and 27(d)(i)(4)].

	2023			2022		
	Notional Amount	**Fair Values**		Notional Amount	Fair Values	
		Assets	**Liabilities**		Assets	Liabilities
BDO Unibank Group						
Currency forwards/futures	**P 353,693**	**P 1,828**	**P 1,462**	P 287,952	P 2,913	P 3,026
Cross currency swaps	**79,164**	**4,208**	**3,540**	70,995	5,630	4,602
ROP warrants	**8,475**	**-**	**96**	8,475	-	100
Interest rate swaps	**6,054**	**34**	**41**	9,320	70	81
Interest rate future sold trading	**-**	**-**	**-**	1,417	-	-
	P 447,386	**P 6,070**	**P 5,139**	P 378,159	P 8,613	P 7,809
Parent Bank						
Currency forwards/futures	**P 351,276**	**P 1,813**	**P 1,457**	P 285,316	P 2,896	P 3,008
ROP warrants	**8,475**	**-**	**96**	8,475	-	100
Interest rate swaps	**6,054**	**34**	**41**	8,220	67	75
Cross currency swaps	**5,382**	**310**	**265**	9,781	505	453
	P 371,187	**P 2,157**	**P 1,859**	P 311,792	P 3,468	P 3,636

Certain financial assets at FVTPL are subject to offsetting against the related derivatives with negative fair values. This indicates an enforceable master netting arrangements and similar agreements with an intention to settle on a net basis (see Note 7.6).

10.2 Financial Assets at FVOCI

The details of the carrying amounts of these financial assets are as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Government debt securities	**P 239,649**	P 109,782	**P 169,444**	P 66,465
Corporate debt securities	**64,215**	51,572	**53,563**	41,641
Equity securities:				
Quoted	**4,662**	4,562	**1,472**	1,428
Not quoted	**154**	153	**100**	113
	P 308,680	P 166,069	**P 224,579**	P 109,647

As to currency, this account is composed of the following:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Foreign currencies	**P 100,808**	P 80,243	**P 93,096**	P 71,632
Philippine peso	**207,872**	85,826	**131,483**	38,015
	P 308,680	P 166,069	**P 224,579**	P 109,647

The maturity profile of this account is presented below.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Within one year	**P 114,826**	P 17,722	**P 105,228**	P 13,164
One to five years	**89,860**	60,848	**66,320**	43,368
Beyond five years	**103,994**	87,499	**53,031**	53,115
	P 308,680	P 166,069	**P 224,579**	P 109,647

Effective interest rates of financial assets at FVOCI range from:

	2023	2022	2021
BDO Unibank Group			
Government debt securities	**1.84% – 8.37%**	0.53% – 5.75%	0.06% – 5.69%
Corporate debt securities	**1.84% – 8.76%**	1.87% – 8.76%	0.42% – 7.38%
Parent Bank			
Government debt securities	**1.84% – 7.95%**	0.54% – 5.75%	0.54% – 5.69%
Corporate debt securities	**1.84% – 8.76%**	1.87% – 8.76%	1.66% – 7.38%

The fair values of government debt, quoted equity securities and corporate debt securities have been determined directly by reference to published prices generated in an active market (see Note 7.3).

The reconciliation of the carrying amounts of financial assets at FVOCI is as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 166,069**	P 170,793	**P 109,647**	P 115,965
Additions	**906,674**	285,428	**872,261**	258,499
Disposals	**(771,014)**	(279,483)	**(760,433)**	(259,519)
Unrealized fair value losses	**7,647**	(18,457)	**3,666**	(11,945)
Foreign currency revaluation	**(715)**	7,821	**(560)**	6,675
Realized fair value losses on FVOCI	**19**	(33)	**(2)**	(28)
Balance at end of year	**P 308,680**	P 166,069	**P 224,579**	P 109,647

The reconciliation of unrealized fair value losses on financial assets at FVOCI reported under equity is shown below.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at beginning of year	**(P 19,950)**	(P 1,630)	**(P 12,228)**	(P 348)
Changes on unrealized fair value gains (losses) during the year:				
Fair value losses during the year	**7,619**	(18,381)	**3,666**	(11,945)
Expected credit losses on FVOCI securities	**108**	67	**97**	65
Deferred tax assets (liabilities)	**(6)**	21	**(4)**	22
Adjustment	**-**	6	-	6
	7,721	(18,287)	**3,759**	(11,852)
Realized fair value gains on securities disposed during the year - net	**19**	(33)	**(2)**	(28)
Balance at end of year	**(P 12,210)**	(P 19,950)	**(P 8,471)**	(P 12,228)
Net unrealized fair value gains (losses), net of tax:				
Attributable to:				
Shareholder of the Parent Bank	**P 7,619**	(P 18,381)		
Non-controlling interest	**28**	(76)		
	(P 7,647)	(P 18,457)		

The Parent Bank disposed of FVOCI securities under equity amounting to nil and P6 in 2023 and 2022, respectively, while the BDO Unibank Group disposed a total of FVOCI equity securities amounting to P3 and P181 in 2023 and 2022, respectively.

Unrealized fair value gains and losses recognized in the NUGL account is not reclassified to profit or loss but is reclassified directly to Surplus Free account except for those debt securities classified as FVOCI wherein fair value changes are recycled back to profit or loss.

The BDO Unibank Group and the Parent Bank recognized gain (loss) on disposal of FVOCI debt securities amounting to (P39) and P13, respectively, in 2023, P8 and P13, respectively, in 2022, and P278 and P191, respectively, in 2021.

Impairment losses (recoveries) recognized for FVOCI debt securities presented in NUGL for BDO Unibank Group and the Parent Bank amounted to P108 and P97, respectively, in 2023, P67 and P65, respectively, in 2022 and (P88) and (P71), respectively, in 2021. The total accumulated impairment losses presented in NUGL for the BDO Unibank Group and the Parent Bank amounted to P225 and P199, respectively, as of December 31, 2023, and P117 and P102, respectively, as of December 31, 2022 (see Note 4.3.5).

10.3 Investment Securities at Amortized Cost

This account consists of:

	Note	BDO Unibank Group		Parent Bank	
		2023	2022	**2023**	2022
Government debt securities		**P 501,969**	P 442,970	**P 485,264**	P 427,074
Corporate debt securities:					
Quoted		**72,000**	66,832	**70,008**	64,306
Not quoted		**4,151**	3,901	**1,486**	1,519
		578,120	513,703	**556,758**	492,899
Allowance for impairment	17	**(2,135)**	(1,654)	**(2,115)**	(1,640)
		P 575,985	P 512,049	**P 554,643**	P 491,259

As to currency, this account is composed of the following:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Foreign currencies	**P 207,053**	P 196,188	**P 201,824**	P 190,632
Philippine peso	**368,932**	315,861	**352,819**	300,627
	P 575,985	P 512,049	**P 554,643**	P 491,259

The maturity profile of this account is presented below.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Less than one year	**P 98,187**	P 29,342	**P 92,690**	P 27,561
One to five years	**242,373**	227,742	**230,506**	211,611
Beyond five years	**235,425**	254,965	**231,447**	252,087
	P 575,985	P 512,049	**P 554,643**	P 491,259

The reconciliation of the carrying amounts of investment securities at amortized cost is as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 512,049**	P 397,534	**P 491,259**	P 377,382
Additions	**115,310**	161,048	**111,216**	155,379
Maturities and disposals	**(50,174)**	(61,913)	**(46,673)**	(56,413)
Foreign currency gains (losses) – net	**(708)**	15,449	**(673)**	14,983
Impairment loss	**(492)**	(69)	**(486)**	(72)
	P 575,985	P 512,049	**P 554,643**	P 491,259

Effective interest rates of investment securities at amortized cost range from:

	2023	2022	2021
BDO Unibank Group			
Government debt securities	**0.47% – 10.25%**	0.18% – 8.64%	0.05% – 7.60%
Corporate debt securities	**1.29% – 7.81%**	1.27% – 7.82%	1.29% – 8.41%
Parent Bank			
Government debt securities	**0.47% – 7.47%**	0.18% – 7.56%	0.05% – 7.60%
Corporate debt securities	**1.82% – 7.81%**	1.82% – 7.82%	1.82% – 7.82%

In 2023, the BDO Unibank Group and the Parent Bank disposed of debt securities from its amortized cost portfolio amounting to P479, resulting in a net trading loss amounting to P7. These disposals were all initiated by the Parent Bank because of the deteriorating profile of the securities sold.

In 2023 and 2022, the BDO Unibank Group disposed of debt securities from its amortized cost portfolio amounting to P1,872 and P1,801, respectively, resulting in a net trading gain amounting to P5 and P13, respectively. In the same year, the Parent Bank disposed of debt securities from its amortized cost portfolio amounting to P1,813 and P749, respectively, resulting in a net trading gain amounting to P3 and P13, respectively. These disposals were all initiated by the issuers.

Management has assessed that such disposals of investment securities in 2023 and 2022 are consistent with the BDO Unibank Group and the Parent Bank's investment at amortized cost business model with the objective of collecting contractual cash flows and have qualified under the permitted sale events set forth in the BDO Unibank Group's business model in managing financial assets manual and the requirements of PFRS 9. The disposal of investment securities was approved by the Investments Committee in compliance with the documentation requirements of the BSP.

As mentioned in Note 28, certain government debt securities are deposited with the BSP.

11. LOANS AND OTHER RECEIVABLES

This account consists of the following:

	Notes	**BDO Unibank Group**		**Parent Bank**	
		2023	2022	**2023**	2022
Receivables from customers:					
Loans and discounts	27	**P 2,599,120**	P 2,391,044	**P 2,522,613**	P 2,314,453
Credit card receivables		**162,047**	127,922	**162,047**	127,922
Customers' liabilities under letters of credit and trust receipts		**80,952**	85,295	**80,952**	85,295
Bills purchased		**10,685**	10,895	**10,633**	10,885
		2,852,804	2,615,156	**2,776,245**	2,538,555
Unearned interests or discounts		**(1,438)**	(1,345)	**(765)**	(911)
Allowance for impairment	17	**(83,134)**	(73,776)	**(80,802)**	(71,576)
		(84,572)	(75,121)	**(81,567)**	(72,487)
		2,768,232	2,540,035	**2,694,678**	2,466,068
Other receivables:					
Interbank loans receivables		**69,174**	115,694	**69,975**	119,045
Reverse repurchase agreements		**25,370**	26,305	**24,970**	26,091
Accounts receivable	27	**22,698**	14,738	**21,141**	11,118
Sales contract receivables	34.2.1	**1,384**	1,421	**1,351**	1,323
Others		**1,885**	1,292	**-**	-
		120,511	159,450	**117,437**	157,577
Allowance for impairment	17	**(2,715)**	(2,584)	**(2,568)**	(2,424)
		117,796	156,866	**114,869**	155,153
		P 2,886,028	P 2,696,901	**P 2,809,547**	P 2,621,221

The maturity profile of receivable from customers (net of unearned interest or discounts) based on the remaining term is presented below.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Less than one year	**P 890,997**	P 760,822	**P 884,527**	P 754,313
One to five years	**1,096,393**	1,010,599	**1,044,197**	955,786
Beyond five years	**863,976**	842,390	**846,756**	827,545
	P 2,851,366	P 2,613,811	**P 2,775,480**	P 2,537,644

The breakdown of total loans (receivable from customers, net of unearned interests or discounts) as to type of interest rate follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Variable interest rates	**P 2,208,405**	P 1,993,259	**P 2,194,927**	P 1,986,204
Fixed interest rates	**642,961**	620,552	**580,553**	551,440
	P 2,851,366	P 2,613,811	**P 2,775,480**	P 2,537,644

Annual interest rates ranges from:

	2023	2022	2021
Loans and discounts	**0.00% – 60.96%**	0.00% – 60.96%	0.00% – 60.96%
Other receivables	**0.00% – 19.00%**	0.00% – 19.00%	0.03% – 19.00%

The total interest income earned (see Note 23) amounted to:

	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
Loans and discounts	**P 188,064**	P 138,080	P 123,545	**P 179,946**	P 131,465	P 118,667
Other receivables	**6,784**	2,680	1,003	**6,751**	2,571	899
	P 194,848	P 140,760	P 124,548	**P 186,697**	P 134,036	P 119,566

Interest income recognized on impaired loans and receivables amounted to P23,713, P6,398 and P6,046 in 2023, 2022 and 2021, respectively, for the BDO Unibank Group, and P23,706, P6,395 and P6,025 in 2023, 2022 and 2021, respectively, for the Parent Bank.

Certain receivables from customers of the BDO Unibank Group and the Parent Bank amounting to P8,657 and P5,672, respectively, in 2023 and P23,795 and P20,363, respectively, in 2022, are subject to offsetting with the corresponding collaterals received as a means of security amounting to P6,226 and P5,672, respectively, in 2023, and P20,886 and P20,363, respectively, for 2022, indicating a legally enforceable right to offset the recognized amounts with an intention to settle on a net basis (see Note 7.6).

Impairment losses recognized for loans and receivables for BDO Unibank Group and the Parent Bank amounted to P15,771 and P15,041, respectively, in 2023, P16,414 and P15,665, respectively, in 2022, and P17,222 and P17,006, respectively, in 2021 (see Note 17).

12. PREMISES, FURNITURE, FIXTURES AND EQUIPMENT

The gross carrying amounts and accumulated depreciation, amortization and impairment of premises, furniture, fixtures and equipment at the beginning and end of 2023 and 2022 are shown below.

BDO Unibank Group

	Land	Furniture, Fixtures and Equipment	Buildings	Leasehold Rights and Improvement	Construction in Progress	Right-of-Use Assets	Total
December 31, 2023							
Cost	P 8,810	P 30,453	P 24,679	P 9,106	P 1,930	P 20,623	P 95,601
Accumulated depreciation and amortization	-	(21,437)	(8,145)	(7,694)	-	(9,621)	(46,897)
Allowance for impairment (see Note 17)	(330)	-	(289)	-	-	-	(619)
Net Carrying Amount	**P 8,480**	**P 9,016**	**P 16,245**	**P 1,412**	**P 1,930**	**P 11,002**	**P 48,085**
December 31, 2022							
Cost	P 8,430	P 29,066	P 25,345	P 8,660	P 1,266	P 19,561	P 92,328
Accumulated depreciation and amortization	-	(19,682)	(10,047)	(7,295)	-	(8,189)	(45,213)
Allowance for impairment (see Note 17)	(340)	-	(304)	-	-	-	(644)
Net Carrying Amount	P 8,090	P 9,384	P 14,994	P 1,365	P 1,266	P 11,372	P 46,471
January 1, 2022							
Cost	P 8,409	P 27,867	P 24,044	P 8,373	P 1,316	P 16,704	P 86,713
Accumulated depreciation and amortization	-	(18,527)	(9,384)	(6,902)	-	(6,446)	(41,259)
Allowance for impairment (see Note 17)	(343)	-	(304)	-	-	-	(647)
Net Carrying Amount	P 8,066	P 9,340	P 14,356	P 1,471	P 1,316	P 10,258	P 44,807

Parent Bank

	Land	Furniture, Fixtures and Equipment	Buildings	Leasehold Rights and Improvement	Construction in Progress	Right-of-Use Assets	Total
December 31, 2023							
Cost	P 8,080	P 25,847	P 22,737	P 7,949	P 1,929	P 20,299	P 86,841
Accumulated depreciation and amortization	-	(18,541)	(7,463)	(6,956)	-	(9,527)	(42,487)
Allowance for impairment (see Note 17)	(192)	-	(284)	-	-	-	(476)
Net Carrying Amount	**P 7,888**	**P 7,306**	**P 14,990**	**P 993**	**P 1,929**	**P 10,772**	**P 43,878**
December 31, 2022							
Cost	P 7,693	P 24,804	P 23,466	P 7,674	P 1,250	P 18,911	P 83,798
Accumulated depreciation and amortization	-	(16,859)	(9,409)	(6,678)	-	(7,962)	(40,908)
Allowance for impairment (see Note 17)	(197)	-	(299)	-	-	-	(496)
Net Carrying Amount	P 7,496	P 7,945	P 13,758	P 996	P 1,250	P 10,949	P 42,394
January 1, 2022							
Cost	P 7,669	P 23,434	P 22,734	P 7,497	P 1,314	P 16,252	P 78,900
Accumulated depreciation and amortization	-	(15,468)	(8,781)	(6,273)	-	(6,296)	(36,818)
Allowance for impairment (see Note 17)	(197)	-	(299)	-	-	-	(496)
Net Carrying Amount	P 7,472	P 7,966	P 13,654	P 1,224	P 1,314	P 9,956	P 41,586

A reconciliation of the carrying amounts at the beginning and end of 2023 and 2022 of premises, furniture, fixtures and equipment is shown below.

BDO Unibank Group

	Land	Furniture, Fixtures and Equipment	Buildings	Leasehold Rights and Improvement	Construction in Progress	Right-of-Use Assets	Total
Balance at January 1, 2023, net of accumulated depreciation, amortization and impairment	P 8,090	P 9,384	P 14,994	P 1,365	P 1,266	P 11,372	P 46,471
Additions	409	2,916	2,127	554	837	3,716	10,559
Disposals	(7)	(59)	-	-	(33)	(192)	(291)
Reclassifications	(17)	32	126	65	(136)	-	70
Allowance for impairment	5	-	-	-	-	-	5
Adjustments	-	(1)	-	(9)	-	(377)	(387)
Reversal	-	-	(3)	-	(4)	-	(7)
Foreign exchange revaluation	-	1	15	-	-	(2)	14
Acquired from business combination	-	29	-	-	-	-	29
Depreciation and amortization charges for the year	-	(3,286)	(1,014)	(563)	-	(3,515)	(8,378)
Balance at December 31, 2023, net of accumulated depreciation, amortization and impairment	**P 8,480**	**P 9,016**	**P 16,245**	**P 1,412**	**P 1,930**	**P 11,002**	**P 48,085**
Balance at January 1, 2022, net of accumulated depreciation, amortization and impairment	P 8,066	P 9,340	P 14,356	P 1,471	P 1,316	P 10,258	P 44,807
Additions	24	2,635	280	463	486	4,683	8,571
Disposals	(3)	(237)	-	(19)	-	(54)	(313)
Reclassifications	-	236	1,024	100	(519)	-	841
Allowance for impairment	3	-	-	-	-	-	3
Adjustments	-	-	-	-	-	(115)	(115)
Reversal	-	-	(12)	-	(17)	-	(29)
Foreign exchange revaluation	-	1	8	3	-	3	15
Depreciation and amortization charges for the year	-	(2,591)	(662)	(653)	-	(3,403)	(7,309)
Balance at December 31, 2022, net of accumulated depreciation, amortization and impairment	P 8,090	P 9,384	P 14,994	P 1,365	P 1,266	P 11,372	P 46,471

Parent Bank

	Land	Furniture, Fixtures and Equipment	Buildings	Leasehold Rights and Improvement	Construction in Progress	Right-of-Use Assets	Total
Balance at January 1, 2023 net of accumulated depreciation, amortization and impairment	P 7,496	P 7,945	P 13,758	P 996	P 1,250	P 10,949	P 42,394
Additions	409	2,064	2,065	355	818	3,309	9,020
Disposals	-	(32)	-	-	-	(192)	(224)
Reclassifications	(17)	39	124	67	(135)	-	78
Adjustment	-	-	-	-	-	(14)	(14)
Reversal	-	-	(3)	-	(4)	-	(7)
Foreign exchange revaluation	-	-	16	-	-	(1)	15
Depreciation and amortization charges for the year	-	(2,710)	(970)	(425)	-	(3,279)	(7,384)
Balance at December 31, 2023, net of accumulated depreciation, amortization and impairment	**P 7,888**	**P 7,306**	**P 14,990**	**P 993**	**P 1,929**	**P 10,772**	**P 43,878**
Balance at January 1, 2022 net of accumulated depreciation, amortization and impairment	P 7,472	P 7,966	P 13,654	P 1,224	P 1,314	P 9,956	P 41,586
Additions	24	1,876	239	230	470	4,414	7,253
Disposals	-	(120)	-	(19)	-	(53)	(192)
Reclassifications	-	236	505	100	(517)	-	324
Adjustment	-	-	-	-	-	(100)	(100)
Reversal	-	-	(12)	-	(17)	-	(29)
Foreign exchange revaluation	-	1	-	2	-	4	7
Depreciation and amortization charges for the year	-	(2,014)	(628)	(541)	-	(3,272)	(6,455)
Balance at December 31, 2022, net of accumulated depreciation, amortization and impairment	P 7,496	P 7,945	P 13,758	P 996	P 1,250	P 10,949	P 42,394

Under BSP rules, investments in premises, furniture, fixtures and equipment should not exceed 50.00% of a bank's unimpaired capital. As of December 31, 2023 and 2022, the BDO Unibank Group and the Parent Bank have complied with this requirement.

Certain fully depreciated premises, furniture, fixtures and equipment as of December 31, 2023 and 2022 are still being used in operations with acquisition costs amounting to P11,147 and P9,557, respectively, in the BDO Unibank Group's financial statements and P9,348 and P8,016, respectively, in the Parent Bank's financial statements.

On March 9, 2023, the Parent Bank recorded the derecognition of fully depreciated BDO Corporate Tower located in Makati City with a total cost amounting to P2,907.

13. LEASES

The BDO Unibank Group and the Parent Bank have leases for certain land and building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected as a Right-of-use asset under Premises, Furniture, Fixtures and Equipment (see Note 12) and a Lease liability under Other Liabilities (see Note 21) on the statements of financial position.

Each lease generally imposes a restriction that, unless there is a contractual right for the BDO Unibank Group and the Parent Bank to sublet the asset to another party, the right-of-use asset can only be used by the BDO Unibank Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The BDO Unibank Group and the Parent Bank are prohibited from selling or pledging the underlying leased assets as security.

For leases over land and office spaces, the BDO Unibank Group and the Parent Bank must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the BDO Unibank Group and the Parent Bank must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The tables below describe the nature of BDO Unibank Group and the Parent Bank's leasing activities by type of right-of-use asset.

	Number of Right-of-use Asset Leased		Range of Remaining Term		Average Remaining Lease Term	
	2023	2022	**2023**	2022	**2023**	2022
BDO Unibank Group						
Land	**53**	57	**0 mo. – 30.0 yrs.**	0 mo. – 27.0 yrs.	**12.4 yrs.**	12.0 yrs.
Building	**1,765**	1,631	**0 mo. – 15.0 yrs.**	1 mo. – 15.0 yrs.	**2.8 yrs.**	3.7 yrs.
Parent Bank						
Land	**53**	57	**0 mo. – 30.0 yrs.**	2 mos. – 27.0 yrs.	**12.4 yrs.**	12.0 yrs.
Building	**1,347**	1,325	**0 mo. – 14.8 yrs.**	1 mo. – 15.1 yrs.	**3.6 yrs.**	4.0 yrs.

13.1 Right-of-Use Assets

The carrying amounts of BDO Unibank Group and the Parent Bank's right-of-use assets as at December 31, 2023 and 2022 and the movements during the period are shown below and in the succeeding page (see Note 12).

	BDO Unibank Group			Parent Bank		
	Land	Buildings	Total	Land	Buildings	Total
Balance at January 1, 2023	P 446	P 10,926	P 11,372	P 471	P 10,478	P 10,949
Additions	121	3,595	3,716	121	3,188	3,309
Disposals	(3)	(189)	(192)	(3)	(189)	(192)
Reclassification	(28)	28	-	(28)	28	-
Adjustment	-	(377)	(377)	-	(14)	(14)
Foreign exchange revaluation	-	(2)	(2)	-	(1)	(1)
Depreciation and amortization	(52)	(3,463)	(3,515)	(53)	(3,226)	(3,279)
Balance at December 31, 2023	**P 484**	**P 10,518**	**P 11,002**	**P 508**	**P 10,264**	**P 10,772**

	BDO Unibank Group			Parent Bank		
	Land	Buildings	Total	Land	Buildings	Total
Balance at January 1, 2022	P 434	P 9,824	P 10,258	P 459	P 9,497	P 9,956
Additions	72	4,611	4,683	72	4,342	4,414
Disposals	-	(54)	(54)	-	(53)	(53)
Adjustment	-	(115)	(115)	-	(100)	(100)
Foreign exchange revaluation	-	3	3	-	4	4
Depreciation and amortization	(60)	(3,343)	(3,403)	(60)	(3,212)	(3,272)
Balance at December 31, 2022	P 446	P 10,926	P 11,372	P 471	P 10,478	P 10,949

13.2 Lease Liabilities

Lease liabilities amounting to P13,034 and P13,344 as at December 31, 2023 and 2022, respectively, for the BDO Unibank Group and P12,807 and P12,927, as at December 31, 2023 and 2022, respectively, for the Parent Bank are presented in the statements of financial position as part of Other Liabilities (see Note 21).

The use of extension and termination options gives the BDO Unibank Group and the Parent Bank added flexibility in the event that it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the BDO Unibank Group and the Parent Bank's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost. As at December 31, 2023, the terms of the lease contracts of the BDO Unibank Group and the Parent Bank are renewable upon mutual agreement of the parties.

As of December 31, 2023, the BDO Unibank Group and the Parent Bank had not committed to any lease which had not yet commenced.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analyses of lease liabilities are as follows:

December 31, 2023

BDO Unibank Group

	Within 1 Year	**1 to 2 Years**	**2 to 3 Years**	**3 to 4 Years**	**4 to 5 Years**	**5 to 10 Years**	**10 or More Years**	**Total**
Lease payments	P 3,951	P 3,289	P 2,675	P 1,975	P 1,124	P 2,332	P 780	P 16,126
Finance charges	(813)	(622)	(445)	(302)	(208)	(498)	(204)	(3,092)
Net present value	**P 3,138**	**P 2,667**	**P 2,230**	**P 1,673**	**P 916**	**P 1,834**	**P 576**	**P 13,034**

Parent Bank

Lease payments	P 3,905	P 3,249	P 2,624	P 1,881	P 1,091	P 2,282	P 818	P 15,850
Finance charges	(799)	(606)	(430)	(293)	(203)	(496)	(216)	(3,043)
Net present value	**P 3,106**	**P 2,643**	**P 2,194**	**P 1,588**	**P 888**	**P 1,786**	**P 602**	**P 12,807**

December 31, 2022

BDO Unibank Group

	Within 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	5 to 10 Years	10 or More Years	Total
Lease payments	P 3,928	P 3,266	P 2,775	P 2,111	P 1,311	P 2,206	P 585	P 16,182
Finance charges	(784)	(601)	(449)	(290)	(188)	(386)	(140)	(2,838)
Net present value	P 3,144	P 2,665	P 2,326	P 1,821	P 1,123	P 1,820	P 445	P 13,344

Parent Bank

Lease payments	P 3,793	P 3,127	P 2,658	P 2,034	P 1,283	P 2,208	P 626	P 15,729
Finance charges	(763)	(587)	(427)	(287)	(188)	(395)	(155)	(2,802)
Net present value	P 3,030	P 2,540	P 2,231	P 1,747	P 1,095	P 1,813	P 471	P 12,927

The BDO Unibank Group and the Parent Bank sublease its leased properties. The total income earned from the subleasing activities amounted to nil in 2023, 2022 and 2021 for the BDO Unibank Group and P9, P6 and P2 in 2023, 2022 and 2021, respectively, for the Parent Bank. This is presented as part of Miscellaneous - net under Other Operating Income in the statements of income (see Note 25).

The total cash outflow in respect to leases amounted to P4,370, P4,192 and P3,238 in 2023, 2022 and 2021, respectively, for the BDO Unibank Group and P4,097, P4,032 and P3,100 in 2023, 2022 and 2021, respectively, for the Parent Bank. Interest expense in relation to lease liabilities amounted to P939, P927 and P817 in 2023, 2022 and 2021, respectively, for the BDO Unibank Group and P883, P905 and P807 in 2023, 2022 and 2021, respectively, for the Parent Bank which are, presented as part of Interest expense on lease liabilities under Interest Expense account in the statements of income (see Note 24).

13.3 Lease Payments Not Recognized as Liabilities

The BDO Unibank Group and the Parent Bank have elected not to recognize a lease liability for short-term leases or for leases of low value assets. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities. Payments made under such leases are expensed as incurred.

The expenses relating to short-term leases and low-value assets amounted to P14 and P387 in 2023, P4 and P350 in 2022, and P8 and P336 in 2021 for the BDO Unibank Group, respectively, and P5 and P381 in 2023, nil and P348 in 2022, and nil and P328 in 2021 for the Parent Bank, respectively. Moreover, the expenses relating to variable lease payments amounted to P273, P171 and P114 for both BDO Unibank Group and the Parent Bank in 2023, 2022 and 2021, respectively. These are presented as part of Occupancy under Other Operating Expenses account in the statements of income (see Note 25).

14. INVESTMENT PROPERTIES

Investment properties include land and buildings held for capital appreciation and for rental. Income earned from investment properties under rental arrangements amounted to P615 and P78 in 2023, P590 and P83 in 2022, and P431 and P86 in 2021 in the BDO Unibank Group and the Parent Bank's financial statements, respectively, and are presented as part of Rental under Other Operating Income account (see Note 25). Direct expenses incurred from these properties such as taxes and licenses amounted to P80 and P3 in 2023, P61 and P3 in 2022, and P34 and P3 in 2021 in the BDO Unibank Group and the Parent Bank's financial statements, respectively, and are presented as part of Taxes and licenses under Other Operating Expenses account in the BDO Unibank Group and Parent Bank's financial statements, respectively (see Note 25).

The gross carrying amounts and accumulated depreciation and impairment at the beginning and end of 2023 and 2022 are shown below.

		BDO Unibank Group			Parent Bank		
	Note	Land	Building	Total	Land	Building	Total
December 31, 2023							
Cost		**P 14,625**	**P 41,129**	**P 55,754**	**P 8,184**	**P 12,771**	**P 20,955**
Accumulated depreciation		**-**	**(7,144)**	**(7,144)**	**-**	**(6,052)**	**(6,052)**
Allowance for impairment	17	**(1,733)**	**(67)**	**(1,800)**	**(1,453)**	**(42)**	**(1,495)**
Net carrying amount		**P 12,892**	**P 33,918**	**P 46,810**	**P 6,731**	**P 6,677**	**P 13,408**
December 31, 2022							
Cost		P 10,457	P 18,393	P 28,850	P 8,199	P 11,530	P 19,729
Accumulated depreciation		-	(6,185)	(6,185)	-	(5,370)	(5,370)
Allowance for impairment	17	(1,442)	(65)	(1,507)	(1,162)	(24)	(1,186)
Net carrying amount		P 9,015	P 12,143	P 21,158	P 7,037	P 6,136	P 13,173
January 1, 2022							
Cost		P 9,288	P 16,648	P 25,936	P 7,029	P 10,473	P 17,502
Accumulated depreciation		-	(5,412)	(5,412)	-	(4,829)	(4,829)
Allowance for impairment	17	(1,658)	(71)	(1,729)	(1,378)	(32)	(1,410)
Net carrying amount		P 7,630	P 11,165	P 18,795	P 5,651	P 5,612	P 11,263

A reconciliation of the carrying amounts, at the beginning and end of 2023 and 2022, of investment properties is shown below.

	BDO Unibank Group			Parent Bank		
	Land	Buildings	Total	Land	Buildings	Total
Balance at January 1, 2023 net of accumulated depreciation and impairment	**P 9,015**	**P 12,143**	**P 21,158**	**P 7,037**	**P 6,136**	**P 13,173**
Additions	**559**	**2,627**	**3,186**	**559**	**1,996**	**2,555**
Acquired from business combination	**4,188**	**20,812**	**25,000**	**-**	**-**	**-**
Reclassification	**(268)**	**(8)**	**(276)**	**(268)**	**(8)**	**(276)**
Disposals	**(602)**	**(363)**	**(965)**	**(597)**	**(345)**	**(942)**
Foreign exchange revaluation	**-**	**75**	**75**	**-**	**-**	**-**
Impairment loss	**-**	**16**	**16**	**-**	**-**	**-**
Depreciation for the year	**-**	**(1,384)**	**(1,384)**	**-**	**(1,102)**	**(1,102)**
Balance at December 31, 2023 net of accumulated depreciation and impairment	**P 12,892**	**P 33,918**	**P 46,810**	**P 6,731**	**P 6,677**	**P 13,408**
Balance at January 1, 2022 net of accumulated depreciation and impairment	P 7,630	P 11,165	P 18,795	P 5,651	P 5,612	P 11,263
Additions	1,681	3,044	4,725	1,681	1,778	3,459
Reclassification	216	(509)	(293)	216	8	224
Disposals	(512)	(349)	(861)	(511)	(349)	(860)
Foreign exchange revaluation	-	(39)	(39)	-	-	-
Impairment loss	-	(2)	(2)	-	-	-
Depreciation for the year	-	(1,167)	(1,167)	-	(913)	(913)
Balance at December 31, 2022 net of accumulated depreciation and impairment	P 9,015	P 12,143	P 21,158	P 7,037	P 6,136	P 13,173

The fair value of investment properties as of December 31, 2023 and 2022, determined using observable recent prices of the reference properties adjusted for difference and replacement cost approach, amounted to P52,299 and P44,397, respectively, for the BDO Unibank Group's financial statements and P38,997 and P36,533, respectively, for the Parent Bank's financial statements. Other information about the fair value measurement and disclosures related to the investment properties are presented in Note 7.5.

The recoverable amount of impaired investment properties as of December 31, 2023 and 2022 was based on value in use computed through discounted cash flows method at an effective rate of 2.31% and 1.42% in 2023 and 2022, respectively.

BDO Unibank Group has no contractual obligations to purchase, construct or develop investment properties, or to repair, neither maintain or enhance the same nor are there any restrictions on the future use or realizability of the investment properties.

Real and other properties acquired (ROPA) in settlement of loans through foreclosure or dacion in payment are significantly accounted for as either: investment properties, financial assets at FVOCI, other resources or non-current assets held for sale.

As of December 31, 2023 and 2022, ROPA, gross of allowance, comprise of the following:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Investment properties	**P 13,136**	P 12,929	**P 12,935**	P 12,783
Financial assets at FVOCI	**945**	484	**945**	484
Non-current assets held for sale	**1,294**	3,462	**1,294**	3,462
	P 15,375	P 16,875	**P 15,174**	P 16,729

15. EQUITY INVESTMENTS

Equity investments consist of the following:

	% Held	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Philippine subsidiaries					
BDO Network	84.91%	**P -**	P -	**P 12,416**	P 12,416
SMKL (see Note 30.4)	100.00%	**-**	-	**9,819**	-
BDOSHI	100.00%	**-**	-	**5,684**	5,684
BDO Life	97.00%	**-**	-	**3,403**	3,403
BDO Private	100.00%	**-**	-	**2,579**	2,579
Dominion Holdings	87.43%	**-**	-	**1,878**	1,878
BDO Capital	99.88%	**-**	-	**1,878**	1,878
BDOI	100.00%	**-**	-	**11**	11
Equimark	60.00%	**-**	-	**4**	4
		-	-	**37,672**	27,853
Foreign subsidiaries					
BDORO	100.00%	**-**	-	**169**	169
BDO Remit (Japan) Ltd.	100.00%	**-**	-	**92**	92
BDO Remit (Canada) Ltd.	100.00%	**-**	-	**50**	50
BRUSA	100.00%	**-**	-	**26**	26
		-	-	**337**	337
Associates					
SMKL (see Note 30.4)	50.00%	**-**	1,658	**-**	1,658
NLEX Corporation	11.70%	**1,405**	1,405	**1,405**	1,405
NorthPine Land, Inc.	20.00%	**232**	232	**232**	232
Taal Land, Inc.	33.33%	**170**	170	**170**	170
BDO Securities	1.09%	**-**	-	**35**	35
		1,807	3,465	**1,842**	3,500
Accumulated equity in total comprehensive income:					
Balance at beginning of year		**2,189**	1,882	**24,578**	16,399
Equity in net profit (see Note 25)		**1,273**	849	**8,378**	8,710
Equity in other comprehensive income (loss)		**(5)**	11	**(428)**	3,367
Consolidation of SMKL		**(506)**	-	**-**	-
Dividends		**(726)**	(553)	**(1,394)**	(3,898)
Balance at end of year		**2,225**	2,189	**31,134**	24,578
Net investments in associates/subsidiaries		**4,032**	5,654	**70,985**	56,268
Allowance for impairment		**(153)**	(153)	**(153)**	(153)
		P 3,879	P 5,501	**P 70,832**	P 56,115

The equity shares in other comprehensive income or loss of subsidiaries and associates consists of the following:

	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Accumulated actuarial gains (losses)	**(P 5)**	P 11	**(P 341)**	P 126
Remeasurement on life insurance reserves	**-**	-	**(4,072)**	9,620
Accumulated translation adjustment	**-**	-	**(3)**	51
Net unrealized fair value gains (losses) on FVOCI	**-**	-	**3,988**	(6,430)
Equity in other comprehensive income (loss)	**(P 5)**	P 11	**(P 428)**	P 3,367

BDO Unibank Group's percentage of interest held in each subsidiary and associate is the same as that of the Parent Bank in both 2023 and 2022, except for BDO Life, Dominion Holdings and BDO Securities. For BDO Life and Dominion Holdings, the interest held is at 100% and 88.54% for BDO Unibank Group, respectively (see Note 2.3) and 97.00% and 87.43%, for the Parent Bank, respectively, in 2023 and 2022. For BDO Securities, the interest held is at 99.88%, for BDO Unibank Group (see Note 2.3), in both years and 1.09% and 1.69% for Parent Bank, in 2023 and 2022, respectively.

BDO Unibank Group's subsidiaries as of December 31, 2023 are all incorporated in the Philippines, except for the following:

Foreign Subsidiaries	Country of Incorporation
BRUSA	United States of America
BDORO	United Kingdom
BDO RIH**	Netherlands
BDO Remit UK, Ltd. **	United Kingdom
CBN Greece S.A. **	Greece
BDO Remit (Japan) Ltd.	Japan
BDO Remit (Canada) Ltd.	Canada
BDO Remit Limited*	Hongkong
BDO Remit (Macau) Ltd.*	Macau

**Wholly-owned subsidiaries of BDOSHI*
***Subsidiaries of BDO Capital*

On May 30, 2012, BDORO was registered with the Registrar of Companies for England and Wales (UK) as a private limited company with registered office at the 13th Floor, One Angel Court, London, EC2R 7HJ.

BDO Remit (Canada) Ltd., a wholly-owned remittance subsidiary in Vancouver, Canada operates as a remittance business and function as a marketing office of the Parent Bank.

On June 30, 2021, the BOD of BDO Network approved the conversion of BDO Network from a rural bank to a savings bank. This was ratified by the BDO Network shareholders on August 13, 2021 and approved by the BSP on January 20, 2022. Conversion is still pending SEC approval to date.

BDO Unibank Group includes two subsidiaries, Dominion Holdings and BDO Network, with significant NCI:

	Proportion of Ownership Interest and Voting Rights Held by NCI		Profit Allocated to NCI		Accumulated NCI	
Name	**2023**	2022	**2023**	2022	**2023**	2022
Dominion Holdings	**11.46**%	11.46%	**P 30**	P 9	**P 728**	P 698
BDO Network	**15.09**%	12.63%	**P 117**	P 169	**P 1,571**	P 1,454

The registered office and principal place of business of Dominion Holdings is located at 39th Floor, BDO Corporate Center Ortigas, 12 ADB Avenue, Ortigas Center, Mandaluyong City.

The registered office and principal place of business of BDO Network is located at BDONB Center, Km. 9, Sasa, Davao City.

Dividends paid to NCI amounted to nil and P2 in 2023 and 2022, respectively.

The summarized financial information of Dominion Holdings and BDO Network, before intragroup eliminations, follows:

	Dominion Holdings		BDO Network	
	2023	2022	**2023**	2022
Statements of financial position:				
Total current resources	**P 6,381**	P 6,110	**P 16,434**	P 13,711
Total non-current resources	**-**	-	**91,551**	73,519
Total current liabilities	**11**	16	**80,419**	70,422
Total non-current liabilities	**-**	-	**14,742**	5,298
Equity attributable to owners of the parent	**5,640**	5,396	**10,889**	10,056
Non-controlling interest	**730**	698	**1,935**	1,454
Statements of comprehensive income:				
Total interest income	**P 343**	P 63	**P 8,487**	P 6,198
Total other operating income	**1**	64	**3,896**	3,937
Profit attributable to owners of the parent	**235**	73	**767**	965
Profit attributable to NCI	**30**	9	**117**	169
Profit	**265**	82	**884**	1,134
Total comprehensive income attributable to owners of the parent	**244**	73	**751**	632
Total comprehensive income attributable to NCI	**32**	9	**114**	108
Total comprehensive income	**P 276**	P 82	**P 865**	P 740
Statements of cash flows:				
Net cash from (used in) operating activities	**P 184**	P 40	**(P 3,981)**	(P 7,450)
Net cash from (used in) investing activities	**(191)**	5,928	**(324)**	(1,077)
Net cash from financing activities	**-**	-	**7,451**	11,039
Net cash inflow (outflow)	**(P 7)**	P 5,968	**P 3,146**	P 2,512

The following table presents the summarized financial information of BDO Unibank Group's associates as of and for the years ended December 31, 2023, 2022 and 2021:

	NLEX Corporation	Others	Total
December 31, 2023 (Unaudited)			
Assets	**P 84,536**	**P 3,035**	**P 87,571**
Current	5,617	3,033	8,650
Non-current	78,919	2	78,921
Liabilities	**54,655**	**254**	**54,909**
Current	14,714	240	14,954
Non-current	39,941	14	39,955
Equity	**29,881**	**2,781**	**32,662**
Revenues	**24,607**	**326**	**24,933**
Net profit	**8,941**	**225**	**9,166**

	NLEX Corporation	SMKL* (Unaudited)	Others	Total
December 31, 2022 (Audited)				
Assets	P 78,133	P 11,234	P 2,793	P 92,160
Current	7,743	1,952	2,791	12,486
Non-current	70,390	9,282	2	79,674
Liabilities	52,293	9,185	237	61,715
Current	10,547	1,440	223	12,210
Non-current	41,746	7,745	14	49,505
Equity	25,840	2,049	2,556	30,445
Revenues	26,228	1,580	197	28,005
Net profit (loss)	8,004	245	(72)	8,177
December 31, 2021 (Audited)				
Assets	P 68,073	P 11,892	P 3,064	P 83,029
Current	5,095	2,315	3,057	10,467
Non-current	62,978	9,577	7	72,562
Liabilities	46,197	10,089	436	56,722
Current	7,866	1,264	436	9,566
Non-current	38,331	8,825	-	47,156
Equity	21,876	1,803	2,628	26,307
Revenues	17,919	805	708	19,432
Net profit	5,919	81	193	6,193

** As adjusted to conform to the cost model used in the measurement of Investment Properties of BDO Unibank Group.*

16. OTHER RESOURCES

The components of this account are shown below.

	Notes	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Foreign currency notes and coins on hand		**P 8,986**	P 10,582	**P 8,986**	P 10,582
Deferred charges	16.1	**6,910**	6,544	**6,910**	6,544
Computer software - net	16.5	**4,814**	3,536	**4,546**	3,260
Goodwill	16.2	**4,535**	4,535	**1,391**	1,391
Branch licenses	16.3	**3,020**	3,020	**3,020**	3,020
Non-current assets held for sale	16.4	**1,294**	3,462	**1,294**	3,462
Prepaid documentary stamps		**1,019**	798	**944**	737
Retirement assets	26.2	**572**	215	**-**	-
Deferred tax assets - net	31.1	**491**	5,355	**1,790**	5,028
Customer lists - net	16.5	**487**	487	**487**	487
Returned checks and other cash items		**271**	(42)	**270**	(42)
Real properties for development and sale		**171**	174	**-**	-
Credit card acquiring		**-**	3,490	**-**	3,490
Others	16.5	**15,257**	13,091	**8,688**	10,627
		47,827	55,247	**38,326**	48,586
Allowance for impairment	17	**(2,181)**	(2,578)	**(1,889)**	(2,265)
		P 45,646	P 52,669	**P 36,437**	P 46,321

16.1 Deferred Charges

Deferred charges represent the unamortized portion of loan origination fees, which consist of commission and other fees related to auto loans, presented as part of Receivables from customers – Loans and discounts account under Loans and Other Receivables in the statements of financial position (see Note 11). In addition, this account also includes origination costs related to Long-term Negotiable Certificate of Deposits (LTNCD) presented as part of Time deposit liabilities under Deposit Liabilities account in the statements of financial position (see Note 18). This also includes originating costs related to Fixed Rate Bonds, Bills Payable and Senior Notes (see Note 19).

16.2 Goodwill

Goodwill represents the excess of the cost of acquisition of the Parent Bank over the fair value of the net assets acquired at the date of acquisition and relates mainly to business synergy for economics of scale and scope. This is from the acquisition of BDO Card Corporation, United Overseas Bank Philippines (UOBP), American Express Bank, Ltd., GE Money Bank, Rural Bank of San Juan, Inc., BDO RIH, BDO Network and Rural Bank of Pandi, Inc., which were acquired in 2005, 2006, 2007, 2009, 2012, 2013, 2015 and 2019, respectively.

The reconciliation of the carrying amount of goodwill (net of allowance for impairment) of the BDO Unibank Group and the Parent Bank is as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 4,535**	P 4,535	**P 1,391**	P 1,391
Allowance for impairment	**1,514**	1,514	**1,391**	1,391
Carrying amount	**P 3,021**	P 3,021	**P -**	P -

In 2023 and 2022, there was no movement for the goodwill account of the Parent Bank, which was already provided with full allowance.

Significant portion of goodwill of the BDO Unibank Group pertains to the goodwill from acquisition of BDO Network amounting to P2,907.

The BDO Unibank Group recognized impairment loss on goodwill amounting to nil in both 2023 and 2022, and P36 in 2021. The Parent Bank did not recognize any impairment loss in 2023, 2022 and 2021.

The BDO Unibank Group and the Parent Bank provided impairment losses on some of its goodwill as it does not expect any economic benefit from this asset in the succeeding periods since the branch business grew as a result of the efforts and brand of the Parent Bank and is not a result of the customers of the previous banks acquired. The recoverable amount used to determine any impairment on the goodwill from acquisition of BDO Network was based on value-in-use computed through discounting the five-year cash flow projection to be realized by the acquired entity, which do not include restructuring activities that the BDO Unibank Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested.

The calculation of value-in-use is most sensitive to the following assumptions:

a. *Discount rate.* Discount rates reflect the current market assessment of the risks and are estimated based on the weighted average cost of capital. The rates are further adjusted to reflect the market assessment of any risk specific to the cash-generating unit for which future estimates of cash flows have not been adjusted. The discount rates applied to cash flow projections in 2023 and 2022 are 5.50% and 5.36%, respectively.

b. *Total income growth rate.* The growth rates used to extrapolate cash flow projections range from 10.67% to 17.89% in 2023 and 11.45% to 16.75% in 2022. Total income forecasts to calculate the cash flow projections are the management's best estimates after considering factors affecting growth target projection on salary loans and micro, small and medium enterprises loans offered by BDO Network.

Management assessed that no reasonably possible change in discount rates and growth rates would cause the carrying value of goodwill in 2023 and 2022 to materially exceed its recoverable amount.

16.3 Branch Licenses

Branch licenses represent the rights granted by the BSP to the Parent Bank to establish certain number of branches as an incentive in acquiring The Real Bank (A Thrift Bank), Inc. and Banco De Oro Savings Bank, Inc. in addition to the current branches of the acquired banks. The Parent Bank performs annual impairment testing of branch licenses.

The recoverable amount used to determine any impairment on the branch licenses was based on value-in-use computed through discounting the five-year cash flow projection, which does not include restructuring activities that the BDO Unibank Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested.

The calculation of value-in-use is most sensitive to the following assumptions:

a. *Discount rate.* Discount rates reflect the current market assessment of the risks and are estimated based on the weighted average cost of capital. The rates are further adjusted to reflect the market assessment of any risk specific to the cash-generating unit for which future estimates of cash flows have not been adjusted. The discount rates applied to cash flow projections in 2023 and 2022 are 6.33% and 5.87%, respectively.

b. *Compound annual growth rate.* The growth rates used to extrapolate cash flow projections are 8.64% in 2023 and 7.77% in 2022. The growth rates are based on the total assets of the Parent Bank for the last five years.

Management assessed that no reasonably possible change in discount rates and growth rates would cause the carrying value of branch licenses in 2023 and 2022 to materially exceed its recoverable amount.

In 2023 and 2022, with regard to the assessment of value-in-use of the cash-generating unit, there were no allowance on impairment loss on branch licenses recognized in the BDO Unibank Group and Parent Bank's financial statements.

16.4 Non-current Assets Held for Sale

Non-current assets held for sale consist of real and other properties acquired through repossession or foreclosure that BDO Unibank Group and the Parent Bank intend to sell within one year from the date of classification as held for sale. No impairment loss was recognized in 2021 to 2023 in both the BDO Unibank Group and Parent Bank's financial statements.

16.5 Others

Trademark arising from acquisition of Diners credit card portfolio is fully amortized as of December 31, 2023 and 2022. The amortization expense on trademark amounted to nil in both 2023 and 2022, and P25 in 2021. This is presented as part of Miscellaneous under Other Operating Expenses account in the statements of income (see Note 25).

Other intangible assets with indefinite useful lives comprise of branch licenses, customer lists, equity securities with Philippine Clearing House Committee and LGU Guaranty Corporation, and trading rights amounting to P3,020, P487, P15, and P3, respectively, in 2023, 2022 and 2021 in the BDO Unibank Group's financial statements and P3,020, P487, P15 and nil, respectively, in 2023, 2022 and 2021 in the Parent Bank's financial statements.

Amortization expense on computer software licenses amounted to P2,937, P1,356 and P1,342 in 2023, 2022 and 2021, respectively, in the BDO Unibank Group's financial statements and P2,842, P1,259 and P1,291 in 2023, 2022 and 2021, respectively, in the Parent Bank's financial statements. These are reported as Amortization of computer software under Other Operating Expenses account in the statements of income (see Note 25).

Depreciation and amortization expense on certain assets amounting to P121, P88 and P45 in 2023, 2022 and 2021, respectively, in both BDO Unibank Group and Parent Bank's financial statements are presented as part of Occupancy under Other Operating Expenses account in the statements of income (see Note 25).

No additional impairment loss was recognized by the Parent Bank from 2021 to 2023 on the value of customer lists. The customer list was recognized as a result of the Parent Bank's acquisition of a trust business in 2014.

In 2022, the BDO Unibank Group made an outright purchase of secondary shares related to ESOP amounting to P751. There is no similar transaction in 2023.

17. ALLOWANCE FOR IMPAIRMENT

Changes in the allowance for impairment are summarized below.

	Notes	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Balance at beginning of year:					
Due from other banks	9	**P 15**	P -	**P 14**	P -
Investment securities at amortized cost	10.3	**1,654**	1,471	**1,640**	1,455
Loans and other receivables	11	**76,360**	67,743	**74,000**	65,592
Bank premises	12	**644**	647	**496**	496
Investment properties	14	**1,507**	1,729	**1,186**	1,410
Equity investments	15	**153**	153	**153**	153
Other resources	16	**2,578**	2,768	**2,265**	2,449
		82,911	74,511	**79,754**	71,555
Impairment losses (recoveries):					
Due from other banks	9	**46**	14	**41**	13
Investment securities at amortized cost	10.3	**492**	69	**486**	72
Loans and other receivables	11	**15,771**	16,414	**15,041**	15,665
Investment properties	14	**-**	2	**-**	-
Other resources	16	**(41)**	(205)	**(44)**	(232)
		16,268	16,294	**15,524**	15,518
Write-offs and other adjustments:					
Write-offs		**(6,321)**	(8,610)	**(5,714)**	(8,142)
Foreign currency revaluation		**(42)**	774	**(43)**	772
Adjustments		**(32)**	(108)	**-**	1
Reclassification		**32**	50	**32**	50
Reversals		**(21)**	-	**-**	-
		(6,384)	(7,894)	**(5,725)**	(7,319)
Balance at end of year:					
Due from other banks	9	**58**	15	**55**	14
Investment securities at amortized cost	10.3	**2,135**	1,654	**2,115**	1,640
Loans and other receivables	11	**85,849**	76,360	**83,370**	74,000
Bank premises	12	**619**	644	**476**	496
Investment properties	14	**1,800**	1,507	**1,495**	1,186
Equity investments	15	**153**	153	**153**	153
Other resources	16	**2,181**	2,578	**1,889**	2,265
		P 92,795	P 82,911	**P 89,553**	P 79,754

The BDO Unibank Group and the Parent Bank provided impairment loss (recovery) on debt securities measured as FVOCI amounting to P108 and P97, respectively, in 2023, P67 and P65, respectively, in 2022 and (P88) and (P71), respectively, in 2021. The impairment losses on debt securities classified as FVOCI are recognized as part of items that are or will be reclassified subsequently to profit or loss in the statements of comprehensive income (see Note 10.2).

The BDO Unibank Group and the Parent Bank also provided impairment loss on loan commitments and other contingent accounts amounting to P12, P5 and P28 in 2023, 2022 and 2021, respectively, and on miscellaneous liabilities – damage suit amounting to P7 in 2023 and nil in 2022 and 2021, which is recognized as part of Provision – Others under Other Liabilities in the statements of financial position (see Note 21).

The total impairment losses on certain financial assets amounted to P16,313, P16,497 and P17,030 in 2023, 2022 and 2021, respectively, in the BDO Unibank Group's statements of income and P15,568, P15,750 and P16,816 in 2023, 2022 and 2021, respectively, in the Parent Bank's statements of income.

The total impairment losses (recoveries) on non-financial assets amounted to (P44), (P203) and P93 in 2023, 2022 and 2021, respectively, in the BDO Unibank Group's statements of income and (P44), (P232), and P56 in 2023, 2022 and 2021, respectively, in the Parent Bank's statements of income.

18. DEPOSIT LIABILITIES

The breakdown of this account follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Demand	**P 504,763**	P 459,511	**P 487,327**	P 438,838
Savings	**2,050,709**	2,077,360	**2,009,375**	2,044,595
Time	**1,012,078**	684,012	**980,165**	657,583
	P 3,567,550	P 3,220,883	**P 3,476,867**	P 3,141,016

This account is composed of the following (by counterparties):

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Due to other banks:				
Demand	**P 4,600**	P 4,595	**P 4,581**	P 4,582
Savings	**1,899**	4,332	**3,970**	4,332
Time	**11,502**	12,432	**7,497**	7,516
	18,001	21,359	**16,048**	16,430
Due to customers:				
Demand	**500,163**	454,916	**482,746**	434,256
Savings	**2,048,810**	2,073,028	**2,005,405**	2,040,263
Time	**1,000,576**	671,580	**972,668**	650,067
	3,549,549	3,199,524	**3,460,819**	3,124,586
	P 3,567,550	P 3,220,883	**P 3,476,867**	P 3,141,016

The breakdown of deposit liabilities as to currency is as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Philippine pesos	**P 3,082,690**	P 2,715,833	**P 3,001,116**	P 2,647,975
Foreign currencies	**484,860**	505,050	**475,751**	493,041
	P 3,567,550	P 3,220,883	**P 3,476,867**	P 3,141,016

The maturity profile of this account is presented below.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Less than one year	**P 3,499,775**	P 3,126,217	**P 3,411,696**	P 3,050,839
One to five years	**28,954**	33,537	**27,508**	30,091
Beyond five years	**38,821**	61,129	**37,663**	60,086
	P 3,567,550	P 3,220,883	**P 3,476,867**	P 3,141,016

The BDO Unibank Group and the Parent Bank's deposit liabilities are in the form of demand, savings and time deposit accounts bearing annual interest rates ranging from 0.00% to 6.40% in 2023 and 0.00% to 5.38% in 2022 and 2021. Demand and savings deposits usually have both fixed and variable interest rates while time deposits have fixed interest rates (see Note 24).

The BDO Unibank Group's time deposit liabilities include the Parent Bank's LTNCD as of December 31, 2023 and 2022 as follows:

BSP Approval	Effective Rate	Outstanding Balance 2023	Outstanding Balance 2022	Issue Date	Maturity Date
August 15, 2019	4.000%	**P 6,500**	P 6,500	September 27, 2019	March 27, 2025
May 11, 2018	5.375%	**7,320**	7,320	April 12, 2019	October 12, 2024
June 23, 2017	4.375%	**-**	8,200	May 7, 2018	November 7, 2023
June 23, 2017	3.625%	**-**	11,800	August 18, 2017	February 18, 2023
		P 13,820	P 33,820		

The net proceeds from the issuance of LTNCD are intended to diversify the Parent Bank's maturity profile of funding source and to support its business expansion plans.

On June 23, 2023, the BSP approved BSP Circular No. 1175, *Reduction in Reserve Requirements*, which lowered the reserve requirements of universal banks and commercial banks from 12.0% to 9.5%, effective June 30, 2023.

19. BILLS PAYABLE

This account is composed of the following borrowings from:

	Note	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Fixed rate bonds	19.2	**P 52,899**	P 52,696	**P 52,899**	P 52,696
Foreign banks		**51,133**	39,243	**50,454**	39,142
Senior notes	19.1	**47,333**	84,355	**47,333**	84,355
Local banks		**23,717**	8,890	**2,802**	-
Deposit substitutes		**14,500**	12,679	**14,500**	12,679
Others		**-**	1,028	**-**	-
		P 189,582	P 198,891	**P 167,988**	P 188,872

The breakdown of this account as to currency follows:

	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
Foreign currencies	**P 115,767**	P 136,277	**P 115,088**	P 136,176
Philippine pesos	**73,815**	62,614	**52,900**	52,696
	P 189,582	P 198,891	**P 167,988**	P 188,872

The maturity profile of this account is presented below.

	BDO Unibank Group 2023	BDO Unibank Group 2022	Parent Bank 2023	Parent Bank 2022
One to three months	**P 80,375**	P 58,936	**P 73,199**	P 57,495
More than three months to one year	**31,538**	21,845	**26,348**	16,730
More than one to three years	**70,853**	79,384	**62,942**	75,921
More than three years	**6,816**	38,726	**5,499**	38,726
	P 189,582	P 198,891	**P 167,988**	P 188,872

The range of annual interest rates for interest-bearing bills payable is shown in the table below (see Note 24).

	2023	2022	2021
BDO Unibank Group	**2.04% – 7.63%**	0.45% – 6.50%	0.30% – 4.50%
Parent Bank	**2.04% – 6.75%**	2.04% – 5.87%	0.42% – 4.41%

The following comprise the interest expense included as part of Interest Expense on bills payable in the statements of income (see Note 24):

	2023	2022	2021
BDO Unibank Group			
Foreign banks	**P 2,574**	P 826	P 356
Fixed rate peso bonds	**1,528**	2,742	2,893
Senior notes	**1,487**	2,260	2,257
Deposit substitutes	**847**	138	1
Local banks	**784**	118	189
Others	**80**	65	43
	P 7,300	P 6,149	P 5,739
Parent Bank			
Foreign banks	**P 2,548**	P 824	P 349
Fixed rate peso bonds	**1,528**	2,742	2,893
Senior notes	**1,487**	2,260	2,257
Deposit substitute	**847**	138	-
Local banks	**50**	-	-
Others	**-**	-	1
	P 6,460	P 5,964	P 5,500

19.1 Senior Notes

The Parent Bank issued US dollar denominated senior notes as follows:

Issue Date	Maturity Date	Coupon Interest	Principal Amount	Outstanding Balance 2023	Outstanding Balance 2022
May 16, 2022	May 16, 2029	3.71%	100	**P 5,526**	P 5,557
July 13, 2020	January 13, 2026	2.13%	600	**33,380**	33,528
February 20, 2018	February 20, 2025	4.16%	150	**8,427**	8,475
September 6, 2017	March 6, 2023	2.95%	654	**-**	36,795
				P 47,333	P 84,355

On May 16, 2022, the Parent Bank issued its maiden blue bond amounting to US$100 million through an investment from the International Finance Corporation (IFC). The bond, with an interest rate of 3.71% and a tenor of seven years, expanded financing for projects that help prevent marine pollution and preserve clean water resources. The issuance marked a milestone for BDO Unibank Group for being the first private sector issuance for a blue bond in Southeast Asia.

The issuance of senior notes in 2020 is part of the Parent Bank's liability management initiatives to tap longer-term funding sources to support its dollar-denominated projects and refinance outstanding bonds.

The Parent Bank fully redeemed the US$654 million Senior Notes in 2023. Partial redemption of US$10 million was made in January 2023. Full redemption of the remaining balance amounting to US$644 million was made in March 2023.

19.2 Issuance of Fixed Rate Peso Bonds

On August 31, 2018, the BOD approved the establishment of a P100 billion Peso Bond Program. On February 1, 2020, the BOD approved an increase of P300 billion to the Parent Bank's Peso Bond Program.

On January 28, 2022, the Parent Bank issued P52,700 million of Peso-denominated fixed rate Association of Southeast Asian Nations (ASEAN) Sustainability Bonds. The bonds carry an interest rate of 2.9% per annum and will mature on January 28, 2024.

The Parent Bank's issuances of fixed rate peso bonds as follows:

Issue Date	Maturity Date	Coupon Interest	Principal Amount	Outstanding Balance 2023	Outstanding Balance 2022
January 28, 2022	January 28, 2024	2.90%	52,700	**P 52,899**	P 52,696

19.3 Reconciliation of Liabilities Arising from Financing Activities

Presented below is the reconciliation of liabilities arising from financing activities in 2023, 2022 and 2021, which includes both cash and non-cash changes.

BDO Unibank Group

	Foreign Banks	Senior Notes	Fixed Rate Peso Bonds	Local Banks	Deposit Substitute	BSP	Others	Total
Balance as of January 1, 2023	P 39,243	P 84,355	P 52,696	P 8,890	P 12,679	P -	P 1,028	P 198,891
Cash flows from financing activities								
Additional borrowings	83,782	-	-	49,602	49,465	20	4,745	187,614
Repayment of borrowings	(73,242)	(36,187)	-	(35,377)	(47,730)	(20)	(5,757)	(198,313)
Non-cash financing activities								
Interest amortization	1,572	(234)	203	670	74	-	(16)	2,269
Revaluation	(222)	(601)	-	(68)	12	-	-	(879)
Balance as of December 31, 2023	**P 51,133**	**P 47,333**	**P 52,899**	**P 23,717**	**P 14,500**	**P -**	**P -**	**P 189,582**
Balance as of January 1, 2022	P 46,881	P 73,053	P 76,436	P 2,640	P 893	P -	P 4,528	P 204,431
Cash flows from financing activities								
Additional borrowings	40,215	5,219	52,292	16,349	13,133	20	13,013	140,241
Repayment of borrowings	(49,099)	(1,205)	(76,436)	(10,126)	(1,026)	(20)	(16,512)	(154,424)
Non-cash financing activities								
Interest amortization	133	142	404	70	106	-	(1)	854
Revaluation	1,113	7,146	-	(43)	(427)	-	-	7,789
Balance as of December 31, 2022	P 39,243	P 84,355	P 52,696	P 8,890	P 12,679	P -	P 1,028	P 198,891
Balance as of January 1, 2021	P 43,652	P 83,138	P 76,156	P 6,798	P -	P -	P -	P 209,744
Cash flows from financing activities								
Additional borrowings	63,472	-	-	51,916	941	910	10,620	127,859
Repayment of borrowings	(61,475)	(15,300)	-	(56,063)	(48)	(910)	(6,109)	(139,905)
Non-cash financing activities								
Interest amortization	(3)	61	280	(17)	-	-	17	338
Revaluation	1,235	5,154	-	6	-	-	-	6,395
Balance as of December 31, 2021	P 46,881	P 73,053	P 76,436	P 2,640	P 893	P -	P 4,528	P 204,431

Parent Bank

Balance as of January 1, 2023	P 39,142	P 84,355	P 52,696	P -	P 12,679	P -	P -	P 188,872
Cash flows from financing activities								
Additional borrowings	81,922	-	-	2,829	49,465	10	-	134,226
Repayment of borrowings	(71,834)	(36,187)	-	-	(47,730)	(10)	-	(155,761)
Non-cash financing activities								
Interest amortization	1,539	(234)	203	33	74	-	-	1,615
Revaluation	(315)	(601)	-	(60)	12	-	-	(964)
Balance as of December 31, 2023	**P 50,454**	**P 47,333**	**P 52,899**	**P 2,802**	**P 14,500**	**P -**	**P -**	**P 167,988**
Balance as of January 1, 2022	P 45,792	P 73,053	P 76,436	P -	P 893	P -	P -	P 196,174
Cash flows from financing activities								
Additional borrowings	39,426	5,219	52,292	-	13,133	10	-	110,080
Repayment of borrowings	(47,292)	(1,205)	(76,436)	-	(1,026)	(10)	-	(125,969)
Non-cash financing activities								
Interest amortization	129	142	404	-	106	-	-	781
Revaluation	1,087	7,146	-	-	(427)	-	-	7,806
Balance as of December 31, 2022	P 39,142	P 84,355	P 52,696	P -	P 12,679	P -	P -	P 188,872
Balance as of January 1, 2021	P 43,573	P 83,138	P 76,156	P -	P -	P -	P -	P 202,867
Cash flows from financing activities								
Additional borrowings	59,811	-	-	-	941	10	-	60,762
Repayment of borrowings	(58,664)	(15,300)	-	-	(48)	(10)	-	(74,022)
Non-cash financing activities								
Interest amortization	(11)	61	280	-	-	-	-	330
Revaluation	1,083	5,154	-	-	-	-	-	6,237
Balance as of December 31, 2021	P 45,792	P 73,053	P 76,436	P -	P 893	P -	P -	P 196,174

20. INSURANCE CONTRACT LIABILITIES

This account consists of:

	2023	2022
Legal policy reserves	**P 71,996**	P 59,321
Policy and contract claims payable	**3,222**	3,516
Policyholders' dividends	**1,992**	1,526
	P 77,210	P 64,363

Insurance contract liabilities may be analyzed as follows:

	Insurance Contract Liabilities		Reinsurer's Share of Liabilities		Net	
	2023	2022	**2023**	2022	**2023**	2022
Aggregate reserves for:						
Ordinary life policies	**P 41,731**	P 30,781	**P -**	P -	**P 41,731**	P 30,781
Variable unit-linked (VUL) contracts	**29,565**	27,930	**-**	-	**29,565**	27,930
Group life insurance policies	**652**	609	**19**	20	**633**	589
Accident and health policies	**48**	1	**-**	-	**48**	1
Policy and contract claims	**3,222**	3,516	**40**	24	**3,182**	3,492
Policyholders' dividends	**1,992**	1,526	**-**	-	**1,992**	1,526
	P 77,210	P 64,363	**P 59**	P 44	**P 77,151**	P 64,319

The movements in legal policy reserves are as follows:

	Legal Policy Reserves		Reinsurer's Share of Liabilities		Net	
	2023	2022	**2023**	2022	**2023**	2022
Balance at the beginning of the year	**P 59,321**	P 60,438	**P 20**	P 31	**P 59,301**	P 60,407
Premiums received	**18,362**	19,240	**98**	73	**18,264**	19,167
Liability released for payments of death, maturity and surrender benefits and claims	**(11,635)**	(12,356)	**(99)**	(84)	**(11,536)**	(12,272)
Accretion of investment income or change in unit prices	**1,183**	542	**-**	-	**1,183**	542
Changes in valuation of interest rate	**4,073**	(9,620)	**-**	-	**4,073**	(9,620)
Change in assumptions/MfAD	**731**	574	**-**	-	**731**	574
Foreign exchange adjustments	**(39)**	503	**-**	-	**(39)**	503
Balance at end of year	**P 71,996**	P 59,321	**P 19**	P 20	**P 71,977**	P 59,301

The movement in Legal policy reserves for the years ended December 31, 2023 and 2022 is recognized as part of Policy reserves, insurance benefits and claims under Other Operating Expenses in the BDO Unibank Group's statements of income (see Note 25).

20.1 Key Assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to insurance contracts. The liability for life insurance contracts uses the discount rate as provided by the IC with other assumptions based on best estimate with regard to significant recent experience and appropriate margins for adverse deviations from the expected experience. Assumptions are further evaluated on a continuous basis in order to ensure adequacy of valuations. Assumptions are subject to the provisions of the Code and guidelines set by the IC.

20.2 Liability Adequacy Test

To test the adequacy of the statutory reserve liability, the present value of the current estimates of future cash flows is calculated without margins for adverse deviations and compared to the booked statutory reserve liability. The test for adequacy is sensitive to the following key assumptions.

(a) *Mortality rates.* Assumptions are based on standard industry and morbidity tables, according to the type of contract written and adjusted, if appropriate, to reflect the BDO Unibank Group's own experiences. The 2017 Philippine Intercompany Mortality Table was chosen as an appropriate base table used in projecting death claims. Higher mortality and morbidity rates would lead to a larger number of claims, increasing the benefit payments and reducing profits for the shareholders.

(b) *Discount rates.* The discount rate affects the calculated present value of the cash flows. The estimate is based on current market returns as well as expectations about future economic and financial developments. A decrease in the discount rate will increase the present value of the cash flows. The discount rate used in the LAT is 5.50% for Peso and 5.00% for Dollar in 2023, and 6.25% for Peso and 5.50% for Dollar in 2022.

(c) *Expense assumptions.* The expense assumptions are based on the BDO Unibank Group's actual current expense experience as determined by an expense study. Future expense assumptions are projected based on the BDO Unibank Group's expense forecasts.

(d) *Lapse and surrender rates.* The lapse and surrender rates assumed vary by product type and policy duration. These assumptions are based on the BDO Unibank Group's experience.

Reinsurers' share of liabilities is recorded as part of Others under Other Resources in the BDO Unibank Group's statements of financial position (see Note 16).

21. OTHER LIABILITIES

Other liabilities consist of the following:

		BDO Unibank Group		Parent Bank	
	Notes	**2023**	2022	**2023**	2022
Accounts payable		**P 26,743**	P 20,885	**P 21,961**	P 15,599
Accrued expenses		**19,075**	18,723	**17,790**	17,396
Outstanding acceptances payable		**13,346**	21,983	**13,346**	21,983
Lease liabilities	13.2	**13,034**	13,344	**12,807**	12,927
Manager's checks		**12,912**	12,774	**12,843**	12,655
Bills purchased – contra		**10,569**	9,601	**10,569**	9,601
Derivatives with negative fair values	10.1, 27(d)(i)(4)	**5,139**	7,809	**1,859**	3,636
Premium on deposit fund		**3,819**	3,971	**-**	-
Withholding taxes payable		**3,302**	2,669	**3,077**	2,449
Lease deposits	34.2.1	**1,976**	1,070	**112**	123
Due to BSP and Treasurer of the Philippines		**1,178**	722	**1,174**	719
Capitalized interest and other charges		**458**	297	**255**	254
Due to principal		**375**	206	**-**	-
Others	17, 34.1.3	**12,839**	15,060	**11,802**	13,194
		P 124,765	P 129,114	**P 107,595**	P 110,536

The liability for unredeemed reward points amounting to P3,177 and P3,211 as of December 31, 2023 and 2022, respectively, presented as part of Accrued expenses, represents the fair value of points earned which are redeemable significantly for goods or services provided by third parties identified by the Parent Bank as partners in the rewards program (see Note 2.16).

Others include margin deposits, life insurance deposits, cash letters of credit and other miscellaneous liabilities.

Interest expense on certain liabilities amounting to P131, P94 and P78 in 2023, 2022 and 2021, respectively, for the BDO Unibank Group and P51, P19 and P10 in 2023, 2022 and 2021, respectively, for the Parent Bank which are presented as part of Interest expense on bills payable and other liabilities under Interest Expense account in the statements of income (see Note 24).

Impairment losses recognized for off-books account amounted to P12, P5 and P28, and on miscellaneous liabilities – damage suit amounting to P7, nil and nil, for both the BDO Unibank Group and the Parent Bank in 2023, 2022 and 2021, respectively. The accumulated impairment losses as of December 31, 2023, 2022 and 2021 amounting to P203, P233 and P289, respectively, for both the BDO Unibank Group and the Parent Bank are recorded as part of Others under Other Liabilities account in the statements of financial position (see Note 17).

22. EQUITY

22.1 Capital Stock

Capital stock consists of the following:

	Number of Shares		Amount	
	2023	2022	**2023**	2022
Preferred shares – P10 par value				
Authorized				
Balance at end of year	**1,000,000,000**	1,000,000,000	**P 10,000**	P 10,000
Issued, fully paid and outstanding				
Balance at beginning of year	**618,000,000**	515,000,000	**P 6,180**	P 5,150
Issued during the year	**-**	103,000,000	**-**	1,030
Balance at end of year	**618,000,000**	618,000,000	**P 6,180**	P 6,180
Common shares – P10 par value				
Authorized				
Balance at end of year	**8,500,000,000**	8,500,000,000	**P 85,000**	P 85,000
Issued, fully paid and outstanding				
Balance at beginning of year	**5,264,126,605**	4,385,519,015	**P 52,640**	P 43,855
Issued during the year	**4,230,699**	878,612,660	**43**	8,786
Treasury shares - at cost	**-**	(5,070)	**-**	(1)
Balance at end of year	**5,268,357,304**	5,264,126,605	**P 52,683**	P 52,640

22.1.1 Preferred Shares

The following are the features of the BDO Unibank Group and the Parent Bank's preferred shares:

(a) Perpetual, voting, non-cumulative, convertible, non-participating, peso-denominated Series A shares;

(b) Convertible to common shares at the option of the holder after five years from the issue date or at the option of BDO Unibank Group at any time after issue date; and,

(c) Dividend rate is 6.50% per annum of the par value.

22.1.2 Common Shares

The Parent Bank's application for listing of its common shares was approved by the PSE on April 24, 2002. The application is for the initial listing of up to 952,708,650 common shares, with par value of P10 per share, at an offer price range of P17.80 to P23.80 per share. The proceeds from the sale of BDO Unibank's listed shares amounted to about P2,200.

On September 24, 2016, the Parent Bank's BOD authorized the Parent Bank to raise P60,000 in additional core capital through a stock rights offer. The BSP and the PSE approved the transaction on November 23, 2016 and December 14, 2016, respectively.

On January 3, 2017, the Parent Bank fixed the final terms for the stock rights offer which entitled eligible shareholders to subscribe to one common share for every 5.095 common shares held as of January 5, 2017 record date at an offer price of P83.75 per rights share. The offer period ran from January 16, 2017 to January 24, 2017.

Following the close of the offer period, the Parent Bank successfully completed its stock rights offer and 716,402,886 common shares were issued and subsequently listed on the PSE on January 31, 2017. The issuance resulted in recognition of Additional Paid-in Capital amounting to P52,662, net of related transaction costs totaling to P172. The fresh capital will support the Parent Bank's medium-term growth objectives amid the country's favorable macroeconomic prospects and provide a comfortable buffer over higher capital requirements with the forthcoming imposition of DSIB surcharge.

The history of shares issuances from the initial public offering (IPO) and subsequently, private placements exempt from registration pursuant to Section 10.1 of the Securities Regulation Code and other issuances, is as follows:

Transaction	Subscriber	Issue Date	Number of Shares Issued
IPO	Various	May 21, 2002	908,189,550
Private placement	IFC	June 21, 2005	31,403,592
Private placement	UOBP	February 8, 2006	22,429,906
BDO-EPCIB Merger	BDO-EPCIB Merger	May 31, 2007	1,308,606,021
Private placement	IFC	August 23, 2007	31,403,592
Private placement	GE Capital International Holdings Corporation	August 20, 2009	37,735,849
Private placement	Multi Realty Development Corporation	April 23, 2010	107,320,482
Private placement	IFC	April 26, 2010	24,033,253
Private placement	IFC Capitalization (Equity) Fund, L.P.	April 26, 2010	136,315,662
Stock dividends	Various	June 8, 2012	78,218,589
Stock rights	Various	July 4, 2012	895,218,832
Private placement	Sybase Equity Investments Corporation	July 20, 2015	64,499,890
Stock options	Various employees	June 6, 2016 to December 31, 2016	4,592,430
Balance carried forward			3,649,967,648

Transaction	Subscriber	Issue Date	Number of Shares Issued
Balance brought forward			3,649,967,648
Stock options	Various employees	January 3, 2017 to December 27, 2017	2,604,020
Stock rights	Various employees	January 31, 2017	716,402,886
Stock rights	Various employees	January 31, 2018	5,073,510
Stock options	Various employees	January 7, 2019 to December 26, 2019	7,322,270
Stock options	Various employees	January 6, 2020 to December 28, 2020	2,857,581
Stock options	Various employees	January 15, 2021 to December 15, 2021	1,291,100
Stock dividends	Various	December 29, 2022	877,337,627
Stock options	Various employees	January 17, 2022 to December 27, 2022	1,275,033
Stock options	Various employees	January 5, 2023 to December 27, 2023	4,230,699
			5,268,362,374

22.2 BDO American Depositary Receipt Program

On April 18, 2013, the Parent Bank launched its Sponsored Level 1 American Depositary Receipt (ADR) Program by which negotiable securities representing underlying BDO common shares can be traded in the U.S. over-the-counter (OTC) market. This provides flexibility for U.S. investors to trade BDO common shares in their time zone and settle their transactions locally. It is meant to tap the pool of U.S. ADR investors, enhance visibility and global presence and diversify and broaden the Parent Bank's shareholder base. ADRs are quoted and traded in U.S. dollars, and cash dividends received on the underlying shares are paid to investors also in U.S. dollars. The ADR ratio for BDO's sponsored Level 1 ADR Program is 1:10, with each ADR representing ten underlying BDO common shares.

The sponsored Level 1 ADR Program does not necessitate the issuance of new shares as ADRs are traded on the U.S. OTC/secondary market using existing shares, in contrast to the sponsored Level II ADR or sponsored Level III ADR where shares are fully listed on a recognized U.S. exchange (e.g., NYSE, NASDAQ). As such, a Level 1 ADR is not a capital raising transaction, to differentiate it from Level III ADR, which allows the issuer to raise capital through a public offering of ADRs in the U.S. The sponsored Level 1 ADR is exempt, under U.S. SEC Rule 12g3-2(b), from SEC registration, disclosure requirements and reporting obligations, including Sarbanes-Oxley and U.S. generally accepted accounting principles.

The Parent Bank appointed Deutsche Bank (DB) as the exclusive depositary of ADRs for a period of five years. As depositary bank, DB is responsible for the issuance and cancellation, as well as the registration of the ADRs; custody of the underlying BDO common shares and maintenance of the register of holders; the distribution of dividends; and execution of corporate actions and services to the Issuer (i.e., BDO)/Investor/Broker. In October 2018, the Parent Bank renewed the appointment of DB as the exclusive depositary of ADRs for another five years. Subsequently, in April 2023, the Parent Bank renewed the appointment of DB as the exclusive depositary of ADRs for another year.

As of December 31, 2023 and 2022, 802,252 and 554,539 ADRs valued at US$18,451,796 and US$11,567,684 (absolute amount), respectively, remained outstanding (computed using ADR closing price of US$23.00/share and US$20.86/share, respectively).

22.3 Surplus Free

The details of the Parent Bank's cash dividend distributions are as follows:

Date Declared and Approved	Common shares dividend Per Share	Common shares dividend Total Amount	Record Date	Date Paid/Payable
February 24, 2021	P 0.30	P 1,315	March 15, 2021	March 25, 2021
May 29, 2021	0.30	1,315	June 16, 2021	June 25, 2021
August 27, 2021	0.30	1,316	September 15, 2021	September 24, 2021
December 4, 2021	0.30	1,316	December 22, 2021	December 29, 2021
February 24, 2022	0.30	1,316	March 14, 2022	March 31, 2022
April 22, 2022	1.00	4,386	May 6, 2022	May 31, 2022
May 28, 2022	0.30	1,316	June 14, 2022	June 30, 2022
August 26, 2022	0.30	1,316	September 13, 2022	September 30, 2022
December 3, 2022	0.30	1,579	December 20, 2022	December 29, 2022
February 24, 2023	0.75	3,949	March 13, 2023	March 31, 2023
May 27, 2023	0.75	3,949	June 14, 2023	June 30, 2023
August 25, 2023	0.75	3,951	September 12, 2023	September 29, 2023
December 6, 2023	0.75	3,951	December 22, 2023	December 29, 2023

Date Declared and Approved	Preferred shares dividend Per Annum	Preferred shares dividend Total Amount	Date Paid/ Payable
January 30, 2021	6.50%	P 340	February 22, 2021
January 29, 2022	6.50%	339	February 22, 2022
January 28, 2023	6.50%	407	February 20, 2023

On March 26, 2022, the BOD approved the declaration of stock dividends equivalent to 20% of the BDO Unibank's outstanding capital stock to be issued out of the increase in BDO Unibank's authorized capital stock (common shares) from 5,500,000,000 to 8,500,000,000 shares amounting to P85,000 with par value of P10 per share and 103,000,000 preferred shares with a par value of P10 per share, payable to all stockholders as of record date.

On November 29, 2022, the Parent Bank received the approval from the SEC for this stock dividend issuance, setting December 15, 2022 as the record date. The stock dividends were issued on December 29, 2022.

22.4 ESOP

For options that were exercised in 2023 and 2022, BDO Unibank Group issued new common shares of 4,230,699 and 1,275,033, respectively, from its authorized capital stock.

Set out below are summaries of number of options vested under the plan:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at beginning of year	**18,385,887**	14,950,363	**16,597,848**	12,985,298
Vested during the year	**10,659,436**	10,018,699	**10,137,563**	9,492,930
Forfeited during the year	**(57,825)**	(43,235)	**(51,400)**	(36,135)
Expired during the year	**(55,500)**	(557,900)	**(55,500)**	(431,400)
Exercised during the year	**(11,315,602)**	(5,982,040)	**(10,621,149)**	(5,412,845)
Balance at end of year	**17,616,396**	18,385,887	**16,007,362**	16,597,848

The weighted average exercise price was P116.77 and P110.69 for the years ended December 31, 2023 and 2022, respectively.

The share options expensed and included as part of Compensation and benefits under Other Operating Expenses in the BDO Unibank Group's statements of income, amounted to P903, P294 and P273 in 2023, 2022 and 2021, respectively, and in the Parent Bank's statements of income, amounted to P858, P289 and P252, respectively (see Note 26.1).

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

	2023	2022
Average option life	**5 years**	5 years
Average share price at grant date	**P 140.00**	P 119.50
Average exercise price at grant date	**P 120.92**	P 118.29
Average fair value of options at grant date	**P 47.32**	P 41.07
Average standard deviation of share price returns	**29.55%**	30.29%
Average dividend yield	**2.60%**	0.97%
Average risk-free investment rate	**6.07%**	5.72%

The underlying expected volatility was determined by reference to historical prices of the Parent Bank's shares over a period of one year.

22.5 Surplus Reserves

The Parent Bank appropriated its Surplus Free amounting to P23 in 2023, P132 for 2022 and P44 in 2021 representing insurance fund on losses due to fire, robbery, and other cash losses. BDO Network appropriated its Surplus Free amounting to P4, P5 and P3 in 2023, 2022 and 2021, respectively, representing insurance fund on losses due to fire, robbery and other cash losses.

The BDO Unibank Group and the Parent Bank appropriated its Surplus Free for impairment of general loan loss portfolio amounting to P2,090 and P1,986 in 2023, P2,475 and P2,311 in 2022 and P1,337 and P1,250 in 2021, respectively. The accumulated amount of appropriation to surplus reserves for general loan loss portfolio as of December 31, 2023, 2022 and 2021 amounted to P17,995, P15,905 and P13,430, respectively, for BDO Unibank Group and P17,463, P15,477 and P13,166, respectively, for the Parent Bank. This appropriation was prescribed by BSP and was recognized as part of Surplus Reserves account.

In compliance with BSP regulations, 10% of BDO Unibank Group and the Parent Bank's profit from trust business both amounting to P262, P251 and P263 in 2023, 2022 and 2021, respectively, is appropriated to surplus reserves (see Note 28).

Also, included in the 2023, 2022 and 2021 surplus reserves are the appropriations made by BDO Securities and ASI (see Note 2.3) totaling nil, P5 and P2 respectively, as part of the reserve fund requirement of SEC Memorandum Circular No. 16, *Adoption of the Risk Based Capital Adequacy Requirement/Ratio for Broker Dealers*. On July 28, 2022, ASI was sold to a third party which resulted in the reversal of Surplus Reserves amounting to P14 (see Note 2.3).

23. INTEREST INCOME

Interest income consists of the following:

	Notes	BDO Unibank Group			Parent Bank		
		2023	2022	2021	**2023**	2022	2021
Loans and other receivables	11, 27	**P 194,848**	P 140,760	P 124,548	**P 186,697**	P 134,036	P119,566
Trading and investment securities:							
At amortized cost	10.3	**23,117**	17,490	12,410	**22,184**	16,612	11,633
At FVOCI	10.2	**14,272**	7,275	6,215	**10,019**	4,641	3,939
At FVTPL	10.1	**128**	103	92	**89**	69	59
Due from BSP and other banks	8, 9	**7,741**	3,366	1,554	**7,317**	3,207	1,533
Others		**90**	77	60	**83**	67	42
		P 240,196	P 169,071	P 144,879	**P 226,389**	P 158,632	P136,772

24. INTEREST EXPENSE

Interest expense is composed of the following:

	Notes	BDO Unibank Group			Parent Bank		
		2023	2022	2021	**2023**	2022	2021
Deposit liabilities	18, 27	**P 45,738**	P 12,377	P 6,952	**P 43,965**	P 11,572	P 6,644
Bills payable and other liabilities	19, 21, 26.2	**7,132**	6,535	5,764	**6,263**	6,251	5,455
Finance lease liabilities	13.2, 21	**939**	927	817	**883**	905	807
		P 53,809	P 19,839	P 13,533	**P 51,111**	P 18,728	P 12,906

25. OTHER OPERATING INCOME AND EXPENSES

Other operating income is composed of the following:

	Notes	BDO Unibank Group			Parent Bank		
		2023	2022	2021	**2023**	2022	2021
Service charges, fees and commissions	27	**P 43,201**	P 38,545	P 30,485	P **36,677**	P 31,061	P 25,293
Insurance premiums		**18,121**	18,938	18,136	**-**	-	-
Foreign exchange gains	10.1	**4,852**	6,060	3,621	**4,614**	5,182	3,273
Trust fees	28	**4,698**	4,555	4,364	**3,539**	3,395	3,477
Trading gains (losses) - net	10.1	**1,570**	(600)	220	**1,224**	(299)	(349)
Rental	14	**1,356**	1,301	1,269	**460**	492	482
Share in net income of subsidiaries and associates	15	**1,273**	849	814	**8,378**	8,710	6,350
Income from assets sold or exchanged	14	**943**	483	1,275	**910**	326	1,174
Dividends	10.1	**203**	147	207	**14**	18	19
Miscellaneous - net	30.4, 34.2.1	**7,800**	1,257	963	**1,498**	1,244	916
		P 84,017	P 71,535	P 61,354	**P 57,314**	P 50,129	P 40,635

Other operating expenses consist of the following:

	Notes	BDO Unibank Group 2023	2022	2021	Parent Bank 2023	2022	2021
Compensation and benefits	26.1	**P 48,181**	P 44,405	P 41,744	**P 40,857**	P 37,955	P 35,786
Fees and commissions		**30,028**	22,570	17,140	**29,015**	21,606	16,600
Taxes and licenses	14	**19,211**	13,167	11,180	**17,269**	11,509	10,009
Policy reserves, insurance benefits and claims	20	**13,702**	14,492	15,633	**-**	-	-
Occupancy	12, 14, 13.3, 16.5, 27	**12,125**	10,553	9,222	**10,602**	9,182	7,963
Insurance	27	**7,098**	6,342	5,828	**6,954**	6,218	5,715
Security, clerical, messengerial and janitorial		**4,828**	4,202	3,851	**4,423**	3,843	3,522
Advertising		**3,310**	2,016	2,586	**3,139**	1,823	2,509
Information technology		**2,941**	1,104	1,136	**2,840**	1,057	1,113
Amortization of computer software	16.5	**2,937**	1,356	1,342	**2,842**	1,259	1,291
Repairs and maintenance	27	**2,575**	2,334	1,982	**2,384**	2,158	1,855
Representation and entertainment		**1,572**	1,317	1,806	**1,389**	1,141	1,573
Power, light and water		**1,461**	1,402	1,130	**1,294**	1,263	1,047
Supplies		**1,181**	794	731	**1,022**	675	606
Traveling		**1,123**	991	883	**705**	638	619
Litigation on assets acquired		**689**	854	773	**665**	834	766
Telecommunication		**608**	520	560	**495**	421	456
Freight		**507**	422	378	**456**	372	339
Miscellaneous	16.5, 27	**2,750**	2,367	1,970	**2,591**	2,165	1,844
		P156,827	P 131,208	P 119,875	**P 128,942**	P 104,119	P 93,613

26. COMPENSATION AND BENEFITS

26.1 Compensation and Benefits

Expenses recognized for compensation and benefits are presented below.

	Notes	BDO Unibank Group 2023	2022	2021	Parent Bank 2023	2022	2021
Salaries and wages	27	**P 28,789**	P 26,465	P 23,914	**P 24,162**	P 22,375	P 20,409
Bonus		**9,153**	8,387	7,876	**7,989**	7,360	6,942
Retirement – defined benefit plan	26.2	**3,306**	2,961	2,421	**2,836**	2,583	1,825
Social security costs		**1,773**	1,413	1,254	**1,484**	1,195	1,062
Employee stock option plan	22.4, 26.3	**903**	294	273	**858**	289	252
Other benefits		**4,257**	4,885	6,006	**3,528**	4,153	5,296
	25	**P 48,181**	P 44,405	P 41,744	**P 40,857**	P 37,955	P 35,786

26.2 Post-employment Benefits

(a) Characteristics of the Defined Benefit Plan

The BDO Unibank Group and the Parent Bank maintain a fully funded, multi-employer and tax-qualified noncontributory retirement plan that is being administered by the Parent Bank's trust and investment group as trustee covering all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provided for an early retirement at age of 50 with a minimum of ten years of credited service and late retirement up to age 65. Normal retirement benefit is an amount equivalent to a percentage ranging from 50% to 200% of plan salary for every year of credited service but not less than the regulatory benefit under Republic Act No. 7641, plus the cash conversion of accumulated vacation and sick leaves, if any.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2023 and 2022.

The amounts of Retirement assets recognized under Other Resources account (see Note 16), in the statements of financial position are determined as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Present value of the DBO	**P 53,328**	P 43,139	**P 48,406**	P 39,252
Fair value of plan assets	**(53,968)**	(43,396)	**(48,406)**	(39,252)
Surplus of plan assets	**(640)**	(257)	**-**	-
Effect of asset ceiling	**68**	42	**-**	-
Retirement benefit assets	**(P 572)**	(P 215)	**P -**	P -

The movements in the present value of the DBO are as follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 43,139**	P 42,440	**P 39,252**	P 38,325
Benefits paid by the plan	**(3,420)**	(2,285)	**(3,167)**	(2,086)
Current service cost	**3,306**	2,961	**2,836**	2,583
Interest expense	**3,288**	2,399	**2,988**	2,167
Transfer to the plan	**-**	-	**32**	110
Remeasurements:				
Actuarial losses (gains) arising from changes in:				
- financial assumptions	**3,943**	(5,357)	**3,485**	(4,759)
- experience adjustments	**2,079**	1,066	**2,045**	1,088
- demographic assumptions	**990**	1,915	**935**	1,824
Business combinations	**3**	-	**-**	-
Balance at end of year	**P 53,328**	P 43,139	**P 48,406**	P 39,252

The movements in the fair value of plan assets are presented below.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Balance at beginning of year	**P 43,396**	P 38,647	**P 39,252**	P 34,675
Contributions paid into the plan	**10,714**	8,746	**9,447**	8,136
Interest income	**3,590**	2,107	**3,236**	1,899
Benefits paid by the plan	**(3,420)**	(2,285)	**(3,167)**	(2,086)
Transfer to the plan	**-**	-	**32**	110
Remeasurement loss - return on plan assets (excluding amounts included in net interest)	**(314)**	(3,819)	**(394)**	(3,482)
Business combinations	**2**	-	**-**	-
Balance at end of year	**P 53,968**	P 43,396	**P 48,406**	P 39,252

The composition of the fair value of plan assets at the end of the reporting period for each category and risk characteristics are shown below.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Debt securities:				
Government bonds	**P 35,003**	P 25,317	**P 31,396**	P 22,900
Corporate bonds	**7,156**	7,416	**6,419**	6,708
UITFs	**5,510**	10,706	**4,942**	9,683
Equity securities	**5,138**	2,400	**4,608**	2,171
Loans and other receivables	**292**	512	**261**	463
Cash and cash equivalents	**76**	126	**68**	114
Other properties - net	**793**	(3,081)	**712**	(2,787)
	P 53,968	P 43,396	**P 48,406**	P 39,252

Actual returns on plan assets were P3,276 and P2,842 in 2023 and (P1,712) and (P1,583) in 2022 in the BDO Unibank Group and the Parent Bank's financial statements, respectively.

Certain plan assets include BDO Unibank Group's own financial instruments [see Note 27(c)].

The fair value of the plan assets is at Level 1 in the fair value hierarchy except for UITFs which are at Level 2, loans and other receivables and other properties, which are at Level 3.

The components of amounts recognized in profit or loss and in other comprehensive income of the BDO Unibank Group and the Parent Bank in respect to the defined benefit plan is as follows:

	BDO Unibank Group		
	2023	2022	2021
Recognized in profit or loss:			
Current service costs	**P 3,306**	P 2,961	P 2,040
Past service costs	**-**	-	381
Interest expense (income)	**(299)**	292	(53)
	P 3,007	P 3,253	P 2,368
Recognized in other comprehensive income, net of tax (see Note 31.1):			
Actuarial losses (gains) arising from change in:			
- financial assumptions	**P 2,957**	(P 4,018)	P 2,379
- experience adjustments	**1,559**	799	3,102
- demographic assumptions	**743**	1,436	248
Remeasurement losses (gains) arising from:			
- return on plan assets (excluding amounts included in net interest expense)	**236**	2,864	(423)
- changes in the effect of the asset ceiling	**17**	27	(43)
	5,512	1,108	5,263
Effect of change in income tax rate	**-**	-	750
	5,512	1,108	6,013
Share in actuarial losses (gains) of associates	**5**	(11)	9
	P 5,517	P 1,097	P 6,022

	Parent Bank		
	2023	2022	2021
Recognized in profit or loss:			
Current service costs	**P 2,836**	P 2,583	P 1,825
Interest expense (income)	**(248)**	268	(55)
	P 2,588	P 2,851	P 1,770
Recognized in other comprehensive income, net of tax (see Note 31.1):			
Actuarial losses (gains) arising from change in:			
- financial assumptions	**P 2,614**	(P 3,569)	P 2,599
- experience adjustments	**1,534**	816	2,651
- demographic assumptions	**701**	1,368	40
Remeasurement losses (gains) arising from:			
- return on plan assets (excluding amounts included in net interest expense)	**295**	2,612	(305)
- changes in the effect of the asset ceiling	**-**	-	(37)
	5,144	1,227	4,948
Effect of change in income tax rate	**-**	-	715
	5,144	1,277	5,663
Share in actuarial losses (gains) of subsidiaries and associates	**343**	(126)	342
	P 5,487	P 1,101	P 6,005

Current service costs are presented as part of Compensation and benefits under Other Operating Expenses account (see Note 25) while interest expense or income are presented or offset against Interest Expense account (see Note 24) in the statements of income of the BDO Unibank Group and the Parent Bank.

Amounts recognized in other comprehensive income were included within the items that will not be reclassified subsequently to profit or loss in the statements of comprehensive income.

In determining the amounts of post-employment benefit obligation, the following significant actuarial assumptions were used:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Discount rates	**6.92%**	7.62% - 7.88%	**6.92%**	7.63%
Expected rate of salary increases	**1.00% - 13.00%**	2.00% - 14.00%	**5.00% - 10.00%**	4.75% - 11.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 22.7 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms of maturity approximating the terms of the retirement obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the BDO Unibank Group and the Parent Bank to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan is composed of investment in UITF, debt and equity instruments, cash and cash equivalents, and loans and receivables. Due to the long-term nature of plan obligation, a level of continuing debt securities is an appropriate element of the BDO Unibank Group's long-term strategy to manage the plans effectively.

(iii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) Sensitivity Analysis

The table below summarizes the effects of changes in the significant actuarial assumptions used in the determination of the retirement benefit asset as of December 31, 2023 and 2022.

	BDO Unibank Group			Parent Bank		
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Change in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2023						
Discount rate	**+/-1%**	**P 2,913**	**(P 3,276)**	**+/-1%**	**P 2,449**	**(P 2,723)**
Salary increase rate	**+/-1%**	**(3,201)**	**2,906**	**+/-1%**	**(2,666)**	**2,447**
December 31, 2022						
Discount rate	+/-1%	P 1,954	(P 2,166)	+/-1%	P 1,615	(P 1,764)
Salary increase rate	+/-1%	(2,150)	1,978	+/-1%	(1,757)	1,639

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, BDO Unibank Group through its Compensation Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds or UITFs) with maturities that match the benefit payments as they fall due and in the appropriate currency. BDO Unibank Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the plan assets as of December 31, 2023 and 2022 consists of debt instruments and UITFs, although the BDO Unibank Group and the Parent Bank also invest in cash and cash equivalents, equity instruments and properties. The debt instruments include government bonds and corporate bonds.

There has been no change in the BDO Unibank Group and the Parent Bank's strategies to manage its risks from previous periods.

(iii) Funding Arrangements and Expected Contributions

As of December 31, 2023, the plan of the BDO Unibank Group is overfunded by P572 while the Parent Bank is fully funded based on the latest actuarial valuation report.

The BDO Unibank Group and the Parent Bank expect to pay P11,782 and P10,960, respectively, as contributions to retirement benefit plans in 2024.

The expected maturity of undiscounted expected benefits payments of BDO Unibank Group and the Parent Bank from the plan for the next ten years is presented as follows:

	BDO Unibank Group	Parent Bank
Between one to five years	P 45,044	P 42,090
Between six to ten years	38,340	34,603
	P 83,384	**P 76,693**

The weighted average duration of the defined benefit obligation at the end of the reporting period is 3.8 to 13.4 years for the BDO Unibank Group and 5.2 years for the Parent Bank.

26.3 ESOP

BDO Unibank Group's ESOP expense includes the amounts recognized by the Parent Bank and its subsidiaries over the vesting period. In 2023 and 2022, vested shares totaled 10,659,436 shares and 10,018,699 shares, respectively, for BDO Unibank Group, and 10,137,563 shares and 9,492,930 shares, respectively, for Parent Bank.

The ESOP expense, included as part of Compensation and benefits under Other Operating Expenses in the BDO Unibank Group's statements of income, amounted to P903, P294 and P273 in 2023, 2022 and 2021, respectively, and in the Parent Bank's statements of income, amounted to P858, P289 and P252, respectively (see Note 26.1).

27. RELATED PARTY TRANSACTIONS

The Parent Bank created a Related Party Transactions Committee composed of two independent directors and a non-executive director, as of December 31, 2023. The said committee exercises oversight role to ensure bank compliance with BSP regulations on related party transactions.

The summary of BDO Unibank Group's significant transactions with its related parties as of December 31, 2023 and 2022 and for each of the three years ended are as follows:

		Amounts of Transaction			Outstanding Balance	
Related Party Category	Note	**2023**	2022	2021	**2023**	2022
DOSRI Loans	27(a)					
Stockholders		**P 15,684**	P 11,241	P 24,854	**P 25,403**	P 21,122
Related Parties under Common Ownership		**-**	2	12	**-**	-
Directors		**-**	-	3	**-**	-
Officers and Employees		**2,398**	1,900	1,807	**2,352**	2,254
Deposit Liabilities	27(b)					
Stockholders		**537,059**	500,212	468,175	**21,556**	27,962
Related Parties under Common Ownership		**1,768**	16,992	2,670	**164**	227
Directors		**1,096**	561	443	**15**	32
Officers and Employees		**-**	-	222	**-**	-
Other Transactions with Associates	27(d)					
Loans and Advances		**-**	-	480	**-**	7,895
Interest Income		**559**	295	251	**-**	98
Related Parties Under Common Ownership	27(d)					
Right-of-use Asset		**993**	1,619	1,677	**4,776**	4,818
Lease Liabilities		**104**	1,361	1,474	**2,764**	3,199
Interest Expense		**48**	87	77	**203**	237
Depreciation Expense		**154**	263	184	**1,018**	1,098
Key Management Personnel	27(d)					
Compensation		**1,694**	1,673	1,543	**-**	-
Retirement Plan	27(c)	**(194)**	(263)	160	**8,515**	5,705

The summary of the Parent Bank's significant transactions with its related parties as of December 31, 2023 and 2022 and for each of the three years ended are as follows:

		Amounts of Transaction			Outstanding Balance	
Related Party Category	Note	**2023**	2022	2021	**2023**	2022
DOSRI Loans	27(a)					
Stockholders		**P 15,684**	P 11,241	P 24,854	**P 25,403**	P 21,122
Related Parties under Common Ownership		**-**	2	12	**-**	-
Directors		**-**	-	3	**-**	-
Officers and Employees		**2,398**	1,898	1,805	**2,350**	2,250
Deposit Liabilities	27(b)					
Stockholders		**537,059**	500,212	468,175	**21,556**	27,962
Related Parties under Common Ownership		**1,149**	990	2,324	**62**	83
Directors		**1,096**	561	443	**15**	32
Officers and Employees		**-**	-	222	**-**	-
Other Transactions with Subsidiaries	27(d)					
Loans and Advances		**50,421**	28,755	25,011	**24,284**	9,339
Derivative Assets		**1,425**	3,059	992	**15**	123
Derivative Liabilities		**8,249**	1,738	612	**160**	60
Deposit Liabilities		**(5,485)**	6,599	(572)	**5,883**	11,368
Miscellaneous Assets		**126**	(83)	117	**185**	59
Miscellaneous Liabilities		**-**	28	(28)	**-**	-
Interest Income		**1,055**	183	119	**191**	24
Rent Income		**134**	143	136	**-**	-
Service Fees		**1,244**	1,070	874	**-**	-
Interest Expense		**135**	79	5	**2**	70

Related Party Category	Note	Amounts of Transaction 2023	2022	2021	Outstanding Balance 2023	2022
Other Transactions with Subsidiaries	27(d)					
Right-of-use Asset		**P 370**	P 24	P -	**P 456**	P 100
Lease Liabilities		**396**	3	(12)	**516**	117
Depreciation/Amortization		**14**	16	14	**-**	-
Interest Expense – Finance Lease Payment Payable		**3**	7	7	**-**	-
Trust Fees		**176**	120	120	**-**	-
Miscellaneous Expense		**42**	83	117	**-**	-
Insurance Expense		**50**	56	42	**-**	-
Trading Gain/Loss		**(57)**	230	(20)	**-**	-
Miscellaneous Income		**110**	123	49	**-**	-
Repairs and Maintenance		**1**	1	1	**-**	-
Fees and Commission		**216**	135	140	**-**	-
Management & other professional fees		**1**	-	-	**-**	-
Other Transactions with Associates	27(d)					
Loans and Advances		**-**	-	480	**-**	7,895
Interest Income		**559**	295	251	**559**	98
Related Parties under Common Ownership	27(d)					
Right-of-use Asset		**993**	1,619	1,677	**4,776**	4,818
Lease Liabilities		**104**	1,361	1,474	**2,764**	3,199
Interest Expense		**48**	87	77	**203**	237
Depreciation Expense		**154**	263	184	**1,018**	1,098
Key Management Personnel	27(d)					
Compensation		**1,006**	966	905	**-**	-
Retirement Plan	27(c)	**(194)**	(263)	160	**8,513**	5,703

In the ordinary course of business, the BDO Unibank Group and the Parent Bank have loans, deposits and other transactions with its related parties and with certain DOSRI as described below and in the succeeding pages.

(a) Loans to Related Parties

Under existing policies of the BDO Unibank Group and the Parent Bank, these loans bear interest rates ranging from 0.00% to 13.50% per annum in 2023 and 0.00% to 9.00% per annum in 2022 and 2021, which are substantially the same terms as loans granted to other individuals and businesses of comparable risks. The General Banking Act and BSP regulations limit the amount of the loans granted by a bank to a single borrower to 25% of unimpaired capital. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of their unencumbered deposit and book value of their paid-in capital contribution in the Parent Bank.

Secured Loans to Related Parties are collateralized by publicly-listed shares, hold-out on deposits, chattels and real estate mortgages and are payable within 20 years.

The total loan releases and collections in 2023 amounted to P18,082 and P13,703 for the BDO Unibank Group and P18,082 and P13,701 for the Parent Bank, respectively. The total loan releases and collections in 2022 amounted to P13,143 and P26,101 for the BDO Unibank Group and P13,141 and P26,100 for the Parent Bank, respectively. The total loan releases and collections in 2021 amounted to P26,676 and P15,713 for the BDO Unibank Group and P26,674 and P15,709 for the Parent Bank, respectively.

(b) Deposits from Related Parties

The total deposits made by the related parties amounted to P539,923, P517,765 and P471,510 in 2023, 2022 and 2021 for the BDO Unibank Group, and P539,304, P501,763 and P471,164 in 2023, 2022 and 2021 for the Parent Bank, respectively, and bearing interest rates range of 0.00% to 6.38% in 2023, 0.00% to 5.38% in 2022, and 0.00% to 4.53% 2021, respectively. The related interest expense from deposits amounted to P1,035, P935 and P795 in 2023, 2022 and 2021, respectively (see Note 24).

(c) Transactions with Retirement Plan

BDO Unibank Group's retirement fund has transactions directly and indirectly with BDO Unibank Group as of December 31, 2023 and 2022 and for each of the three years ended are as follows:

	Amounts of Transaction			Outstanding Balance	
Related Party Category	**2023**	2022	2021	**2023**	2022
Loans to employees					
BDO Unibank, Inc.	**P -**	P -	P -	**P 3**	P 4
Investment in shares of					
BDO Unibank, Inc.	**-**	-	-	**2,371**	195
Dominion Holdings	**-**	-	-	**2**	2
Deposit liabilities (including LTNCDs)					
BDO Unibank, Inc.	**-**	-	-	**6,139**	5,504
Trading gain (loss)					
BDO Unibank, Inc.	**(205)**	(271)	158	**-**	-
Interest expense					
BDO Unibank, Inc.	**9**	6	-	**-**	-
Rental income					
BDO Unibank, Inc.	**2**	2	2	**-**	-

The BDO Unibank Group's retirement fund has transactions directly and indirectly with the Parent Bank as of December 31, 2023 and 2022 and for each of the three years ended are as follows:

	Amounts of Transaction			Outstanding Balance	
Related Party Category	**2023**	2022	2021	**2023**	2022
Loans to employees					
BDO Unibank, Inc.	**P -**	P -	P -	**P 3**	P 4
Investment in shares of					
BDO Unibank, Inc.	**-**	-	-	**2,371**	195
Deposit liabilities (including LTNCDs)					
BDO Unibank, Inc.	**-**	-	-	**6,139**	5,504
Trading gain (loss)					
BDO Unibank, Inc.	**(205)**	(271)	158	**-**	-
Interest expense					
BDO Unibank, Inc.	**9**	6	-	**-**	-
Rental income					
BDO Unibank, Inc.	**2**	2	2	**-**	-

Details of the contributions of the BDO Unibank Group and the Parent Bank, and benefits paid out by the plan to the employees are presented in Note 26.2.

(d) Other Transactions with Related Parties

A summary of other transactions of the Parent Bank with subsidiaries and associates and other related parties are shown in the section that follows. These transactions are generally unsecured and payable in cash, unless otherwise stated.

(i) Transactions with and between subsidiaries have been eliminated in the BDO Unibank Group's financial statements. Significant transactions with subsidiaries are as follows:

(1) Loans and Advances to Subsidiaries

The Parent Bank grants noninterest-bearing advances to subsidiaries for working capital requirements, which are unsecured, payable in cash and without fixed repayment terms. The total advances granted and collected amounted to P120 and P259, P259 and P111, and P111 and P28, in 2023, 2022 and 2021, respectively. The outstanding advances to subsidiaries recognized as part of Accounts receivable under Loans and Other Receivables in the Parent Bank's statements of financial position amounted to P120 and P259 as of December 31, 2023 and 2022, respectively (see Note 11).

The Parent Bank also grants both secured and unsecured interest-bearing loans to subsidiaries with outstanding balance of P24,164 and P9,080 as of December 31, 2023 and 2022, respectively, and are presented as part of Loans and discounts under Loans and Other Receivables account in the Parent Bank's statements of financial position (see Note 11). The total loans granted amounted to P50,301, P28,496 and P24,900 while total loans collected amounted to P35,217, P22,217 and P27,215 for 2023, 2022 and 2021, respectively. These loans are payable in cash with a term between seven days to twelve years. Interest income recognized on these is presented as part of Interest Income in the Parent Bank's statements of income (see Note 23). Interest rate on these loans ranges from 5.86% to 7.85%, 3.32% to 6.50% and 2.50% to 3.50% per annum in 2023, 2022 and 2021, respectively.

(2) Income to the Parent Bank

BDO subsidiaries engaged the Parent Bank, under service agreements to provide various support such as maintenance, administration of properties/assets management, supplies procurement, facilities management, accounting functions, loan documentation, safekeeping/custodianship of securities and collateral documents, credit card services, human resources management, information technology needs, internal audit, corporate secretarial services, remittance transactions support, legal assistance on all loan and/or property/ asset-related litigation, credit investigation services, security services and investigation requirements, ATM-related services, and assistance on all tax-related issues. The service agreement shall continue to be in force unless terminated by either party through a written notice, at least 30 calendar days prior to the date intended for termination. The services fees are payable monthly in cash and shall be exclusive of actual costs and expenditures of the Parent Bank in relation to the provision of the services, which shall be reimbursed by the subsidiaries to the Parent Bank.

The total service fees are presented as part of Service charges, fees and commissions under Other Operating Income account in the Parent Bank's statements of income (see Note 25). The outstanding balance arising from these transactions, presented as part of Others under Other Resources (see Note 16), amounted to P168 and nil as of December 31, 2023 and 2022, respectively. Total service fees amounted to P1,244, P1,070 and P874 in 2023, 2022 and 2021, respectively.

BDO Life, BDOSHI and Dominion Holdings have an existing Investment Management Agreement with the Parent Bank for trust services rendered. The total trust fees is presented as part of Trust fees under Other Operating Income account in the Parent Bank's statements of income (see Note 25). Outstanding balances arising from this as of December 31, 2023 and 2022 are included as part of Accounts receivable under Loans and Other Receivables (see Note 11). The total trust fees amounted to P176 for 2023 and P120 for both 2022 and 2021.

Certain subsidiaries lease office space and equipment from the Parent Bank. The total rent collected from the subsidiaries is included as part of Miscellaneous under Other Operating Income in the Parent Bank's statements of income (see Note 25). The term of the lease office space ranges from one to twenty years and is payable in cash. There are no outstanding receivable from subsidiaries as of December 31, 2023 and 2022. The total rent income amounted to P134, P143 and P136 in 2023, 2022 and 2021, respectively.

(3) Expenses of the Parent Bank

The Parent Bank, as a lessee, recognized right-of-use assets related to lease of space from BDO Network, BDOSHI and SMKL for its branch operations, amounting to P456 and P100, as of December 31, 2023 and 2022, respectively, which are presented as part of Premises, Furniture, Fixtures and Equipment (see Note 12). Depreciation expense and amortization of the right-of-use assets arising from these transactions amounted to P14, P16 and P14 in 2023, 2022 and 2021, respectively, and presented as part of Occupancy under Other Operating Expenses in the Parent Bank's statements of income (see Note 25). The total interest expense on lease liability is included as part of Interest expense on finance lease liabilities under the Interest Expense account in the Parent Bank's statement on income amounted to P3 for 2023, and P7 for both 2022 and 2021. Outstanding balance arising from these transactions amounted to P516, and P117 as of December 31, 2023, and 2022, respectively, and is included as part of Lease liabilities under Other Liabilities (see Note 21).

The total amount paid for repairs and maintenance of leased properties is included as part of Repairs and Maintenance account under Other Operating Expenses in the Parent Bank's statements of income (see Note 25). The total repairs and maintenance expense amounted to P1 in 2023, 2022 and 2021.

The Parent Bank pays for the group life insurance of its employees and life and accident insurance of enrolled qualified remitters of Kabayan accounts to BDO Life. The total amount paid is included as part of Insurance Expense account under Other Operating Expenses in the Parent Bank's statements of income (see Note 25). Total insurance expense amounted to P50, P56 and P42 in 2023, 2022 and 2021, respectively.

In 2020, the Parent Bank purchased receivables from Dominion Holdings. This resulted in a loss amounting to P290 which was initially booked under Miscellaneous Asset and will be amortized over the term of the receivables. The amortized loss incurred was recognized as part of Miscellaneous Expense account under Other Operating Expenses in the Parent Bank's statements of income amounting to P42, P83 and P117 in 2023, 2022 and 2021, respectively (see Note 25). The outstanding balance of Miscellaneous Asset, presented as part of Others under Other Resources account in the Parent Bank's statements of financial position (see Note 16), amounted to P17 and P59 as of December 31, 2023 and 2022, respectively. No similar transaction occurred in 2023 and 2022.

The Parent Bank pays commission to BDO Network and BDO Private related to the referred trust services to the Parent Bank. Also, the Parent Bank pays for various services rendered by foreign subsidiaries and ATM-related services by BDO Network. The amount paid for both commission and services are included as part of Fees and Commission account under Other Operating Expense in the Parent Bank's statements of income. The total payments amounted to P216, P135 and P140 in 2023, 2022 and 2021, respectively (see Note 25).

(4) Derivatives

In 2023 and 2022, the Parent Bank entered into derivative transactions with certain subsidiary in the form of currency forwards. As of December 31, 2023 and 2022, the outstanding balance of derivatives assets and liabilities are presented as part of Financial assets at FVTPL under Trading and Investment Securities account (see Note 10.1) and Derivatives with negative fair values under Other Liabilities account in the statements of financial position (see Note 21).

(5) Deposit Liabilities

The total deposits made by the subsidiaries to the Parent Bank during 2023, 2022 and 2021 amounted to P883,985, P801,252 and P669,405, respectively. These are with yearly corresponding withdrawals amounting to P889,470 for 2023, P794,653 for 2022 and P668,833 for 2021. These deposits bear interest rates of 0.00% to 6.00% in 2023, 0.00% to 4.88% in 2022 and 0.00% to 0.50% in 2021. The related interest expense from these deposits is included as part of Interest Expense account on deposit liabilities in the statements of income (see Note 24).

The BOD approved the assignment of additional government securities amounting to P2,300 to BDO Private in 2023 and P1,000 to BDO Network in 2022, for securing transactions of the Parent Bank with BDO Private and BDO Network. As of December 31, 2023 and 2022, the total assigned government securities amounted to P4,300 and P2,000, respectively, for BDO Private and P2,000 for BDO Network in both years.

(6) Real Estate Joint Venture

On October 23, 2021 and November 11, 2021, the respective BOD of BDO Unibank and BDOSHI have approved the Real Estate Joint Venture Agreement between the two companies wherein BDOSHI will contribute its 3,695 square meters vacant lots and Air Rights in Valero St., Makati City. BDO Unibank will construct Annex A Building on the said lots as part of the BDO Makati Campus Project and shall bear the estimated cost of the construction subject to any adjustment based on the final calculations by the parties. As of December 31, 2023, the vacant lots are used as staging area and temporary facilities for construction of the BDO Makati Campus Project.

(ii) Other transactions with associates are shown below.

As of December 31, 2023 and 2022, the outstanding secured and unsecured interest-bearing loans and advances to associates amounting to nil and P7,895 for the BDO Unibank Group and nil and P7,895 for the Parent Bank, respectively, and are presented as part of Loans and discounts and Accounts receivable under Loans and Other Receivables account in the statements of financial position (see Note 11).

These loans are payable in cash between seven and a half years to twelve years. The total collections on loans and advances amounted to P7,895, P366 and P444 for BDO Unibank Group and P7,895, P366 and P262 for the Parent Bank in 2023, 2022 and 2021, respectively.

Annual interest rates on these loans are 4.95% and 2.94% in 2022 and 2021. The related interest income is presented as part of Interest Income on loans and other receivables in the BDO Unibank Group's statements of income (see Note 23). As of December 31, 2023, 2022 and 2021, there were no impairment losses recognized on these loans and advances.

(iii) Transaction of the Parent Bank with related parties under common ownership is shown below and in the succeeding page.

The Parent Bank, as a lessee, recognized right-of-use assets related to lease of space from related parties for its branch operations, amounting to P4,776 and P4,818 as of December 31, 2023 and 2022, respectively, which is presented as part of Premises, Furniture, Fixtures and Equipment (see Note 12). Amortization expense on right-of-use assets arising from this transaction, amounting to P154, P263, and P184 in 2023, 2022 and 2021, respectively, and is presented as part of Occupancy under Other Operating Expenses account in the Parent Bank's statements of income (see Note 25).

The total interest expense on lease liabilities from related parties, included as part of Interest expense on finance lease liabilities under the Interest Expense account amounted to P48, P87, and P77 in 2023, 2022 and 2021, respectively, in the Parent Bank's statements of income (see Note 24). The outstanding balances arising from this transaction amounted to P2,764 and P3,199 as of December 31, 2023 and 2022, respectively, and is included as part of Lease liabilities under Other Liabilities (see Note 21).

The terms of the leases are from one to ten years and is payable in cash.

(iv) Key Management Personnel Compensation

The compensation and benefits given to BDO Unibank Group and the Parent Bank's key management are as follows (see Note 26.1):

	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
Salaries and other benefits	**P 1,542**	P 1,450	P 1,381	**P 896**	P 809	P 819
Retirement expense	**161**	223	162	**110**	157	86
	P 1,703	P 1,673	P 1,543	**P 1,006**	P 966	P 905

28. TRUST OPERATIONS

The following securities and other properties held by BDO Unibank Group in fiduciary or agency capacity (for a fee) for its customers are not included in BDO Unibank Group and the Parent Bank's statements of financial position since these are not resources of the BDO Unibank Group [see Note 35(h)]:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Investments	**P 1,976,602**	P 1,813,001	**P 1,385,639**	P 1,246,315
Others	**13,903**	12,018	**11,531**	9,436
	P 1,990,505	P 1,825,019	**P 1,397,170**	P 1,255,751

In compliance with the requirements of the General Banking Act relative to the BDO Unibank Group's trust functions:

(a) Investment in government securities which are shown as part of Investment securities at amortized cost with a total face value of P21,292 and P19,695 as of December 31, 2023 and 2022 (see Note 10.3), respectively, in BDO Unibank Group and, P14,892 and P13,495 as of December 31, 2023 and 2022, respectively, in the Parent Bank are deposited with the BSP as security for BDO Unibank Group's faithful compliance with its fiduciary obligations; and,

(b) A certain percentage of the trust income is transferred to surplus reserves. This yearly transfer is required until the surplus reserve for trust function is equivalent to 20% of BDO Unibank Group's authorized capital stock. As of December 31, 2023 and 2022, the additional reserve for trust functions amounted to P262 and P251 for both the BDO Unibank Group and Parent Bank, and is included as part of Surplus Reserves account in statements of changes in equity (see Note 22.5).

Income from trust operations, shown as Trust fees under Other Operating Income account, amounted to P4,698, P4,555 and P4,364 in 2023, 2022 and 2021, respectively, in BDO Unibank Group's statements of income and P3,539, P3,395 and P3,477 in 2023, 2022 and 2021, respectively, in the Parent Bank's statements of income (see Note 25).

29. UNIT-LINKED FUNDS

VUL insurance contracts of BDO Life are life insurance policies wherein a portion of the premiums received are invested in VUL funds, which are composed mainly of investments in equity and debt securities. The withdrawal or surrender amount of a VUL policy can be computed by multiplying the total units held by the policyholder by the fund's Net Asset Value per unit, which changes daily depending on the fund's performance.

In 2013, BDO Life obtained the approval from IC to issue VUL products, where payments to policyholders are linked to internal investment funds set up by BDO Life. The VUL funds are managed by the Trust and Investment Group of the Parent Bank.

As of December 31, 2023 and 2022, BDO Life has 11 and 12 VUL funds, respectively. The details of the investment funds, which comprise the assets backing the unit-linked liabilities, are presented in the table below. The assets and liabilities of these investment funds have been consolidated to the appropriate accounts in the BDO Unibank Group's financial statements.

	2023	2022
Assets:		
Cash and cash equivalents	**P 47**	P 161
Financial assets at FVTPL	**29,258**	27,760
Other receivables	**309**	55
	P 29,614	P 27,976
Liabilities and Equity:		
Other liabilities	**P 178**	P 159
Net assets attributable to unitholders	**29,436**	27,817
	P 29,614	P 27,976

30. BUSINESS COMBINATIONS, DISPOSALS AND DISSOLUTIONS

30.1 Subscription of Additional Shares in BDO RIH

On December 9, 2020, BDO Capital approved the corporate dissolution and liquidation of BDO RIH and to acquire its assets and assume its liabilities. Since the liabilities to be assumed by BDO Capital is higher than the assets it will absorb, BDO Capital also approved the additional investment in BDO RIH amounting to P276 in 2021 and P16 in 2022. This was approved by the BSP on November 9, 2021 and by the BDO RIH shareholders on February 2, 2022.

On July 20, 2022, BDO Capital made additional investment of P47 for its purchase of the shares of BDO Remit UK.

30.2 Sale of ASI

On July 28, 2022, ASI was sold to a third party for P52. This deconsolidation resulted in the reversal of its assets, liabilities, capital stock and surplus reserves amounting to P60, P4, P42 and P14, respectively, and the recognition of loss on sale amounting to P15.

30.3 Liquidation of BDO Remit Spain

On February 7, 2023, BDO Remit Spain S.A. has completed its liquidation as confirmed by the Mercantile Registry of Barcelona.

30.4 Acquisition of Additional Shares in SMKL

On March 25, 2023, BDO and Keppel Group (Keppel Philippines Properties, Inc. and Opon-KE Properties, Inc.) entered into a Share Purchase Agreement wherein Keppel Group agreed to sell and BDO agreed to purchase Keppel Group's 50% stake in SMKL.

The acquisition was approved and authorized by the Philippine Competition Commission and BSP on August 15, 2023, and December 14, 2023, respectively. On December 22, 2023, BDO acquired the additional 50% of the issued and outstanding capital stock of SMKL for a cash consideration amounting to P8,161, making the latter a wholly-owned subsidiary of the former. The transaction resulted in a recognition of an unrealized gain on fair valuation of previously-held interest amounting to P6,107 and an unrealized gain on bargain purchase amounting to P169 which are part of Miscellaneous – net under Other Operating Income account in the 2023 BDO Unibank Group's statement of income (see Note 25).

The remeasurement of the previously-held interest at fair value on the date of acquisition is as follows:

Fair value	P	8,271
Book value		2,164
Unrealized gain on fair valuation of previously-held interest	P	6,107

The breakdown of the acquisition-date fair value of the assets and liabilities, including the cost of investments are as follows:

Due from other banks	P	713
Loans and other receivables*		176
Premises, furniture, fixtures and equipment		29
Investment properties		25,000
Other resources		955
Total resources		26,873
Bills payable		7,580
Other liabilities		2,750
Total liabilities		10,330
Net assets acquired		16,543
Fair value of the investment for the previously-held interest in SMKL		8,271
Consideration transferred for the additional interest in SMKL		8,161
Total consideration		16,432
Elimination of leases intercompany accounts		58
Unrealized gain on bargain purchase	P	169

* *The gross contractual amounts receivable and the best estimate of the contractual cash flows not expected to be collected at acquisition date amounted to P181 and P5, respectively.*

As a result of the acquisition, BDO Unibank Group obtained full ownership of the Podium Complex located at 12 ADB Avenue, Ortigas Center, Mandaluyong City which SMKL develops and operates.

Pre-acquisition income arising from the step-up acquisition amounted to P301. There were no additional income or expense related to SMKL recognized in BDO Unibank Group's statement of comprehensive income after the acquisition date on December 22, 2023.

30.5 Subscription of Additional Shares to BDO Securities

On September 25, 2023, the BOD of BDO Capital approved and authorized BDO Capital to subscribe up to P250 common shares of BDO Securities to be issued in one or more tranches. The first tranche of P150 was made on October 23, 2023.

30.6 Closure of BRUSA

On October 25, 2023, the BOD approved the cessation of business operations of BRUSA either through the sale or transfer of BRUSA's business and remittance licenses to potential buyer/s or dissolution and liquidation of BRUSA subject to securing and/or compliance with applicable laws and regulations.

31. TAXES

31.1 Current and Deferred Tax

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the BDO Unibank Group:

- Regular corporate income tax (RCIT) rate was reduced from 30% to 25% starting July 1, 2020;
- Minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- The allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

The components of tax expense relating to profit or loss and other comprehensive income follows:

	BDO Unibank Group		
	2023	2022	2021
Reported in profit or loss:			
Current tax expense:			
RCIT at 25%	**P 11,239**	P 10,187	P 9,422
Final taxes at 20%, 15% and 10%	**7,295**	4,011	2,689
MCIT at 2% starting July 1, 2023 and 1% in 2022 and 2021	**1**	7	(5)
Adjustment to current income tax from prior year	**-**	(69)	(13)
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	(1,378)
	18,535	14,136	10,715
Deferred tax expense relating to origination and reversal of temporary differences	**5,086**	1,823	2,213
Application of previously unrecognized MCIT	**-**	-	(22)
Effect of the change in income tax rate	**-**	-	1
	5,086	1,823	2,192
	P 23,621	P 15,959	P 12,907

	BDO Unibank Group		
	2023	2022	2021
Reported in other comprehensive income:			
Actuarial losses	**(P 1,820)**	(P 389)	(P 1,754)
Fair value of financial assets at FVOCI	**6**	(21)	4
Effect of the change in income tax rate	**-**	-	683
Revaluation increment	**-**	-	(4)
	(P 1,814)	(P 410)	(P 1,071)

	Parent Bank		
	2023	2022	2021
Reported in profit or loss:			
Current tax expense:			
RCIT at 25%	**P 9,630**	P 8,380	P 8,411
Final taxes at 20%, 15% and 10%	**6,232**	3,357	2,165
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	(1,300)
Adjustment to current income tax from prior year	**-**	(68)	(13)
	15,862	11,669	9,263
Deferred tax expense relating to origination and reversal of temporary differences	**4,949**	1,664	2,112
Effect of the change in income tax rate	**-**	-	3
	4,949	1,664	2,115
	P 20,811	P 13,333	P 11,378
Reported in other comprehensive income:			
Actuarial losses	**(P 1,715)**	(P 408)	(P 1,649)
Fair value of financial assets at FVOCI	**4**	(22)	12
Effect of the change in income tax rate	**-**	-	647
Revaluation increment	**-**	-	(4)
	(P 1,711)	(P 430)	(P 994)

The reconciliation of the tax on pretax profit computed at the statutory tax rates to tax expense is shown below and in the succeeding page.

	BDO Unibank Group		
	2023	2022	2021
Tax on pretax profit at 25%	**P 24,295**	P 18,298	P 13,940
Adjustment for income subjected to lower income tax rates	**(1,645)**	(1,007)	(561)
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	(1,377)
Tax effects of:			
Non-deductible expenses	**8,722**	6,644	4,245
Income exempt from tax	**(8,017)**	(7,246)	(2,884)
Deductible temporary differences not recognized	**168**	(914)	(312)
Net operating loss carryover (NOLCO) not recognized	**123**	94	4
Adjustment to current income tax from prior year	**-**	(69)	(13)
Application of previously unrecognized MCIT	**-**	-	(29)
Others	**(25)**	159	(106)
	P 23,621	P 15,959	P 12,907

	Parent Bank		
	2023	2022	2021
Tax on pretax profit at 25%	**P 22,002**	P 17,581	P 13,515
Adjustment for income subjected to lower income tax rates	**(1,394)**	(738)	(436)
Adjustment in 2020 income taxes due to change in income tax rate	**-**	-	(1,297)
Tax effects of:			
Non-deductible expenses	**8,341**	6,306	4,103
Income exempt from tax	**(8,138)**	(9,004)	(4,120)
Deductible temporary differences not recognized	**-**	(743)	(374)
Adjustment to current income tax from prior year	**-**	(69)	(13)
	P 20,811	P 13,333	P 11,378

Components of the net deferred tax assets (see Note 16) as of December 31 follow:

	Statements of Financial Position			
	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Deferred tax assets:				
Unamortized past service costs	**P 1,956**	P 3,521	**P 1,466**	P 3,190
Allowance for impairment	**1,108**	2,681	**1,026**	2,455
Retirement obligation (net of OCI)	**(314)**	(344)	**(344)**	(344)
Recognition of right-of-use assets and lease liabilities	**11**	87	**-**	84
Lease income differential	**-**	7	**-**	-
Others	**54**	13	**-**	-
	2,815	5,965	**2,148**	5,385
Deferred tax liabilities:				
Revaluation increment	**P 1770**	P 519	**P 335**	P 335
Retirement asset (net of OCI)	**141**	54	**-**	-
Capitalized interest	**28**	31	**28**	31
Changes in fair values of financial assets at FVOCI	**(1)**	(7)	**(5)**	(9)
Lease income differential	**1**	2	**-**	-
Others	**385**	11	**-**	-
	2,324	610	**358**	357
Net deferred tax assets	**P 491**	P 5,355	**P 1,790**	P 5,028

Movements in net deferred tax assets for the years ended December 31 follow:

	Statements of Income					
	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
Allowance for impairment	**P 1,573**	P 1,407	P 2,289	**P 1,429**	P 1,292	P 2,111
Retirement obligation (asset)	**1,878**	1,392	(405)	**1,715**	1,321	(412)
Unamortized past service costs	**1,565**	(944)	317	**1,724**	(910)	451
Recognition of right-of-use assets and lease liabilities	**76**	(19)	(45)	**84**	(37)	(26)
Lease income differential	**7**	(8)	-	**-**	-	-
Capitalized interest	**(3)**	(2)	(9)	**(3)**	(2)	(9)
Others	**(10)**	(3)	67	**-**	-	-
Deferred tax expense	**P 5,086**	P 1,823	P 2,214	**P 4,949**	P 1,664	P 2,115

	Statements of Comprehensive Income					
	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
Movements in actuarial losses	**(P 1,820)**	(P 389)	(P 1,004)	**(P 1,715)**	(P 408)	(P 934)
Movements in fair value of financial assets at FVOCI	**6**	(21)	5	**4**	(22)	12
Movements in revaluation increment	**-**	-	(72)	**-**	-	(72)
Deferred tax expense (income)	**(P 1,814)**	(P 410)	(P 1,071)	**(P 1,711)**	(P 430)	(P 994)

Net deferred tax liabilities amounting to P1,592 were recognized in the 2023 BDO Unibank Group's statement of financial position as a result of the acquisition of SMKL (see Note 30.4).

The BDO Unibank Group is subject to MCIT, which is computed at 2% starting July 1, 2023, as defined under tax regulations or RCIT, whichever is higher.

The breakdown of NOLCO and MCIT with the corresponding validity periods are as follows for the BDO Unibank Group (nil for the Parent Bank):

Year	NOLCO	MCIT	Valid Until
2023	P 110	P -	2026
2022	308	-	2025
2021	15	-	2026

The amounts of unrecognized deferred tax assets arising from NOLCO and other temporary differences as of December 31, 2023 and 2022 are as follows:

	BDO Unibank Group			
	2023		2022	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect
Allowance for impairment	**P 85,971**	**P 21,493**	P 71,760	P 17,940
NOLCO	**433**	**108**	359	90
MCIT	**-**	**-**	6	6
Others	**1,224**	**306**	834	208
	P 87,628	**P 21,907**	P 72,959	P 18,244

	Parent Bank			
	2023		2022	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect
Allowance for impairment	**P 85,449**	**P 21,362**	P 69,935	P 17,484
Others	**1,022**	**256**	1,022	255
	P 86,471	**P 21,618**	P 70,957	P 17,739

The BDO Unibank Group and the Parent Bank continue claiming itemized deduction for income tax purposes.

31.2 Gross Receipts Tax

Gross Receipts Tax (GRT), pursuant to Sections 121 and 122 of the Tax Code, is imposed on banks, non-banks financial intermediaries and finance companies (per R.A. 9238).

GRT is levied on the BDO Unibank Group's lending income, which includes interest, commission and discounts arising from instruments with maturity of five years or less and other income. The tax is computed at the prescribed rates of either 7%, 5% or 1% of the related income (per R.A. 9337).

31.3 Documentary Stamp Tax

Documentary stamp tax (DST) (at varying rates) is imposed on the following:

(a) Bank checks, drafts, or certificate of deposit not bearing interest, and other instruments;

(b) Bonds, loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the Government or any of its instrumentalities, deposit substitute debt instruments, certificates of deposits bearing interest and other notes payable at sight or on demand;

(c) Acceptance of bills of exchange and letters of credit; and,

(d) Bills of lading or receipt.

31.4 Supplementary Information Required by the Bureau of Internal Revenue (BIR)

The BIR issued Revenue Regulations (RR) No. 15-2010 on November 25, 2010, which required certain tax information to be disclosed as part of the notes to the financial statements.

The supplementary information is, however, not a required part of the basic financial statements prepared in accordance with PFRS; it is neither a required disclosure under the Philippine SEC rules and regulations covering form and content of financial statements under the revised Securities Regulation Code Rule 68.

The Parent Bank presented this tax information required by the BIR as a supplementary schedule filed separately from the basic financial statements.

32. EARNINGS PER SHARE

Basic earnings per share attributable to shareholders of the BDO Unibank Group were computed as follows:

	2023	2022	2021
Net profit attributable to shareholders of the Parent Bank	**P 73,411**	P 57,054	P 42,791
Dividends on preferred shares	**(407)**	(339)	(340)
Net profit available to common shares	**73,004**	56,715	42,451
Divided by the weighted average number of outstanding common shares (in millions)	**5,266**	5,264	5,262
Basic earnings per share	**P 13.86**	P 10.77	P 8.07

Diluted earnings per share attributable to shareholders of the BDO Unibank Group were computed as follows:

	2023	2022	2021
Net profit attributable to shareholders of the Parent Bank	**P 73,411**	P 57,054	P 42,791
Divided by the weighted average number of outstanding common shares (in millions):			
Outstanding common shares	**5,266**	5,264	5,262
Potential common shares from assumed conversion of preferred shares	**47**	58	51
Potential common shares from stock option plan	*	*	*
Total weighted average number of common shares after assumed conversion of convertible preferred shares	**5,313**	5,322	5,313
Diluted earnings per share	**P 13.82**	P 10.72	P 8.05

* *Potential common shares from assumed conversion of stock option plan made through primary issuance do not significantly affect the computation of diluted earnings per share.*

33. EVENTS AFTER THE REPORTING PERIOD

33.1 Exercise of Rights in NLEX

On January 22, 2024, the BOD approved to exercise its right to acquire additional common shares in NLEX Corporation which will increase its shareholdings from 11.70% to 12.20%. BSP approved the transaction on February 1, 2024, however, the transaction is still subject to the approval of the Privatization Council and the execution of the sale documents.

33.2 Dividend

On January 27, 2024, the Parent Bank's BOD approved the declaration of annual cash dividends on preferred shares "Series A" at the rate of 6.50% per annum of the par value for a total dividend of P407. The dividends will be paid within 60 days from dividend declaration date.

33.3 Issuance of Association of Southeast Asian Nations (ASEAN) Sustainability Bonds

On January 29, 2024, the Parent Bank issued P63,300 Peso-denominated fixed rate ASEAN Sustainability Bonds under its P365 billion bond program. The bonds have a tenor of one and half years and a fixed rate of 6.025% per annum.

34. COMMITMENTS AND CONTINGENCIES

34.1 Litigations

BDO Unibank Group has pending claims and/or is a defendant in various legal actions arising from the ordinary course of business operations. As of December 31, 2023, management believes that no such legal proceedings are expected to have material adverse effect on BDO Unibank Group's financial position.

34.1.1 Applicability of RR No. 4-2011

In 2011, the Department of Finance (DOF) and BIR issued RR No. 4-2011 regarding the allocation of costs and expenses amongst income earnings of banks and other financial institutions for income tax reporting purposes. RR No. 4-2011 prescribed a special method of allocation of cost and expenses for banks such that when computing the amount allowable as deduction from regular banking unit (RBU) operations, all cost and expenses should first be allocated between the RBU and FCDU/expanded FCDU or offshore banking unit.

On April 6, 2015, banks and other financial institutions filed a Petition for Declaratory Relief with the Regional Trial Court (RTC) of Makati, seeking to annul RR No. 4-2011. BDO Unibank and BDO Private were among those who joined other banks in assailing the validity of RR No. 4-2011.

On May 25, 2018, the RTC issued an Order declaring RR No. 4-2011 null and void. DOF and BIR filed Petition for Review on Certiorari directly before the Supreme Court. Banks and other financial institutions filed Comment. In a Decision dated December 1, 2021, the Supreme Court denied the Petition filed by DOF and BIR. Supreme Court Decision became final and executory on June 7, 2022 and was recorded in the Book of Entries of Judgments.

34.1.2 First e-Bank

In 2002, First e-Bank ("FeB") experienced liquidity problems prompting PDIC to invite several banks to propose a solution for FeB's bailout. PDIC entered into contract with BDO Unibank where in consideration of the assumption by BDO Unibank of FeB's liabilities in the maximum amount of P10,000, PDIC will provide BDO Unibank P10,000 of Financial Assistance and PDIC will receive FeB's assets to recover said financial assistance.

About P5,000 of the financial assistance was released to BDO Unibank and the remaining P5,000 was deposited in escrow with BDO – TIG in accordance with the escrow agreement dated October 23, 2002 entered into by BDO Unibank, PDIC, and BDO – TIG.

In August 2016, PDIC authorized the release of a total amount of P4,650 from escrow inclusive of proportional interest. However, as of August 26, 2016, the amount of P1,224 remains in escrow, which includes: (i) P602, which covers assets BDO Unibank still considers capable of delivery worth P214 and the remaining assets PDIC classified as undeliverable; and (ii) all interest earnings thereon. Unable to agree on the release of the remaining amount in escrow, on September 20, 2016, the PDIC filed a Complaint for Specific Performance and Damages against BDO Unibank, which case was raffled to RTC Makati City Branch 60.

On October 14, 2016, BDO Unibank filed its Answer to the Complaint affirming that it has assumed P10,000 in liabilities of FeB and is thus entitled to release of the remaining escrow of P1,224.

In a judgment dated May 31, 2018, RTC Makati dismissed the complaint, granted BDO Unibank's counterclaim and ordered BDO – TIG to immediately release the remaining escrow amount, plus interests, to BDO Unibank. On June 18, 2018, the Parent Bank received an amount of P1,243 for the full termination of escrow. PDIC filed Notice of Appeal. In the Decision dated June 15, 2020, the Court of Appeals (CA) dismissed PDIC's appeal. PDIC filed Motion for Reconsideration but the same was denied by the CA in a Resolution dated January 25, 2021. PDIC filed Petition for Review with the Supreme Court. The BDO Unibank filed a comment. In a resolution dated July 5, 2023, the Supreme Court denied PDIC's petition for Review. PDIC filed Motion for Reconsideration.

As of December 31, 2023, the difference between the amount received and the balance of the amount in escrow amounts to P572. This is presented as part of Others under Other Liabilities account and is not yet recognized as income due to the pending Petition for Review filed by PDIC (see Note 21). The case is still pending before the Supreme Court as of December 31, 2023.

34.1.3 Others

BDO Unibank Group is also a defendant in various cases pending in courts for alleged claims against BDO Unibank Group, the outcomes of which are not fully determinable at present. As of December 31, 2023, management believes that liabilities or losses, if any, arising from these claims would not have a material effect on the financial position and results of operations of BDO Unibank Group and will be recognized if and when a final resolution by the courts is made on each claim.

34.2 Lease Commitments – as Lessor

The following are the significant lease commitments involving the BDO Unibank Group:

34.2.1 Finance Leases

BDO Unibank Group, as a lessor, enters into finance leases covering various equipment and vehicles with lease term ranging from one to more than four years. The BDO Unibank Group is subject to risk incidental to the operation of its leased properties, which include, among others, changes in market rental rates, inability to renew leases upon lease expiration, and inability to collect rent from lessees due to bankruptcy or insolvency of lessees. Majority of the BDO Unibank Group's revenue from rental properties are derived from various equipment and vehicles. If the expected growth, particularly from the lessees, does not meet management's expectations, the BDO Unibank Group may not be able to lease their properties in a timely manner or collect rent at profitable rates.

To manage its risks over these finance leases, the BDO Unibank Group retains its legal title over the underlying assets and uses these as securities over the finance lease receivables. Moreover, it requires lessees to pay security deposits, which are presented as Lease deposits under Other Liabilities in the BDO Unibank Group's statements of financial position (see Note 21).

Future minimum lease payments receivable (MLPR) under these finance leases together with the present value of net minimum lease payments receivable (NMLPR) follow:

	2023		2022	
	Future MLPR	**PV of NMLPR**	Future MLPR	PV of NMLPR
Within one year	**P 1,897**	**P 1,887**	P 1,301	P 1,297
After one year but not more than two years	**1,388**	**1,337**	1,148	1,091
After two years but not more than three years	**1,141**	**980**	694	603
After three years but not more than five years	**969**	**524**	612	329
Total MLPR	**5,395**	**4,728**	3,755	3,320
Unearned lease income	**(667)**	**-**	(435)	-
Present value of MLPR	**P 4,728**	**P 4,728**	P 3,320	P 3,320

The net investment relating to these finance leases, presented as part of Loans and discounts under Loans and Other Receivables in the BDO Unibank Group's statements of financial position for the years ended December 31, 2023 and 2022, amounted to P4,728 and P3,320, respectively, for the BDO Unibank Group and nil in both years for the Parent Bank (see Note 11). The change in the carrying amount of the net investment in finance leases during the year pertains to new lease arrangements entered, amortization of interest income and paydowns.

Interest income recognized on the net investment in finance leases is presented in the BDO Unibank Group's statements of income as follows:

	Notes	**2023**	2022	2021
Interest income	23	**P 314**	P 183	P 93
Miscellaneous – net	25	**2**	2	1
		P 316	P 185	P 94

34.2.2 Operating Leases

The BDO Unibank Group and the Parent Bank entered into various operating leases covering land, offices and equipment with lease terms ranging from less than one year to 5.5 years. Operating lease income, presented under Rental account as part of Other Operating Income and Expenses in the BDO Unibank Group's statements of income for the years ended December 31, 2023, 2022 and 2021, amounted to P1,356, P1,301 and P1,269, respectively, for the BDO Unibank Group and P460, P492 and P482, respectively, for the Parent Bank (see Note 25).

Future minimum rental receivables as of December 31, 2023 under operating leases follow:

	BDO Unibank Group	Parent Bank
Within one year	P 1,148	P 433
More than one year to two years	832	286
More than two years to three years	640	147
More than three years to four years	368	67
More than four years to five years	122	44
More than five years	89	3
	P 3,199	**P 980**

35. SUPPLEMENTARY INFORMATION REQUIRED BY THE BSP

Presented below are the supplementary information required by the BSP under Section 174 (Appendix 55) of the BSP Manual of Regulations for Banks (MORB) to be disclosed as part of the notes to financial statements based on BSP Circular No. 1074, *Amendments to Regulations on Financial Audit of Banks.*

(a) Selected Financial Performance Indicators

The following are some indicators of the of BDO Unibank Group and Parent Bank's financial performance.

	BDO Unibank Group			Parent Bank		
	2023	2022	2021	**2023**	2022	2021
Return on common equity*	**15.2%**	13.0%	10.5%	**13.9%**	13.0%	10.5%
Return on average equity*	**15.0%**	12.9%	10.4%	**13.9%**	12.9%	10.4%
Return on average resources*	**1.7%**	1.5%	1.2%	**1.6%**	1.5%	1.3%
Net interest margin*	**4.6%**	4.1%	4.0%	**4.6%**	4.1%	4.0%

** In 2023 and 2022, average asset, capital, and interest-earning assets are computed as the simple average of outstanding balance of assets, capital, and interest-earning assets at average of December 2022 and December 2023. (2 data points)*
** In 2021, averages are computed as the simple average of outstanding balance at average of December 2020, March 2021, June 2021, September 2021 and December 2021. (5 data points)*

(b) Capital Instruments Issued

As of December 31, 2023 and 2022, the BDO Unibank Group has only two classes of capital stock, which are common and preferred shares.

(c) Significant Credit Exposures for Loans

The BDO Unibank Group and Parent Bank's concentration of credit risk as to industry for its receivables from customer's gross of allowance for ECL below (amounts in millions) are disclosed in Note 4.3.3.

BDO Unibank Group

	2023		2022	
	Amount	**Percentage**	Amount	Percentage
Activities of private household as employers and undifferentiated goods and services and producing activities of households for own use	**P 456,149**	**16.0%**	P 399,101	15.3%
Electricity, gas, steam and air-conditioning supply	**369,626**	**13.0%**	281,036	10.7%
Real estate activities	**363,830**	**12.8%**	324,074	12.4%
Wholesale and retail trade	**356,962**	**12.5%**	299,896	11.5%
Manufacturing	**282,334**	**9.9%**	232,488	8.9%
Financial and insurance activities	**272,746**	**9.6%**	402,156	15.4%
Information and communication	**120,710**	**4.2%**	90,342	3.5%
Transportation and storage	**111,991**	**3.9%**	87,256	3.3%
Construction	**96,994**	**3.4%**	90,712	3.5%
Education	**74,033**	**2.6%**	71,731	2.7%
Arts, entertainment and recreation	**72,606**	**2.5%**	83,076	3.2%
Water supply, sewerage, waste management and remediation activities	**46,112**	**1.6%**	38,760	1.5%
Accommodation and food service activities	**41,499**	**1.5%**	36,529	1.4%
Human health and social service activities	**34,431**	**1.2%**	31,875	1.2%
Agriculture, forestry and fishing	**33,163**	**1.2%**	15,642	0.6%
Mining and quarrying	**14,688**	**0.5%**	10,578	0.4%
Administrative and support services	**10,056**	**0.4%**	9,581	0.4%
Professional, scientific, and technical activities	**8,223**	**0.3%**	9,912	0.4%
Public administrative and defense; compulsory social security	**1,159**	**0.0%**	1,030	0.0%
Other service activities	**84,054**	**2.9%**	98,036	3.7%
	P 2,851,366	**100%**	P 2,613,811	100%

Parent Bank

	2023		2022	
	Amount	**Percentage**	Amount	Percentage
Activities of private household as employers and undifferentiated goods and services and producing activities of households for own use	**P 462,899**	**16.7%**	P 391,623	15.4%
Electricity, gas, steam and air-conditioning supply	**369,586**	**13.3%**	280,969	11.1%
Real estate activities	**365,008**	**13.2%**	325,088	12.8%
Wholesale and retail trade	**350,319**	**12.6%**	294,838	11.6%
Manufacturing	**280,839**	**10.1%**	231,327	9.1%
Financial and insurance activities	**272,566**	**9.8%**	401,394	15.8%
Information and communication	**120,497**	**4.3%**	90,123	3.6%
Transportation and storage	**112,117**	**4.0%**	87,613	3.5%
Construction	**95,384**	**3.4%**	89,326	3.5%
Arts, entertainment and recreation	**71,681**	**2.6%**	82,107	3.3%
Water supply, sewerage, waste management and remediation activities	**46,006**	**1.7%**	38,714	1.5%
Accommodation and food service activities	**41,373**	**1.5%**	36,329	1.4%
Human health and social service activities	**34,238**	**1.2%**	31,616	1.2%
Agriculture, forestry and fishing	**18,358**	**0.7%**	14,876	0.6%
Mining and quarrying	**14,549**	**0.5%**	10,483	0.4%
Balance carried forward	**P 2,655,420**	**95.6%**	P 2,406,426	94.8%

Parent Bank

	2023		2022	
	Amount	**Percentage**	Amount	Percentage
Balance brought forward	**P 2,655,420**	**95.6%**	P 2,406,426	94.8%
Administrative and support services	**9,818**	**0.4%**	9,375	0.4%
Education	**9,496**	**0.3%**	10,151	0.4%
Professional, scientific, and technical activities	**8,150**	**0.3%**	9,861	0.4%
Public administrative and defense; compulsory social security	**1,147**	**0.1%**	1,030	0.0%
Other service activities	**91,449**	**3.3%**	100,801	4.0%
	P 2,775,480	**100%**	P 2,537,644	100%

The BSP considers that loan concentration exists when the total loan exposure to a particular industry exceeds 30% of the total loan portfolio plus the outstanding interbank loans receivable or 10% of Tier 1 capital.

As of December 31, 2023, 10% of Tier 1 capital of the BDO Unibank Group and the Parent Bank amounted to P44,133 million and P40,737 million, respectively. As of December 31, 2022, 10% of Tier 1 capital of the BDO Unibank Group and the Parent Bank amounted to P40,110 million and P37,083 million, respectively. The table below shows the industry groups exceeding this level (amounts in millions).

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Activities of private household as employers and undifferentiated goods and services and producing activities of households for own use	**P 456,149**	P 399,101	**P 462,899**	P 391,623
Electricity, gas, steam and air-conditioning supply	**369,626**	281,036	**369,586**	280,969
Real estate activities	**363,830**	324,074	**365,008**	325,088
Wholesale and retail trade	**356,962**	299,896	**350,319**	294,838
Manufacturing	**282,334**	232,488	**280,839**	231,327
Financial and insurance activities	**272,746**	402,156	**272,566**	401,394
Information and communication	**120,710**	90,342	**120,497**	90,123
Transportation and storage	**111,991**	87,256	**112,117**	87,613
Construction	**96,994**	90,712	**95,384**	89,326
Education	**74,033**	71,731	**9,496**	10,151
Arts, entertainment and recreation	**72,606**	83,076	**71,681**	82,107
Water supply, sewerage, waste management and remediation activities	**46,112**	38,760	**46,006**	38,714
Accommodation and food service activities	**41,499**	36,529	**41,373**	36,329
Other service activities	**84,054**	98,036	**91,449**	100,801

(d) Credit Status of Loans

The breakdown of receivable from customers as to status is shown below:

	2023			2022		
	Performing	**Non-Performing**	**Total Loan Portfolio**	Performing	Non-Performing	Total Loan Portfolio
BDO Unibank Group						
Gross carrying amount:						
Corporate	**P 2,177,894**	**P 20,159**	**P 2,198,053**	P 2,005,115	P 19,823	P 2,024,938
Consumer	**618,452**	**34,861**	**653,313**	554,461	34,412	588,873
Allowance for ECL	**(49,117)**	**(34,017)**	**(83,134)**	(41,372)	(32,404)	(73,776)
Net carrying amount	**P 2,747,229**	**P 21,003**	**P 2,768,232**	P 2,518,204	P 21,831	P 2,540,035
Parent Bank						
Gross carrying amount:						
Corporate	**P 2,170,092**	**P 20,157**	**P 2,190,249**	P 1,998,357	P 19,821	P 2,018,178
Consumer	**553,765**	**31,466**	**585,231**	487,990	31,476	519,466
Allowance for ECL	**(48,415)**	**(32,387)**	**(80,802)**	(40,689)	(30,887)	(71,576)
Net carrying amount	**P 2,675,442**	**P 19,236**	**P 2,694,678**	P 2,445,658	P 20,410	P 2,466,068

Non-performing loans (NPL) included in the total loan portfolio of the BDO Unibank Group and the Parent Bank as of December 31, 2023 and 2022 are presented below as net of specific allowance for impairment in compliance with BSP Circular No. 941, *Amendments to Regulations on Past Due and Non-Performing Loans*.

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
NPL	**P 54,216**	P 53,314	**P 50,977**	P 50,543
Allowance for impairment	**(32,276)**	(31,766)	**(30,780)**	(30,395)
	P 21,940	P 21,548	**P 20,197**	P 20,148

Per MORB, loans shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement. Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after it has become past due. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

Type text here

As at December 31, 2023 and 2022, the NPLs not fully covered by allowance for credit losses follow:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Gross NPLs	**P 54,216**	P 53,314	**P 50,977**	P 50,543
NPLs fully covered by allowance for impairment	**(16,441)**	(17,217)	**(16,360)**	(17,130)
	P 37,775	P 36,097	**P 34,617**	P 33,413

NPLs shall remain classified as such until (a) there is sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least six months; or (b) written-off.

Restructured loans amount to P83,467 and P102,416 for BDO Unibank Group and P82,273 and P101,110 for Parent Bank as of December 31, 2023 and 2022, respectively. The related allowance for credit loss of such loans amounted to P26,213 and P22,918 for BDO Unibank Group and P25,601 and P22,228 for Parent Bank as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, gross and net NPL ratios of the BDO Unibank Group and the Parent Bank as reported to BSP were 1.85% and 0.75%, and 1.79% and 0.71%, respectively. As of December 31, 2022, gross and net NPL ratios of the BDO Unibank Group and the Parent Bank were 1.95% and 0.79%, and 1.89% and 0.76%, respectively. Most of the NPLs are secured by real estate or chattel mortgages.

(e) Analysis of Loan Portfolio as to Type of Security

The breakdown of total loans (receivable from customers, net of unearned interests or discounts) as to secured and unsecured follows:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Secured:				
Real estate mortgage	**P 359,974**	P 342,468	**P 353,672**	P 335,612
Chattel mortgage	**89,946**	90,508	**85,142**	87,153
Other securities	**63,448**	86,575	**61,794**	84,574
	513,368	519,551	**500,608**	507,339
Unsecured	**2,337,998**	2,094,260	**2,274,872**	2,030,305
	P 2,851,366	P 2,613,811	**P 2,775,480**	P 2,537,644

(f) Information on Related Party Loans

In the ordinary course of business, the Parent Bank has loan transactions with subsidiaries, affiliates, and certain DOSRI. Under existing policies of the Parent Bank, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

Under the current BSP regulations, the amount of individual loans to a DOSRI, 70% of which must be secured, should not exceed the amount of their unencumbered deposit and book value of their paid-in capital contribution in the Parent Bank and/or any of its lending and nonbank financial subsidiaries. In aggregate, loans to DOSRI generally should not exceed the total equity or 15% of the total loan portfolio of the BDO Unibank Group and the Parent Bank, whichever is lower. However, non-risk loans are excluded in both individual and aggregate ceiling computation.

The following table shows the information relating to the loans, other credit accommodations and guarantees granted to DOSRI as of December 31 in accordance with BSP reporting guidelines:

	BDO Unibank Group		Parent Bank	
	2023	2022	**2023**	2022
Total DOSRI loans	**P 27,755**	P 23,376	**P 27,753**	P 23,372
Unsecured DOSRI loans	**2,239**	2,123	**2,239**	2,123
Past due DOSRI loans	**4**	11	**4**	11
Non-performing DOSRI loans	**17**	16	**17**	16
% of DOSRI loans to total loan portfolio	**0.97%**	0.89%	**1.00%**	0.92%
% of unsecured DOSRI loans to total DOSRI loans	**8.07%**	9.08%	**8.07%**	9.08%
% of past due DOSRI loans to total DOSRI loans	**0.02%**	0.05%	**0.02%**	0.05%
% of non-performing DOSRI loans to total DOSRI loans	**0.06%**	0.07%	**0.06%**	0.07%

DOSRI loans of the BDO Unibank Group and the Parent Bank bear annual interest rates of 4.00% to 9.00% and 4.00% to 7.00%, respectively, in 2023 and 2022, and 1.98% to 9.00% and 1.98% and 7.00%, respectively, in 2021 (except for credit card receivables which bear a monthly interest rate of 0.00% to 3.00%, 0.00% to 2.00% and 0.00% to 3.64% in 2023, 2022, and 2021, respectively, both for BDO Unibank Group and the Parent Bank).

The following table shows the other information relating to the loans, other credit accommodations and guarantees granted to related parties (inclusive of DOSRI) as of December 31 as reported to the BSP:

	BDO Unibank Group		**Parent Bank**	
	2023	2022	**2023**	2022
Total Related Party loans	**P 126,583**	P 119,439	**P 126,531**	P 119,388
Unsecured Related Party	**76,068**	80,819	**76,068**	80,819
Past due Related Party	**4**	11	**4**	11
Non-performing Related Party	**17**	16	**17**	16
% of Related Party loans to total loan portfolio	**4.44%**	4.57%	**4.56%**	4.70%
% of unsecured Related Party loans to total Related Party loans	**60.09%**	67.67%	**60.12%**	67.69%
% of past due Related Party loans to total Related Party loans	**0.00%**	0.01%	**0.00%**	0.01%
% of non-performing Related Party loans to total Related Party loans	**0.01%**	0.01%	**0.01%**	0.01%

In accordance with existing BSP regulations, the reported DOSRI performing loans exclude loans extended to certain borrowers before these borrowers became DOSRI.

Under BSP regulations, total outstanding exposures to each of the Parent Bank's subsidiaries and affiliates shall not exceed 10.0% of the BDO Unibank Group's net worth, the unsecured portion of which shall not exceed 5.0% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.0% of the net worth of the Parent Bank.

As of December 31, 2023 and 2022, the BDO Unibank Group and Parent Bank is in compliance with these regulatory requirements.

(g) Secured Liabilities and Assets Pledged as Security

The aggregate amount of resources pledged as security and secured liabilities in 2023 totaled to P18,142 and P15,080 for the BDO Unibank Group and P17,364 and P14,500 for the Parent Bank, respectively. In 2022, the aggregate amount of resources pledged as security and secured liabilities totaled to P22,573 and P15,179 for the BDO Unibank Group and P16,191 and P12,679 for the Parent Bank, respectively.

(h) Contingencies and Commitments arising from Off-Balance Sheet Items

In the normal course of BDO Unibank Group and the Parent Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, etc., which are not reflected in the BDO Unibank Group and the Parent Bank's financial statements. BDO Unibank Group and the Parent Bank recognizes in its books any losses and liabilities incurred in the course of its operations as soon as these become determinable and quantifiable. Management believes that, as of December 31, 2023 and 2022, no additional material losses or liabilities are required to be recognized in the financial statements of BDO Unibank Group and the Parent Bank as a result of the commitments and contingencies.

The summary of BDO Unibank Group and the Parent Bank's commitments and contingent accounts is shown below.

		BDO Unibank Group		**Parent Bank**	
	Notes	**2023**	2022	**2023**	2022
Trust department accounts	28	**P 1,990,505**	P 1,825,019	**P 1,397,170**	P 1,255,751
Committed credit lines	4.3.2	**517,560**	445,683	**517,560**	445,683
Forward exchange sold		**230,468**	194,235	**192,229**	161,324
Forward exchange bought		**202,389**	164,713	**164,430**	133,773
Unused commercial letters of credit	4.3.2	**95,526**	94,851	**95,526**	94,851
Spot exchange sold		**30,435**	12,945	**28,958**	12,290
Bills for collection		**14,442**	14,889	**14,442**	14,889
Export letters of credit confirmed		**13,578**	14,757	**13,578**	14,757
Other contingent accounts		**10,027**	2,889	**16,327**	5,472
ROP warrants		**8,475**	8,475	**8,475**	8,475
Spot exchange bought		**5,652**	5,038	**4,175**	4,383
Interest rate swap receivable		**3,027**	4,660	**3,027**	4,110
Interest rate swap payable		**3,027**	4,660	**3,027**	4,110
Late deposits/payments received		**2,342**	1,417	**2,307**	1,399
Outstanding guarantees issued		**1,682**	2,270	**1,682**	2,270

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Report of Independent Auditors to Accompany Supplementary Schedules Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

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

T +63 2 8988 2288

The Board of Directors and the Stockholders
BDO Unibank, Inc.
BDO Towers Valero
8741 Paseo de Roxas, Salcedo Village
Makati City, Philippines

We have audited the financial statements of BDO Unibank, Inc. and subsidiaries (collectively referred to as the BDO Unibank Group) and BDO Unibank, Inc. for the year ended December 31, 2023, on which we have rendered our report thereon dated February 24, 2024. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules (see Table of Contents) of the BDO Unibank Group as of December 31, 2023 and for the year then ended, are presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and are not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary schedules are the responsibility of management. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Romualdo V. Murcia III**
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 10076147, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 95626-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-022-2022 (until Oct. 13, 2025)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2024

APR 11 2024
DOCUMENT PROCESSING AND QUALITY ASSURANCE DIVISION

BDO Unibank, Inc. and Subsidiaries
SEC Supplementary Schedules
December 31, 2023

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Note:
** Not Applicable*
*** See Notes to Financial Statements*

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Supplemental Statement of Independent Auditors

The Board of Directors
BDO Unibank, Inc.
BDO Towers Valero
8741 Paseo de Roxas, Salcedo Village
Makati City, Philippines

We have audited the financial statements of BDO Unibank, Inc. (the Bank) for the year ended December 31, 2023, on which we have rendered the attached report dated February 24, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Bank has 12,260 stockholders owning 100 or more shares each of the Bank's capital stock as of December 31, 2023.

PUNONGBAYAN & ARAULLO

By: **Romualdo V. Murcia III**
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 10076147, January 3, 2024, Makati City
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Partner - No. 95626-SEC (until financial period 2026)
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BIR AN 08-002511-022-2022 (until Oct. 13, 2025)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2024



Annex 68-D
Reconciliation of Retained Earnings Available for Dividend Declaration
For the reporting period ended December 31, 2023

BDO Unibank, Inc.
BDO Corporate Center, 7899 Makati Avenue, Makati City

Unappropriated Retained Earnings, beginning of reporting period				**P**	**139,283**
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**				
	Others [Realized Gain on FVOCI (MTM)]	P	7		7
Less:	**Category B: Items that are directly debited to Unappropriated Retained Earnings**				
	Dividend declaration during the reporting period		16,207		
	Retained Earnings appropriated during the reporting period		2,271		
	Others (describe nature)		-		18,478
Unappropriated Retained Earnings, beginning as adjusted					**120,812**
Add/Less:	**Net income (loss) for the current period**				**67,199**
Less:	**Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**				
	Equity in net income of associate/joint venture, net of dividends declared		6,984		
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		488		**7,472**
Add:	**Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**				**-**
Add:	**Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**				**-**
Adjusted Net Income/Loss					**180,539**
Add:	**Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**				**-**
Add/Less:	**Category E: Adjustments related to relief granted by the SEC and BSP**				**-**
Less:	**Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**				
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(	3,153)		
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, i.e., set-up of right of use of asset and lease liability, set-up asset and asset retirement obligation, and set-up of service concession asset and concession payable.	(	84)	**(**	**3,237)**
Total Retained Earnings, end of the reporting period available for dividend				**P**	**183,776**

Annex 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

BDO UNIBANK, INC. AND SUBSIDIARIES
As of December 31, 2023

Ratio	Formula	Current Year	Prior Year
Current ratio	Current resources / Current liabilities	46.3%	44.9%
Acid test ratio	Cash & cash equivalents + Marketable securities + Current receivables / Current liabilities	46.3%	44.8%
Solvency ratio	Total liabilities / Total resources	88.4%	88.7%
Debt-to-equity ratio	Total liabilities / Total equity	763.5%	783.0%
Asset-to-equity ratio	Total resources / Total equity	863.5%	883.0%
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) / Interest expense	280.6%	468.9%
Return on equity	Net profit / Average total capital accounts	15.0%	12.9%
Return on assets	Net profit / Average total resources	1.7%	1.5%
Net profit margin	Net profit / Revenues	22.7%	23.8%
Other ratios:			
Net Interest Margin	Net interest income / Average interest earning resources	4.6%	4.1%
Return on Common Equity	Net profit / Average common equity	15.2%	13.0%
Liquidity ratio	Total liquid resources / Total resources	34.4%	34.2%
Capital to risk Assets ratio	Combined credit, market and operational risk	14.9%	14.5%
Basel III Leverage ratio	Capital Measure / Exposure Measure	9.9%	9.8%
Liquidity Coverage ratio	Total Stock of High Quality Liquid Assets / Total net cash outflows	123.2%	140.7%
Net Stable Funding ratio	Available Stable Funding / Required Stable Funding	124.1%	123.9%

Annex 68-I

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

BDO Unibank, Inc. and Subsidiaries
For the period ended December 31, 2023
(In millions)

	Fixed Rate Peso Bonds
1. Gross and net proceeds as disclosed in the final prospectus	Nothing to report
2. Actual gross and net proceeds	
Gross	
Net	
3. Each expenditure item where the proceeds were used	
Reserves	
Loans	
4. Balance of the proceeds as of the end of reporting period	

BDO Unibank, Inc. and Subsidiaries
Schedule A - Financial Assets
December 31, 2023
(In Millions)

Type of Securities	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Valued based on Market Quotation at End of Reporting Period	Income Received and Accrued
Financial assets at fair value through profit or loss				
Derivatives	175,634	P 6,070	P 6,070	P 810
Government bonds	19,266	11,207	11,207	121
Other debt securities	789	3,932	3,932	5
Equity securities	650	26,011	26,011	26
		47,220	47,220	962
Fair value through other comprehensive income				
Government debt	236,112	239,649	239,649	2,012
Other debt securities	65,959	64,215	64,215	730
Equity securities	684	4,816	4,816	2
		308,680	308,680	2,744
Investment securities at amortized cost				
Government debt securities	483,897	501,825	484,756	5,521
Other debt securities	73,794	74,160	71,965	723
		575,985	556,721	6,244
		P 931,885	**P 912,621**	**P 9,950**

BDO Unibank, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023
(In Millions)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Amounts Written Off	Current*	Not Current**	
Loans to Officers and Employees:							
Salary Loans	P 1,936	P 1,556	P 1,468	P -	P 202	P 1,822	P 2,024
Credit Card Loans	161	801	769	-	174	19	193
Auto Loans	80	31	43	-	4	64	68
Home Loans	73	10	18	-	1	64	65
Others***	4	-	2	-	2	-	2
	2,254	2,398	2,300	-	383	1,969	2,352
Loans to Stockholders:							
SM Investments Corporation	12,538	8,102	4,756	-	1,967	13,917	15,884
Sybase Equity Investments Corporation	5,504	1,017	315	-	4,703	1,503	6,206
Romer Mercantile Inc	3,015	6,562	6,329	-	3,248	-	3,248
Intercontinental Devt Corp	65	3	3	-	65	-	65
	21,122	15,684	11,403	-	9,983	15,420	25,403
Total	**P 23,376**	**P 18,082**	**P 13,703**	**P -**	**P 10,366**	**P 17,389**	**P 27,755**

**Due within one year*
***Due beyond one year*
****This consists of insignificant DOSRI Loans*

BDO Unibank, Inc. and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2023
(In Millions)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current*	Not Current**	Balance at End of Period
			Amounts Collected	Amounts Written Off			
BDO Life Assurance Company Inc.	P 3,232	P 12,259	P 2,269	P -	P 13,222	P -	P 13,222
SM Keppel Land, Inc.	-	7,585	5	-	-	7,580	7,580
BDORO Europe Ltd.	1,785	2,226	2,124	-	-	1,887	1,887
BDO Network Bank, Inc.	2,660	7,434	9,292	-	802	-	802
BDO Capital & Investment Corporation	641	4,559	4,601	-	18	581	599
BDO Strategic Holdings, Inc.	17	3,890	3,830	-	77	-	77
BDO Remit (USA), Inc.	111	8,597	8,633	-	75	-	75
BDO Insurance Brokers, Inc,	26	30	26	-	30	-	30
BDO Remit (Japan) Ltd.	18	3,342	3,350	-	10	-	10
BDO Remit Canada Ltd.	3	499	500	-	2	-	2
BDO Private Bank, Inc.	846	-	846	-	-	-	-
	P 9,339	**P 50,421**	**P 35,476**	**P -**	**P 14,236**	**P 10,048**	**P 24,284**

**Due within one year*
***Due beyond one year*

BDO Unibank, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2023
(In Millions)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current portion of Long-Term Debt" in related Statement of Financial Position	Amount shown under Caption "Long-Term Debt" in related Statement of Financial Position	Interest Rate	Maturity Date
Bills Payable					
The Bank of New York Mellon	P 1,665	P 1,665	P -	5.64%	January 8, 2024
The Bank of New York Mellon	1,773	1,773	-	5.66%	January 26, 2024
The Bank of New York Mellon	1,112	1,112	-	5.67%	February 6, 2024
Bank of the Philippine Islands	456	456	-	3.42%	February 8, 2024
Hongkong and Shanghai Banking Corp. HK	590	590	-	6.00%	February 21, 2024
Cobank, ACB	2,817	2,817	-	2.04%	February 26, 2024
Cobank, ACB	2,493	2,493	-	6.10%	March 27, 2024
Land Bank of the Philippines	1,506	1,506	-	6.45%	June 6, 2024
Land Bank of the Philippines	1,506	1,506	-	6.45%	July 5, 2024
Land Bank of the Philippines	906	906	-	6.25%	August 16, 2024
Land Bank of the Philippines	100	100	-	6.26%	August 23, 2024
The Hongkong and Shanghai Banking Corp. Ltd.	3,890	3,890	-	6.26%	August 30, 2024
Development Bank of the Philippines	853	853	-	6.00%	September 6, 2024
Cobank, ACB	1,395	1,395	-	6.10%	November 14, 2024
Bank of America, N.A., Singapore Branch	1,663	1	1,662	6.08%	March 28, 2025
Wells Fargo Bank, N.A., Singapore Branch	1,109	1	1,108	6.08%	March 28, 2025
Wells Fargo Bank, National Association	2,770	2	2,768	6.08%	March 28, 2025
Wells Fargo Bank, N.A., Singapore Branch	4,158	4	4,154	6.21%	May 26, 2025
Bank of America, National Association	4,156	4	4,152	6.21%	May 26, 2025
Cobank, ACB	2,227	12	2,215	6.09%	May 29, 2025
Citicorp International Limited	2,779	10	2,769	6.11%	January 9, 2026
Bank of Taiwan, Offshore Banking Branch	1,806	6	1,800	6.11%	January 9, 2026
The Export-Import Bank of Republic of China	555	2	553	6.11%	January 9, 2026
Land Bank of Taiwan	278	1	277	6.11%	January 9, 2026
The Shanghai Commercial & Savings Bank, Offshore Banking	139	-	139	6.11%	January 9, 2026
Development Bank of the Philippines	1,250	-	1,250	6.10%	March 31, 2026
Development Bank of the Philippines	544	-	544	6.00%	April 5, 2026
Development Bank of the Philippines	836	-	836	6.00%	April 12, 2026
Land Bank of the Philippines	1,014	-	1,014	6.40%	September 16, 2026
Land Bank of the Philippines	1,016	-	1,016	6.25%	September 29, 2026
Land Bank of the Philippines	1,518	-	1,518	6.48%	October 27, 2026
Land Bank of the Philippines	1,206	-	1,206	6.25%	November 30, 2026
Development Bank of the Philippines	527	-	527	6.00%	December 7, 2026
Land Bank of the Philippines	1,317	-	1,317	6.40%	April 16, 2027
	51,930	21,105	30,825		
Senior Notes					
Senior Notes 1	8,427	133	8,294	4.16%	February 20, 2025
Senior Notes 2	33,380	329	33,051	2.13%	January 13, 2026
Senior Notes 3	5,526	27	5,499	3.71%	May 16, 2029
	47,333	489	46,844		
Fixed Rate Peso Bonds					
Senior Notes 1	52,899	52,899	-	2.90%	January 28, 2024
	P 152,162	**P 74,493**	**P 77,669**		

BDO Unibank, Inc. and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2023

Name of related party	Balance at Beginning of Period	Balance at End of Period

Nothing to report

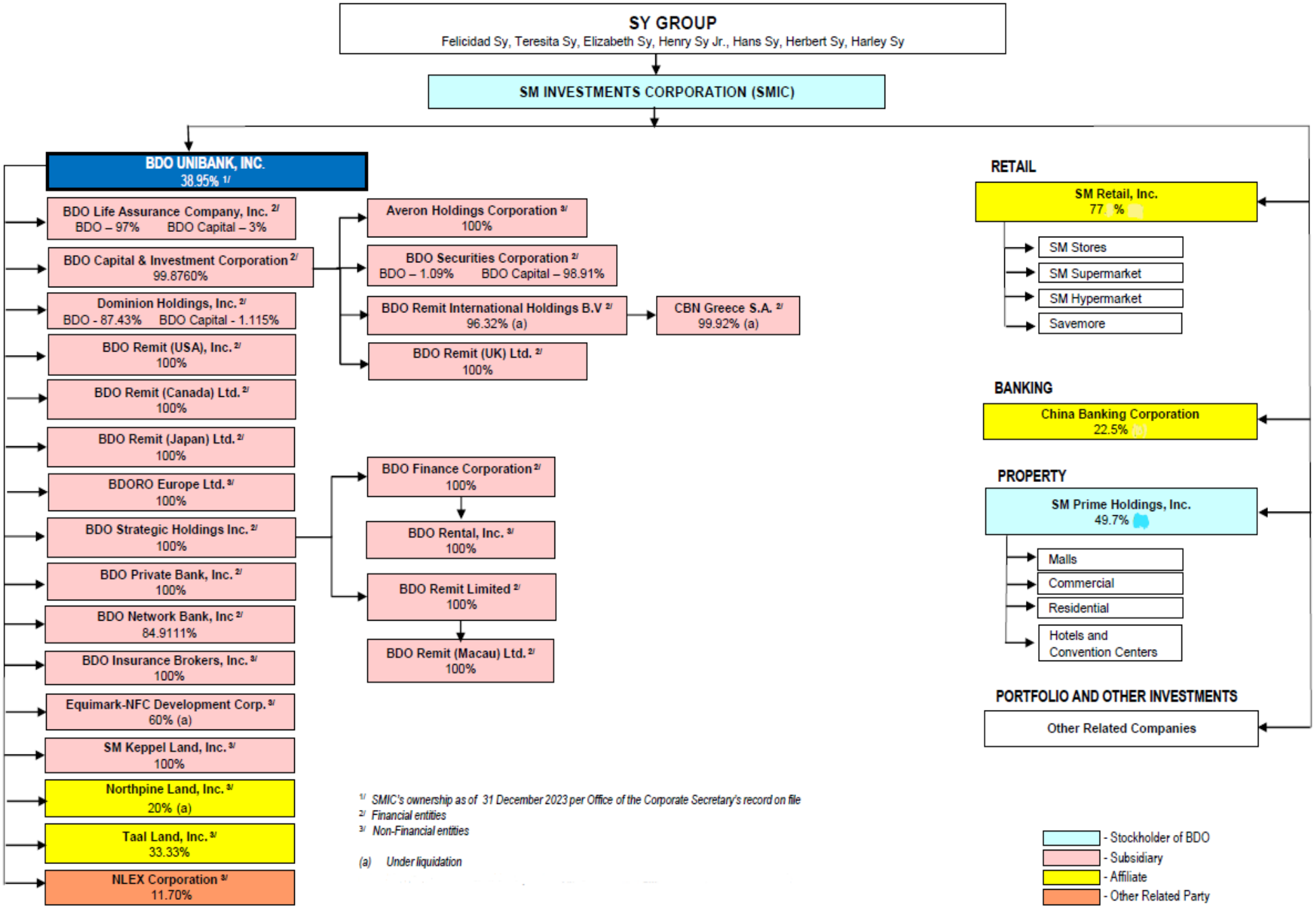
BDO Unibank, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee

Nothing to report

BDO Unibank, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under the Statement of Financial Position caption	Number of shares Reserved for Options, Warrants, Coversion and other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common shares - P10 par value	8,500,000,000					
Issued		5,268,362,374				
Outstanding		5,268,357,304		2,899,398,533	44,235,323	2,324,723,448
Preferred Shares - P10 par value	1,000,000,000	618,000,000	-	618,000,000	-	-


SY GROUP
Felicidad Sy, Teresita Sy, Elizabeth Sy, Henry Sy Jr., Hans Sy, Herbert Sy, Harley Sy
SM INVESTMENTS CORPORATION (SMIC)
BDO UNIBANK, INC.
38.95% 1/
BDO Life Assurance Company, Inc. 2/
BDO – 97% BDO Capital – 3%
BDO Capital & Investment Corporation 2/
99.8760%
Dominion Holdings, Inc. 2/
BDO - 87.43% BDO Capital - 1.115%
BDO Remit (USA), Inc. 2/
100%
BDO Remit (Canada) Ltd. 2/
100%
BDO Remit (Japan) Ltd. 2/
100%
BDORO Europe Ltd. 3/
100%
BDO Strategic Holdings Inc. 2/
100%
BDO Private Bank, Inc. 2/
100%
BDO Network Bank, Inc 2/
84.9111%
BDO Insurance Brokers, Inc. 3/
100%
Equimark-NFC Development Corp. 3/
60% (a)
SM Keppel Land, Inc. 3/
100%
Northpine Land, Inc. 3/
20% (a)
Taal Land, Inc. 3/
33.33%
NLEX Corporation 3/
11.70%
Averon Holdings Corporation 3/
100%
BDO Securities Corporation 2/
BDO – 1.09% BDO Capital – 98.91%
BDO Remit International Holdings B.V 2/
96.32% (a)
CBN Greece S.A. 2/
99.92% (a)
BDO Remit (UK) Ltd. 2/
100%
BDO Finance Corporation 2/
100%
BDO Rental, Inc. 3/
100%
BDO Remit Limited 2/
100%
BDO Remit (Macau) Ltd. 2/
100%
RETAIL
SM Retail, Inc.
77.[illegible]%
SM Stores
SM Supermarket
SM Hypermarket
Savemore
BANKING
China Banking Corporation
22.5%
PROPERTY
SM Prime Holdings, Inc.
49.7%
Malls
Commercial
Residential
Hotels and Convention Centers
PORTFOLIO AND OTHER INVESTMENTS
Other Related Companies
1/ SMIC's ownership as of 31 December 2023 per Office of the Corporate Secretary's record on file
2/ Financial entities
3/ Non-Financial entities
(a) Under liquidation
- Stockholder of BDO
- Subsidiary
- Affiliate
- Other Related Party

SUSTAINABILITY REPORT

DELIVERING
SUSTAINABLE IMPACT



2023 SUSTAINABILITY REPORT

About the Report

2-1, 2-2, 2-3

This report is BDO Unibank's sixth Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2023. It is a substantiation of BDO's commitment to the United Nations Sustainable Development Goals (UN SDGs), the principles of the United Nations Global Compact, and the Greenhouse Gas Protocol (GhG) Protocol. This report has been prepared in accordance with the GRI Standards 2021. For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

This report covers the sustainability efforts of BDO Unibank and its subsidiaries and affiliates, including BDO Private Bank, BDO Network Bank, BDO Capital & Investment, BDO Life, BDO Insure, and Dominion Holdings, Inc.

This report should be read in tandem with the 2023 BDO Annual Report and expanded disclosures on the BDO website at www.bdo.com.ph.

BDO 2023 SUSTAINABILITY REPORT

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The limited copies of the BDO 2023 Sustainability Report are printed on Toccata paper. Acid-free and made with materials from well-managed forests, Toccata is certified by the Forest Stewardship Council (FSC). To know more about FSC, please visit https://fsc.org/en.

BDO's Footprint 2-1

BDO is a full-service universal bank in the Philippines, providing a complete array of industry-leading products and services including Lending (corporate and consumer), Deposit-taking, Foreign Exchange, Brokering, Trust and Investments, Credit Cards, Retail Cash Cards, Corporate Cash Management, and Remittances. Through its local subsidiaries, the Bank offers Investment Banking, Private Banking, Leasing and Finance, Rural Banking, Life Insurance, Property and Casualty Insurance Brokerage, and Online and Traditional Stock Brokerage Services.

BDO's institutional strengths and value-added products and services hold the key to its successful business relationships with customers. Its branches remain at the forefront of setting high standards as a sales- and service-oriented, customer-focused force. The Bank has the largest distribution network with over 1,700 operating branches and more than 5,500 teller machines nationwide. BDO has 16 international offices (including full-service branch offices in Hong Kong and Singapore) spread across Asia, Europe, North America, and the Middle East.

The Bank also offers digital banking solutions to make banking easier, faster, and more secure for its clients.

Through selective acquisitions and organic growth, BDO has positioned itself for increased balance sheet strength and continued expansion into new markets. As of December 31, 2023, BDO is the country's largest bank in terms of total resources, customer loans, deposits, assets under management and capital, as well as branch and ATM network nationwide.

BDO is a member of the SM Group, one of the country's largest and most successful conglomerates with businesses spanning retail, mall operations, property development (residential, commercial, hotels and resorts), and financial services. Although part of a conglomerate, BDO's day-to-day operations are handled by a team of professional managers and bank officers. Further, the Bank has one of the industry's strongest Board of Directors, composed of professionals with extensive experience in various fields that include banking and finance, accounting, law, and business.

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.



₱262.1 billion
(US$4.7 billion)
Direct Economic Value Generated

₱2.9 trillion
(US$51.5 billion)
Gross Customer Loans

₱3.6 trillion
(US$64.4 billion)
Total Deposits

₱518.6 billion
(US$9.3 billion)
Capital

₱4.5 trillion
(US$80.9 billion)
Total Resources

₱73.4 billion
(US$1.3 billion)
Net Income

₱687.5 billion
(US$12.4 billion)
Market Capitalization

₱898 billion
(US$16.2 billion)
Total Sustainable Finance funded

1,722
Total Branches and Banking Offices, including foreign branches in Hong Kong and Singapore

5,514
Teller Machines Nationwide (ATMs, Cash Accept Machines, Universal Teller Machines, and Self-Service Teller Machines)

₱1 = US$55.37



Message from the Chairperson



"As we continue on our sustainability journey, we carry a much greater conviction of our role in empowering more Filipinos to make sustainable choices."

Dear Clients and Shareholders,

At BDO, we believe that being socially and environmentally responsible is more than just ensuring business continuity and resiliency. As we continue on our sustainability journey, we carry a much greater conviction of our role in empowering more Filipinos to make sustainable choices.

Our products and services helped enhance financial inclusion and well-being, especially for unbanked and underserved Filipinos. Through our sustainable finance initiatives, we supported businesses that promote environmental protection and conservation. We also pursued projects that provide opportunities for the growth and development of individuals and communities through entrepreneurship or employment.

The pioneering BDO Blue Bond raised US$100 million from the investment of the International Finance Corporation and funded projects that help ensure the availability of clean water in key areas where there is water scarcity, and manage wastewater so that it is recycled and kept from flowing directly to the ocean.

BDO's first ASEAN Sustainability Bond, which successfully raised ₱52.7 billion in 2022, funded the expansion of renewable energy sources; the development of sustainable infrastructure; the creation of job opportunities for displaced, underprivileged, and unemployed Filipinos; and the provision of loans for Micro, Small, and Medium Enterprises (MSME) to increase productivity.

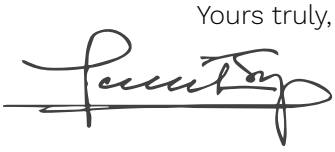
Through MSME financing, we supported women clients who comprise the majority of entrepreneurs we finance. As more women become financially self-reliant, they also become more empowered to participate actively in the economy.

We are able to pursue all these sustainable initiatives with the help of our dedicated BDO employees. To further develop their appreciation for the Bank's sustainability efforts and hone their capacity to better implement its accompanying projects, BDO employees were encouraged to join capacity-building sessions organized by the Sustainability Office, such as workshops on the UN Sustainable Development Goals and sustainable finance trainings in partnership with the International Finance Corporation.

BDO employees also participated in community-building activities through the Bank's employee volunteer program. BDO employees worked hand-in-hand with partner communities and organizations to help in disaster recovery and to promote financial literacy and inclusion. In 2023, we saw an increase in the number of participating employees — they offered 4,402 hours of their time and expertise to promote the Bank's advocacies in 86 volunteer events nationwide. We also forged partnerships with more organizations in order to reach out to more communities, especially those in the more remote areas of the country.

We recognize how immense the challenges are ahead of us. Rather than be daunted, we take these challenges as opportunities to live out our We Find Ways mantra and make our world better for future generations.

Yours truly,



Teresita T. Sy
Chairperson

Message from the President and CEO



"Remaining true to our sustainable finance framework, we believe that ensuring viability of our business goes hand-in-hand with promoting the well-being of our planet and its people."

Dear Stakeholders,

Another year in our sustainability journey, another year to reflect on our policies and activities, and another year to implement improvements in our approach to sustainability. Our philosophy remains constant, continuous improvement implemented in small steps over time.

In 2023, we upgraded BDO's sustainability policy into the more comprehensive framework, the Environmental and Social Risk Management System (ESRMS). The upgraded policy reflected our position on social and environmental issues in support of the United Nations Sustainable Development Goals. The ESRMS clearly defined the Bank's risk appetite on issues such as climate change, the environment, human rights, and disaster risk management and response. In addition, we are increasingly factoring in our business decisions the dependencies and impact on the environment of the organizations we support.

BDO is also active in the market promoting financing instruments in support of sustainability. We issued the Blue Bond for ocean and water projects, the Green Bond for cleaner energy, and the ASEAN Sustainability Bond for economic, environmental, and social development.

We continue to expand the scope of our branches to promote financial inclusion. BDO Network Bank's branches and loan offices increased by 12% year on year, providing the rural population and Micro, Small, and Medium Enterprises (MSMEs) easier access to financial support to meet their needs and to grow their business. Our loans to MSME grew 30% in 2023.

Through BDO Foundation, we reconstructed our 160th rural health unit in 2023. In partnership with the Philippine Red Cross, we inaugurated our first Blood Center to serve Agusan del Norte and neighboring provinces. We continue to create and nurture partnerships that allow us to conduct disaster response for families gravely affected by disasters and to pursue the advocacies we champion.

These efforts have not gone unnoticed. BDO was named Top Sustainability Advocate in Asia for the third straight year at the 2023 Asia Corporate Excellence & Sustainability (ACES) Awards in Kuala Lumpur, Malaysia. For the 13th consecutive year, The Asset Awards gave BDO the Platinum Award for Excelling in Environment, Social and Governance (ESG) in Hong Kong. BDO received the Best Advance in Sustainability Practices Award at the 14th Annual Retail Banker International Asia Trailblazer Awards in Singapore. The Bank also won the Best Sustainability Bond for Financial Institution in the Philippines at The Asset Triple A Country Awards for Sustainable Finance. In addition, BDO received the Four Golden Arrows rating at the ASEAN Corporate Governance Scorecard (ACGS) Awards for the top publicly-listed Philippine companies in corporate governance.

Remaining true to our sustainable finance framework, we believe that ensuring viability of our business goes hand-in-hand with promoting the well-being of our planet and its people. We celebrate our milestones and I personally thank all BDO bankers for their integral role in ingraining sustainability in everything that we do. With their steadfast dedication, we forge ahead to shape a more sustainable and resilient future for everyone.

Sincerely,

Nestor V. Tan
President and CEO

BDO's Path to Creating Shared Value



Creates jobs

41,647
Employees

75%
Employees are women

59%
Women in senior management
(Assistant Vice President and up)

37%
Women in top management
(Senior Vice President and up)

Helps businesses grow

₱50.1 billion
Bank-wide outstanding SME Loans

Fosters banking habits

825,414
Lives insured

₱18.8 million
Customers

1,722
Branches and Banking Offices including foreign branches in Hong Kong and Singapore

1,993,044
Total new checking and savings accounts

5,514
Teller Machines Nationwide (ATMs, Cash Accept Machines, Universal Teller Machines, and Self-Service Teller Machines)

Accelerates economic growth

₱37.7 billion
Taxes paid in 2023

Supports customer expenditure

8%
5-year CAGR** in Home Financing

11%
5-year CAGR** in Credit Cards (Cards-in-Force)

***Compounded Annual Growth Rate*

Facilitates infrastructure development

₱73 billion
Loans disbursed to national projects

₱18.1 billion
Loans disbursed in the past 5 years for airports

₱31.2 billion
Loans disbursed in the past 5 years for road networks



Promotes community development

160
Rural health units (RHUs) rehabilitated to date

29
RHUs rehabilitated in 2023

861,791
Total beneficiaries of RHUs rehabilitated in 2023

7,831,373
Total beneficiaries of RHUs rehabilitated to date

Champions financial inclusion

26
Financial education videos developed since 2018

6,989,916**
Total beneficiaries reached through financial education programs since 2018

1,951,984
Beneficiaries reached through financial education programs in 2023

12
Partner government agencies

Finances environment-friendly solutions

₱898 billion
Total Sustainable Finance projects funded to date

2,377 MW
Total installed renewable energy capacity in megawatts

4,382,572
Tonnes of carbon dioxide avoided per year

72,466,757
Equivalent tree seedlings grown over 10 years

930,491
Equivalent passenger vehicles taken off roads yearly

59
Renewable Energy Projects funded to date

Volunteers for the community

86
Volunteer activities

1,263
Employee volunteers

4,402
Volunteer hours

* Sustainable Aviation Fuel

** Excludes partner agency data which were not available at the time of reporting.



Sustainability Overview

BDO Sustainability Philosophy

We seek to achieve strategic resilience by incorporating sustainability principles in the way we do business and in everything we do — from making business decisions to assessing relationships to creating products.

Alignment with the United Nations Global Compact Principles

BDO supports the principles of the United Nations Global compact. The Bank upholds:

- Corporate Governance
- Climate-friendly solutions and opportunities for business
- Access to clean, renewable, and reliable energy sources and services
- The adoption of instruments that help quantify, manage, and report the carbon footprint of our businesses
- The responsibility to protect the dignity of every person and uphold human rights
- The recognition of the role of women in achieving economic growth and poverty reduction
- The elimination of all forms of forced, compulsory, and child labor

BDO Sustainability Framework

The Bank's Sustainability Framework defines the strategies that serve as guideposts in its journey towards sustainability.

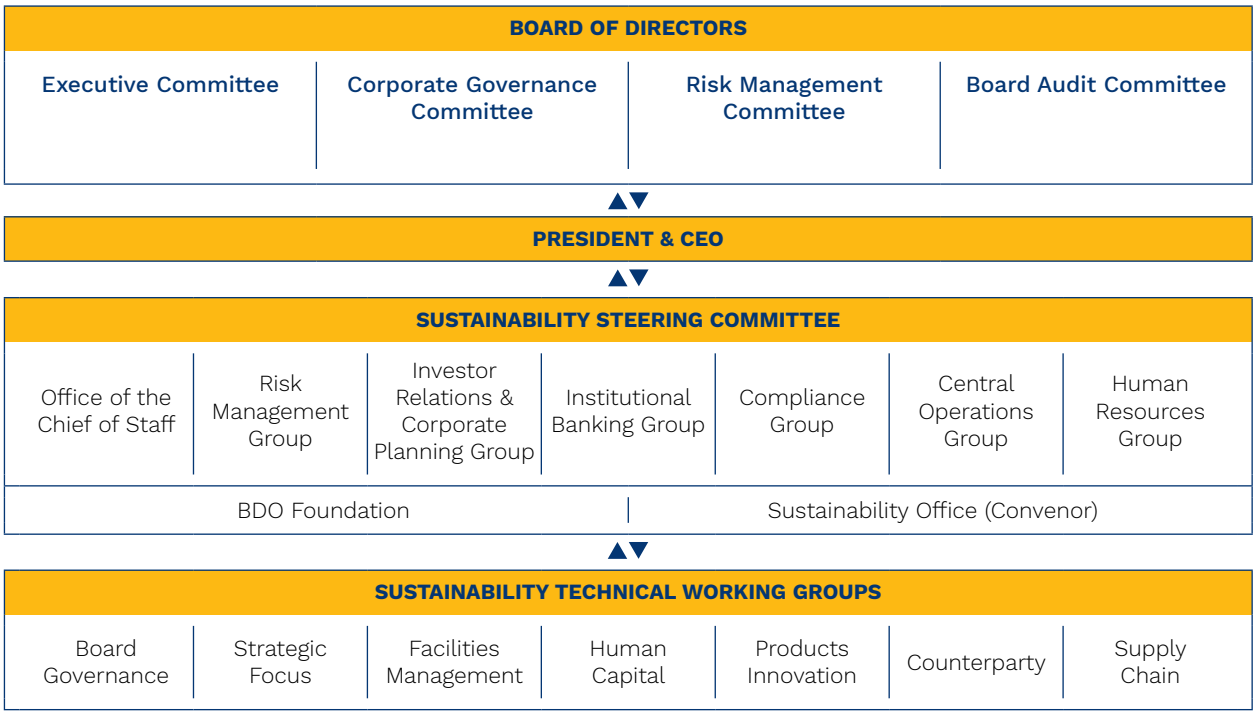


Sustainability Governance 3-1

"Since the release of our first Sustainability Report in 2018, we have kept true to the 17 Sustainable Development Goals outlined by the United Nations. We are constantly striving to infuse sustainability, inclusion, and equity into our corporate culture, products, and services."

Nestor V. Tan
President and Chief Executive Officer

BDO's commitment to sustainability is fostered at the Board level, role modeled by senior executive leaders, executed by the business units and subsidiaries, and brought to life by BDO employees. BDO's sustainable development strategies are anchored on the United Nations Sustainable Development Goals.



Roles and Responsibilities 3-1

Oversight for sustainability initiatives reside in four BDO Board Committees, aligned to their key responsibilities. The Executive Committee approves all sustainability programs across the BDO Group and their corresponding budgets for implementation. The Corporate Governance Committee oversees sustainability initiatives related to the following: culture change towards a sustainability mindset for the organization; stakeholder communication; progress reporting on programs, metrics, and targets; and sustainability reporting. The Risk Management Committee oversees environmental, social, and governance risks in the Bank's risk management system, including climate change risks. The Board Audit Committee oversees internal audit reporting on sustainability programs and sustainability reporting, as well as compliance testing against regulatory mandates on sustainability.

Across these four Board Committees, all Board Directors are effectively engaged in various capacities and according to their expertise, in driving the Bank's sustainability framework across corporate governance, risk management, strategy, and operations. In 2022, the Board Committees' Terms of Reference were updated to reflect their oversight on sustainability matters. The President and CEO provides high level strategic direction on sustainability — from the articulation of the BDO Sustainability Strategies to key focus areas where the Bank has the most ESG impact. The CEO also approves the Bank's strategic external partnerships and commitments on sustainability on global, regional, and local levels. He is supported by the Sustainability Transition Steering Committee which oversees the Bank's policy formulations, programs review, and recommendations from the Sustainability Technical Working Groups, as the Bank transitions into a sustainable finance framework. The Steering Committee is composed of heads of business groups, support groups, and the BDO Foundation, whose work cover corporate governance, risk management, business strategy, operations, and corporate social responsibility. The Steering Committee meets on a quarterly basis, and as needed. Acting as Convenor for the Steering Committee is the Sustainability Office, which oversees and implements the Bank's Sustainable Finance Framework transition plan through the Technical Working Groups. The Sustainability Office also reports to the Corporate Governance Committee, drives the day-to-day implementation of sustainability initiatives, manages ESG due diligence, produces the annual Sustainability Report, and represents BDO in external forums. The Technical Working Groups are assigned a key Focus Area where BDO has the greatest ESG impact and tasked to review and enhance related policies to embed environmental and social impact principles and criteria, articulate practice into policy, and recommend and implement sustainability programs for the Bank. The Technical Working Groups are composed of representatives from business groups, support groups, and subsidiaries who are chosen for their expertise and experience in their respective fields.

Reporting Process

	1	2	3	4
STEPS TAKEN	**Capacity Building** GRI Standards training and workshops	**Materiality Assessment** Review of operations and management approaches, identification of key impact across the value chain and performance indicators	**Data Gathering** Collection of stories and data based on identified material topics	**Management Review** Validation and acceptance of material topics and reported information
GRI SUSTAINABILITY REPORTING STANDARDS	Stakeholder Inclusiveness and Sustainability Context	Materiality, Sustainability Context, Stakeholder Inclusiveness, and Completeness	Stakeholder Inclusiveness and Completeness	Stakeholder Inclusiveness and Completeness

Materiality Topics 3-1, 3-2, 3-3

Data Security
How BDO safeguards the privacy and security of financial data against emerging cybersecurity threats and technologies

Topic Boundary
Within BDO and with regulators and customers

Employee Health & Safety
How BDO creates and maintains a safe and healthy workplace environment free of injuries, fatalities, and illness

Topic Boundary
Within BDO and with employees

Customer Privacy
How BDO manages risks related to the use of personally identifiable information and other customer or user data

Topic Boundary
Within BDO and with regulators and customers

Customer Welfare
How BDO manages customer relations to cover customer satisfaction, customer experience, and welfare protection

Topic Boundary
Within BDO and with customers

Systemic Risk Management
How well BDO is positioned to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements

Topic Boundary
Within BDO and with regulators

Business Ethics
How BDO operates on principles of accountability, transparency, integrity, and fairness

Topic Boundary
Within BDO

Labor Practice
How BDO upholds commonly accepted labor standards in the workplace, in compliance with labor laws and internationally accepted norms and standards

Topic Boundary
Within BDO and with key government agencies and employees

Diversity & Inclusion
How BDO ensures that its culture and hiring and promotion practices build a diverse and inclusive workplace that reflects its talent pool and customer base

Topic Boundary
Within BDO and with employees

Access & Affordability
How BDO promotes and practices the financial inclusion of the unbanked, underbanked, or underserved, complemented with financial literacy to ensure that customers make informed financial decisions

Topic Boundary
Within BDO and with regulators and customers

Physical Impact of Climate Change
How BDO incorporates climate change into lending analysis and risk mitigation in its mortgage finance and insurance businesses in order to protect shareholder value

Topic Boundary
Within BDO and with regulators

Financing Sustainable Development
How BDO supports sustainable financing, including financing renewable energy and green facilities, and/or sustainable development for positive social impact

Topic Boundary
Within BDO and with partners and customers

Selling Practices and Product Labeling
How BDO manages its practices in consumer finance selling, mortgage finance lending, and insurance products sales and marketing

Topic Boundary
Within BDO and with customers

Management of Legal and Regulatory Environment
How BDO engages with regulators and complies with legal requirements

Topic Boundary
Within BDO and with regulators

Direct Economic Value Generated
How BDO delivers on sustainable returns to its shareholders, and attains consistent market growth, in support of national economic development

Topic Boundary
Within BDO and with key stakeholders

Executive Responsibility in ESG
How BDO's sustainability governance structure oversees and manages ESG material topics at the Board and senior executive levels

Topic Boundary
Within BDO and with key stakeholders

Human Rights
How BDO manages its direct and indirect impact on human rights in its operations, including its socioeconomic community impact and engagement

Topic Boundary
Within BDO and with community partners and beneficiaries

Product Design and Lifecycle Management
How BDO incorporates environmental, social, and governance factors into the lending process

Topic Boundary
Within BDO and with regulators and customers

Supply Chain Management
How BDO manages environmental, social, and governance risks within its supply chain

Topic Boundary
Within BDO and with suppliers

Waste Management
How BDO manages the hazardous and non-hazardous waste generated by its operations

Topic Boundary
Within BDO and with key government agencies

Water and Wastewater
How BDO manages the impact of its operations on water resources

Topic Boundary
Within BDO and with key government agencies

Energy Management
How BDO manages its environmental impact associated with energy consumption

Topic Boundary
Within BDO

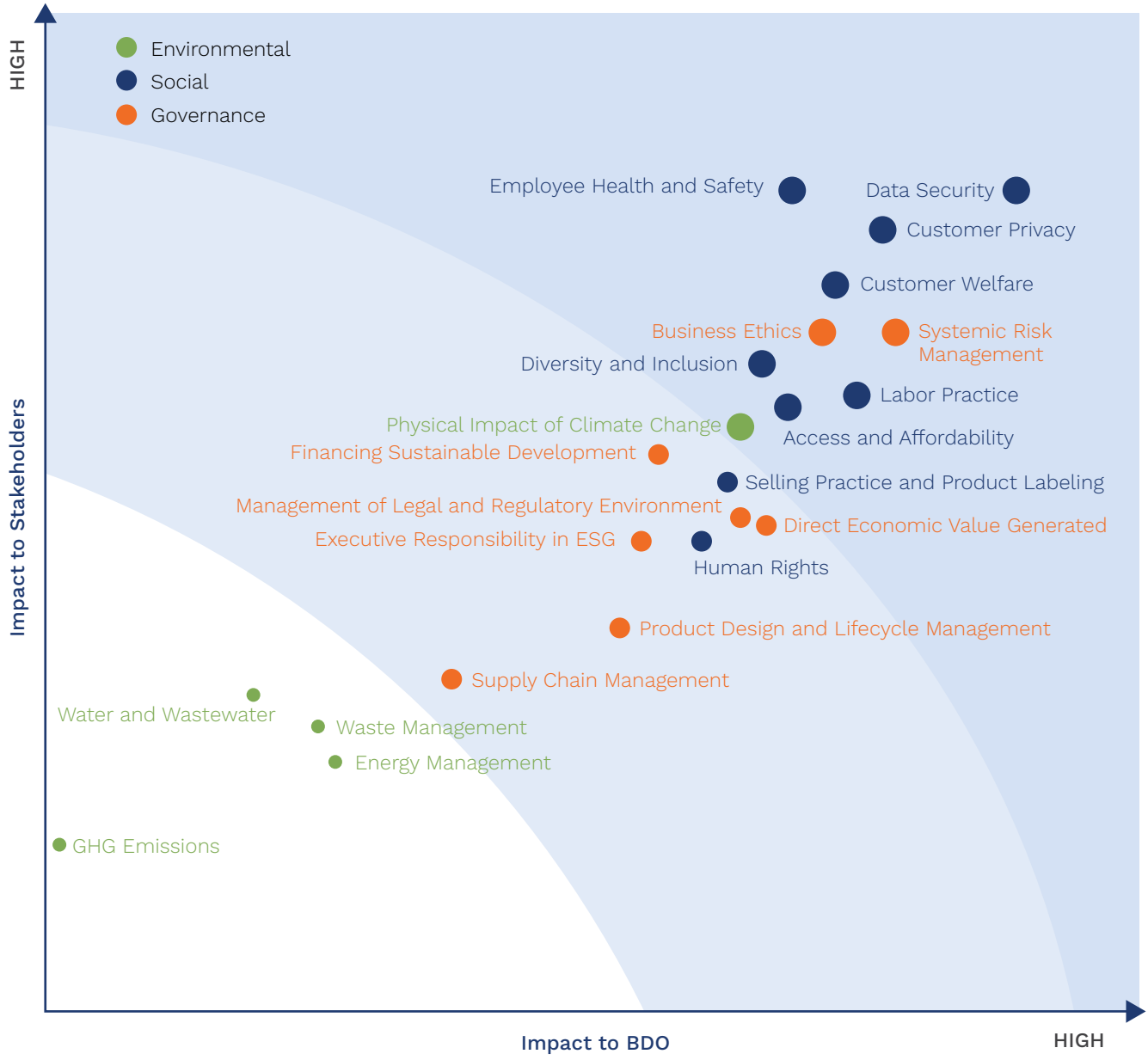
GHG Emissions
How BDO manages its direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (GHG) generated through its operations, and GHG emissions from lending and financial intermediary activities (Scope 3)

Topic Boundary
Within BDO and with key stakeholders

Note: Total of 22 Materiality Topics for BDO

ESG Materiality Matrix 3-1

BDO's Materiality identified ESG topics using the GRI Sustainability Reporting Standards, the Sustainability Accounting Standards Boards (SASB) framework, and the Task Force for Climate-related Financial Disclosures recommendations, as well as topics reported on by BDO's peers. S&P Global designed a bespoke stakeholder survey for BDO's internal and external stakeholder groups to rate the importance of identified material topics to the Bank's ESG impact on stakeholders, and identify ESG factors that affect the Bank. This enhanced stakeholder group engagement for materiality assessment aims to better prepare BDO to anticipate and mitigate emerging risks to the Bank and to its stakeholders. The resulting matrix shows the intersection of ESG topics most important to both, as ranked by stakeholders in the Philippines and overseas. In 2022, BDO reviewed each material topic and incorporated it in our policies and programs for the bank. Our performance on these material issues are discussed in this report.



Stakeholder Engagement 2-29

Stakeholder Group	Relevance	Channels of Engagement	Relevant Topics	Our Commitment
Shareholder or Investor	■ Providers of resources essential to BDO's goal to deliver results, enhanced economic returns, and shared value	■ Annual Stockholders' Meeting ■ Investor meetings	■ Access and affordability ■ Systemic Risk Management	■ Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved ■ Enhance embedded environmental and social criteria in credit risk and operational risk systems
Employee	■ Proponent of BDO's vision, mission, and objectives	■ Face-to-face meetings ■ Annual performance appraisals	■ Employee health and safety ■ Customer welfare	■ Prioritize occupational health and safety at all times ■ Provide timely feedback to customer concerns
Customer or Client	■ Patrons of BDO's products and services	■ Customer touchpoints ■ Regular visits and briefings	■ Customer Privacy ■ Data Security ■ Greenhouse Gas Emissions	■ Provide guardrails to manage risks related to customer or user data ■ Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies ■ Disclose our Scope 1, 2 and 3 emissions
Creditor	■ Source of assets that support BDO's business	■ Regular correspondence and updates	■ Business ethics ■ Financing Sustainable Development	■ Meet our contractual obligations ■ Continue to support sustainable financing and sustainable development
Service Provider or Supplier	■ Suppliers and service providers vital to BDO	■ Vendor accreditation process ■ Regular correspondence	■ Business ethics ■ Supply Chain management	■ Continue to operate on principles of accountability, transparency, integrity, and fairness ■ Manage ESG risks within our supply chain, in partnership with suppliers
Regulator or Policy Maker	■ Driver of regulations and policies that aid BDO in achieving its goals	■ Formal and informal correspondence ■ Regular audit	■ Data Security ■ Access and affordability ■ Business ethics	■ Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies ■ Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved ■ Continue to operate on principles of accountability, transparency, integrity, and fairness
Community Beneficiary	■ Partners in community development and local economic growth	■ Community engagement dialogues ■ Meetings for program implementation	■ Customer Privacy ■ Human rights	■ Provide guardrails to manage risks related to customer or user data ■ Protect human rights in our operations, including our socioeconomic community impact and engagement
Analyst or Research Organization and Media	■ Partners in accurate reporting, upholding transparency and integrity	■ Analysts' briefings ■ Media events	■ Financing Sustainable Development ■ Physical Impacts of Climate Change	■ Continue to support sustainable financing and sustainable development ■ Incorporate climate change into lending analysis and risk mitigation in our businesses to protect shareholder value



Mainstreaming Sustainable Banking

We develop and enhance products and services that enable our customers to make sustainable financial decisions and practices wherever they are. We manage our environmental and social risks and create opportunities for our clients, communities, and country. We support sustainable development that incorporates financial inclusion and impact financing to help achieve a low carbon economy that is environmentally responsible and socially equitable.



*Sustainable Aviation Fuel

Managing Climate Change and Other Environmental and Social Risks and Opportunities

BDO acknowledges that environmental and social (E&S) risks arising from its activities and those of its clients have significant impact on its operations. The Bank recognizes sustainability as long-term risk management, and seeks to manage these risks by incorporating sustainability in the way it does business. BDO's Sustainability Philosophy aims to embed sustainability principles when making business decisions, assessing relationships, and creating products and services.

Over the years, the Bank has adhered to sustainable finance practices that long incorporated Environmental, Social, and Governance (ESG) in the way that it conducts business as an organization and as a bank committed to sustainability. Since 2010, the Bank has abided by its Social and Environmental Management System (SEMS) Policy, which was co-developed with the International Finance Corporation (IFC) and based on IFC's ESG standards. The SEMS Policy aims to control and address social and environmental risks in the Bank's lending operations by categorizing E&S risks as High, Medium, and Low, based on type (sector/industry), location (proximity to environmentally and socially sensitive areas), sensitivity (potential impact whether irreversible/ reversible), and extent of environmental and/or social issues.

The SEMS Policy covered the lending operations, particularly for sustainable finance of renewable energy projects, energy efficiency initiatives, and green buildings. BDO evolved its longstanding SEMS Policy into the more comprehensive Board-approved Environmental and Social Risk Management System (ESRMS) Framework that will help identify, assess and manage E&S risks associated not only in its lending activities, but also its investment activities and administrative operations. This Framework is fully incorporated in BDO's banking policies and procedures and is aligned with the Bank's risk appetite which defines the nature and level of risk that the Bank is willing to take in order to achieve its sustainability strategies. In Q4 2023, BDO started training priority groups of employees on the ESRMS – starting with its Relationship Managers, Credit Analysts, and Facilities Managers – to identify and evaluate potential E&S risks associated with its clients and its administrative operations. The ESRMS Framework will be regularly updated to adapt to any applicable developments in the Bank's commitments and in national legislation.

The Bank is continuously working towards its commitment to develop long lasting relationships with its clients by making sure that its businesses, products, and services are resilient and will be able to adapt to the ever-changing environment that the Bank operates in. In doing so, BDO will be in a better position to promote sustainable growth and achieve strategic resilience in all of its business operations.

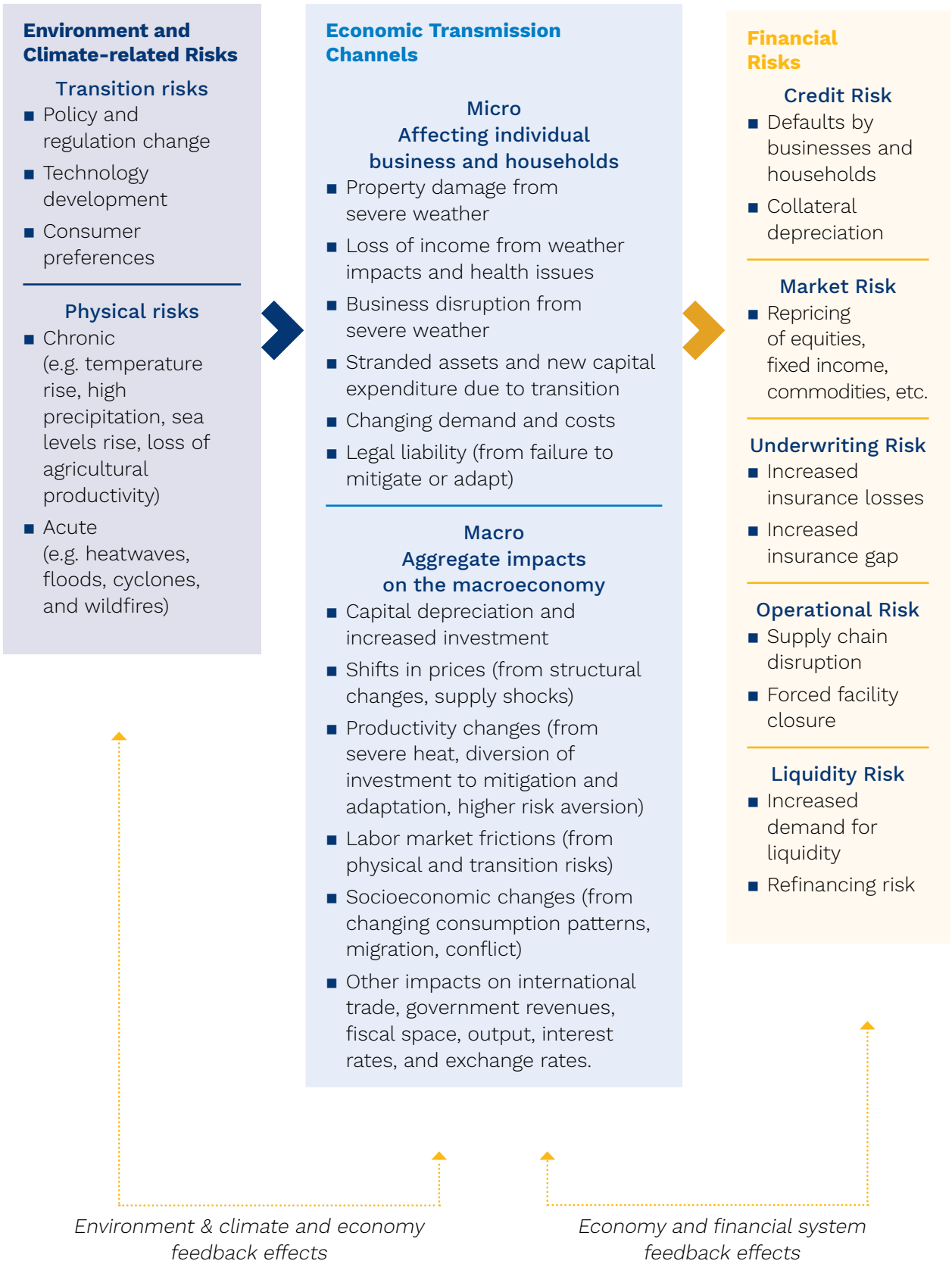
Identifying climate-related Risks

The ESRMS Framework is incorporated in the banking policies and procedures and is aligned with the Bank's risk appetite which defines the nature and level of risk that the Bank is willing to take in order to achieve its sustainability strategies.

There are four main key drivers of E&S risks considered by BDO, which are mainly linked to the characteristics of the Bank's clients, investments, and its operations. These drivers are:

a) Industry, based on 2019 Philippine Industry Classification System (PSIC);
b) Location;
c) Risks in the value chain; and
d) Identification and management of E&S risks by the business

BDO recognizes that E&S risks can translate to financial risks if left unmitigated.



Physical Impacts of Climate Change

BDO has engaged a third-party consultant to assess the physical impacts of climate change to BDO's operations, including its offices and branches in the Philippines and abroad, and the Bank's lending and investment portfolio.

Integration into enterprise risk management

BDO has started to integrate its wider E&S risk assessment in its existing processes for credit, investments, and operations through the use of an E&S Due Diligence questionnaire developed in-house called the Environment and Social Tool 4 Risk (EAST4R) for scoring E&S risks, where E&S issues are assigned weights considering different factors such as industry issues, and relevant E&S laws and regulations. The environment and climate-related issues considered are climate change physical risk, climate change transition risk, energy use and conservation, water use and conservation, deforestation or site clearance, waste management, and biodiversity loss. The social issues are health and safety, child labor, modern slavery, labor rights, human rights, indigenous peoples' rights, and community rights.

Environmental

- **Climate change** (physical risk, transition risks)
- **Energy** use and conservation
- **Water** use and conservation
- **Waste** management
- **Deforestation** or site clearance
- **Biodiversity** loss

Social

- **Health and safety**
- **Child** labor
- Modern **slavery**
- **Labor rights**
- **Human rights**
- **Indigenous peoples'** rights
- **Community** rights

Key Focus Areas

	Climate Change	Environment	Human Rights	Disaster Risk Management and Response
Commitments	Manage the risks associated with climate change (physical, transition risk) and the transition to a low carbon economy today and in future scenarios.	Manage and reduce the Bank's environmental impact in its credit, investments, and operations, recognizing that environmental degradation will exacerbate destruction and loss of life.	Recognize and uphold its role to respect human rights among its stakeholders.	Manage the risks associated with the economy, society, and environment in the aftermath of a disaster. Focus resources to mitigate and adapt to the E&S impact of disasters brought about by climate change and human activities.
Risk Appetite	**Low risk appetite** for activities that do not support the transition to a low carbon economy. Activities should be in line with the BDO Energy Transition Finance Statement **High risk appetite** for clean and renewable energy activities	**Low risk appetite** for client activities that have significant adverse environmental impact **No risk appetite** for any non-compliance with environmental laws and regulations	**No risk appetite** for activities that violate human rights in the Bank's workforce, clients, investees, and supply chain	**High risk appetite** for activities that create opportunities, drive socioeconomic development, and respond to needs of marginalized sectors of society **No risk appetite** for activities that significantly disrupt bank operations

Climate Change

BDO is committed to managing the risks of climate change, both transition and physical risks, that it is facing today and will face under future scenarios; and managing the risks associated with the strategic commitment to help the Philippines to transition to a low-carbon economy.

Low risk appetite for activities that are not contributing to the transition to a low carbon economy, and should be in line with the BDO Energy Transition Finance Statement released in 2022. The Bank has a high risk appetite for clean and renewable energy sources that emit low greenhouse gas emissions in its value chain.

This is reflected in current commitment to reduce the Bank's thermal coal exposure to 50% by 2033, while imposing a limit of 2% of total loan portfolio by 2033. In addition, the Bank will continue to engage with its clients to determine how best it can support them in their low-carbon transition journey. However, in line with the Bank's Energy Transition Finance Statement, in a situation where the Philippine government implements provisional emergency measures to address an energy crisis, or to the extent that the country's energy resources can no longer meet its energy demand, BDO may reconsider extending capital to coal projects, in the interest of advancing the country's social goals. The Bank anticipates that its position on energy security in general, and on coal-related financing in particular, will evolve along the way in response to the country's economic realities, taking into consideration government's energy-related priorities and programs.

Overall, the Bank aims to:

In its dealings with clients and investees:

- Leverage its BDO Sustainable Finance Framework (SFF) which serves as a guidepost in issuing Green, Social, and Sustainability Bonds and other debt financing instruments that allow the Bank to diversify funding sources and broaden investor base to include ESG-focused investors. Under the BDO SFF, eligible projects are expected to reduce the Philippines' environmental footprint and assist in the energy transition towards a low-carbon economy, as well as drive socioeconomic development nationwide.
- Improve efforts and capability on climate scenario analysis by regularly reviewing its exposures to carbon-intensive sectors to better assess its portfolio resilience under various possible outcomes.
- Advocate and support its clients in their transition to a low-carbon economy through innovative product offerings that promote renewable energy, energy efficiency, green buildings, and transition financing, among such credit and investment opportunities, across all its target markets.

In its own operations:

- Better understand the impacts of climate change by properly identifying and managing the Bank's E&S risk exposures in its operations and third-party service providers (i.e., vendors/suppliers).
- Ensure strict compliance to applicable environmental laws and regulations such as Republic Act (RA) 8749 (Philippine Clean Air Act of 1999).
- Measure, monitor, and report its emissions using monitoring and evaluation tools [e.g., best available technologies (BAT)].
- Advocate and support its stakeholders in their transition to a low-carbon economy through capability building and stewardship.

- Disclose the actions that the Bank is taking or has taken and report the progress to its internal and external stakeholders in a timely manner.
- Keep up-to-date with the latest developments from local and international regulatory and disclosure bodies, such as the following:
  - Securities and Exchange Commission (SEC)
  - Bangko Sentral ng Pilipinas (BSP)
  - Hong Kong Monetary Authority (HKMA)
  - Monetary Authority of Singapore (MAS)
  - Global Reporting Initiative (GRI)
  - Task Force on Climate-related Financial Disclosures (TCFD)
  - International Financial Reporting Standards (IFRS)

Environment

BDO is cognizant that environmental degradation will exacerbate destruction and loss of life. This drives the Bank's commitment in embedding sustainability in its day-to-day operations to reduce its environmental impacts.

In relation to dealings with clients and investments, the Bank has a low risk appetite for events brought on by the client's business that have been determined to have significant adverse environmental impact (e.g., oil spill affecting marine life, tailings dam failure impacting waterways, etc.) or for non-compliance with relevant environmental laws and regulations, specifically on waste, water, and energy, which impact both credit and reputational risk. The Bank has reflected this in its E&S due diligence procedures.

In relation to banking operations, the Bank has no risk appetite for any non-compliance with environmental laws and regulations it is being monitored on.

BDO is cognizant that forests play an essential role in global climate stability, preserving genetic biodiversity, and supporting biological health and well-being. From a financial standpoint, deforestation jeopardizes the long-term stability and growth of various sectors that depend on forest resources. Industries such as agriculture, fisheries, construction, and tourism rely on the ecosystem services provided by forests. Without sustainable forest management, these sectors face increased risks of productivity decline, supply chain disruptions, and heightened vulnerability to natural disasters. The Bank is committed to address deforestation and contribute to the preservation and sustainable management of the Philippines' forest resources. In terms of its lending and investment activities, BDO has a low risk appetite regarding activities that may involve deforestation and will exercise caution and employ strict criteria to evaluate potential clients and investment opportunities by actively screening borrowers and projects to minimize exposure to deforestation practices.

In terms of the Bank's own operations, BDO has no risk appetite for activities that may involve illegal forest clearing operations. The Bank will prioritize sustainable procurement practices and will actively seek vendors and suppliers who demonstrate responsible forest management and sustainable sourcing.

The Bank is committed in ensuring that its operations have reduced impact to the environment in which it operates in. Moreover, the Bank is also committed in improving the lives of its clients, employees, and communities it caters to by effective management of its operational footprint.

WATER MANAGEMENT

- Reducing water consumption in branches and offices through recycling facilities
- Use of best available technologies (BAT) to ensure water use efficiency such as waterless toilets, leak-free and well insulated piping systems to limit water waste

ENERGY MANAGEMENT

- Reducing water and energy consumption in branches and offices by using BAT to ensure energy management such as passive infrared (PIR) motion sensors in bathrooms/toilets, LED lighting, and inverter technology for air-conditioning units
- Switching to renewable/clean energy sources

WASTE MANAGEMENT

- Reducing the amount of paper used in bank operations, aligned with its digitalization initiatives, and where possible, switching to post-consumer recycled paper
- Proper disposal of hazardous wastes [e.g., busted fluorescent lamps (BFL), used lead-acid batteries (ULAB), used oil] and non-hazardous wastes (e.g., food wastes)
- Enhancing its reuse of surplus office equipment and furniture as it continues to expand operations

This Environmental Policy encompasses water, energy, fuel, and waste management and applies to all business operations, including products and services being offered by the Bank to all companies operating across all industry sectors.

Human Rights

BDO is committed to understand and uphold the role of business, and in particular the Bank, in respecting human rights among its stakeholders. The Bank has partnered with the Philippine Commission on Human Rights (CHR) to build BDO's capacity to create and implement its own Human Rights policy across its operations; help BDO create its own Human Rights Impact Assessment Tool that can inform the Bank's risk assessment for social risks; and overall, manage BDO's human rights impact and responsibility to respect the human rights of its stakeholders. As such, the Bank has no risk appetite for activities that violate human rights in the Bank's workforce, its clients and investees and supply chain. Moving forward, the Bank will engage with its stakeholders, including:

EMPLOYEES

The Bank will conduct capability-building and surveys in relation to human rights with its employees, in accordance with its Code of Conduct and Business Ethics, and ensure that any violations are properly resolved through appropriate methods and channels. The Bank will also develop its own Human Rights Impact Assessment Tool as part of its partnership with the Philippine Commission on Human Rights.

CUSTOMERS

The Bank will leverage its Sustainable Finance Framework in its lending activities and will not finance clients that are involved in activities that violate human rights, such as harmful or exploitative forms of forced labor, modern slavery, and child labor.

VENDORS AND SUPPLIERS

The Bank will not engage with vendors and suppliers that have violations in human rights policies and standards. Moreover, the Bank will adhere to its Manual on General Procurement Guidelines that establishes the policies on procurement of products and services and provides a framework of efficient, consistent, transparent, and compliant purchasing practices across all business units of BDO. The Bank reserves the right to terminate any contracts with vendors and suppliers that did not abide by the Manual. The Bank is developing its own Supply Chain Ethical Code patterned after the Bank's Code of Conduct and Business Ethics and ask vendors and suppliers to abide by its provisions.

The BDO Human Rights Policy applies to the BDO Group in the Philippines and in other countries where it operates, the entities that it owns, and the entities in which it holds a majority interest. This policy also applies, to the extent achievable, to the Bank's supply chain through partners, suppliers, and third-party contractors.

Disaster Risk Management and Response

BDO recognizes its critical role in economic development and social inclusion. The Bank is committed to focus its resources to mitigate and adapt to the E&S impact of disasters brought about by climate change and human activities. The Bank has a high risk appetite for activities that create opportunities and initiatives that drive socioeconomic development projects addressing disaster risks and respond to the needs of marginalized sectors of society, especially those affected by disasters brought about by climate change.

In terms of the Bank's own operations, BDO remains true to its commitment to embed sustainability in its day-to-day operations to reduce its environmental impacts that will exacerbate destruction and loss of life brought about by climate change and human activities. As such, the Bank has no risk appetite for activities that would significantly disrupt the Bank's operations. BDO will consistently adhere to, improve, and adapt its established Business Continuity Plan.

The Bank established the BDO Foundation that serves as its corporate social responsibility arm and is responsible for harnessing the strengths and resources of the Bank, including those of its employees for its various programs. The BDO Foundation has laid out a list of target beneficiaries that may benefit from disaster response activities, focusing its resources on the aftermath of such events to immediately provide relief, fund rehabilitation, help advance recovery, and strengthen adaptive capabilities of disaster-stricken communities. The Bank's Employee Volunteer Program (EVP), co-managed by the Foundation with Human Resources and the Sustainability Office, focuses on activities that complement disaster response and adaptation: addressing poverty and hunger, the environment, education, and financial literacy – sustainable development themes in support of the UN SDGs.

E&S Risk Assessment

Part of the risk assessment procedures conducted by BDO includes the assessment of E&S risks inherent at the industry level. For each industry covered in the industry risk assessment, the Bank assigned a score to each identified E&S risk based on the potential level of risk exposure considering the nature of the industry's operations (i.e., low, medium, or high risk). Based on the aggregate scoring for each of the E&S risk inherent under a particular industry, an overall E&S score was determined to identify the exposure from an environmental and a social perspective. Results of the E&S risk assessment at an industry level has been summarized in the next page.

Lending and investments portfolio exposure by sector

Sector	As of March 2023		
	Lending (79% of total)	Investment (21% of total)	Total Portfolio Exposure
Real Estate Activities	23.8%	2.4%	19.4%
Financial and Insurance Activities	16.3%	9.6%	14.9%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	11.5%	0.2%	9.2%
Electricity, Gas, Steam and Air Conditioning Supply	10.6%	4.2%	9.3%
Activities of Households as Employers; Undifferentiated Goods- and Services-producing Activities of Households for Own Use	9.7%	0.0%	7.7%
Manufacturing	8.8%	0.6%	7.1%
Information and Communication	3.5%	0.9%	3.0%
Construction	3.2%	0.4%	2.7%
Transportation and Storage	3.1%	0.6%	2.6%
Arts, Entertainment and Recreation	3.0%	0.1%	2.4%
Water Supply; Sewerage, Waste Management and Remediation Activities	1.5%	0.1%	1.2%
Accommodation and Food Service Activities	1.3%	0.9%	1.2%
Human Health and Social Work Activities	1.1%	0.0%	0.9%
Other Service Activities	0.9%	0.0%	0.7%
Agriculture, Forestry and Fishing	0.5%	0.0%	0.4%
Mining and Quarrying	0.5%	0.5%	0.5%
Education	0.4%	0.0%	0.3%
Administrative and Support Service Activities	0.2%	0.0%	0.1%
Professional, Scientific and Technical Activities	0.1%	0.0%	0.1%
Public Administration and Defense; Compulsory Social Security*	0.0%	79.4%	16.4%

*Includes investment exposures to government and sovereigns

Key Focus Sectors

Based on its portfolio exposures in lending and investments, BDO has probable high E&S risk exposures primarily in the Energy sector. The bulk of financing for the Energy Sector goes to electric power transmission and distribution infrastructure, followed by electric power generation from renewable energy, coal, and natural gas. To a lesser extent, BDO also has E&S risk exposures in the Transportation and Storage, Construction, and Mining and Quarrying sectors. To address these, the BDO ESRMS provides for the Bank's commitment and approach to these high E&S risk sectors.

Energy Sector

The Bank is committed towards financing more sustainable sources of energy in the Philippines. The Bank recognizes that the banking industry plays a critical role in the Philippines' committed transition to a low carbon economy, a transition that will require providing access to affordable, reliable, sustainable, and clean energy.

The Bank believes that this transition is a journey that requires adopting a balanced approach, which must acknowledge the difficult trade-offs that need to be made along the way between national economic development that depends on affordable and reliable energy, and the relentless pursuit of the broader goal of climate sustainability.

Transportation and Storage Sector

The Bank is committed towards supporting sustainable modes of transportation in the Philippines. The Bank recognizes the critical role the banking industry has in decarbonizing transportation in the Philippines.

Construction Sector

With green buildings, the use of sustainable construction materials and methods are increasingly becoming the standard. The Bank is committed to work closely and support its clients in the construction industry to shift towards becoming sustainable.

Mining and Quarrying Sector

The Bank is committed towards more responsible mining in the Philippines. The Bank recognizes that the banking industry plays a critical role towards responsible mining, as many mining clients have seen the feasibility of a proper E&S management program that is valuable to the environment and communities. The Bank also notes that certain mined metals and minerals are key to green technologies, energy generation, and battery storage.

Additional Due Diligence Applicable to Key Focus Sectors

The Bank will continuously assess the adherence of each client to applicable E&S standards by performing periodic evaluation and review of its projects and operations. In addition, the Bank will assess controversies its clients and investees are a party to, such as issues related to deforestation, pollution/improper waste disposal, biodiversity loss, health and safety, high energy and water use, and violations to indigenous people and community rights.

The sector commitments are subject to periodic review by the Bank and will be revised as needed. The clients, investees, suppliers and employees of the Bank are expected to be guided by these commitments in all their business transactions.

Sustainable Finance

BDO recognizes the value of natural capital, which presents businesses with both risks and opportunities. As a pioneer in sustainable finance in the Philippines, the Bank continues to find ways to protect the environment through innovative financing instruments that contribute to ensuring sustainable use of natural resources. BDO also works to advance inclusive growth through financial inclusion of the underserved and the underbanked.

The Bank's Sustainable Finance Framework serves as the guidepost for BDO's credit and investment activities which takes into account economic, environmental, and social risks and opportunities.

Financial Instruments for Sustainability

Blue Bond

BDO's first Blue Bond issuance helped finance and refinance projects that improved water management in Luzon by increasing the capacity of wastewater treatment facilities, providing access to technologies for reducing non-revenue water (NRW), and constructing sustainable water

19,240
Tonnes of carbon dioxide emissions avoided

supply infrastructure, rain water harvesting and surface water utilization facilities. The projects increased clean water supply for the area, while avoiding groundwater extraction. The three projects that benefitted from the bond issuance saved 60,062,121 cubic meters (m^3) of water from groundwater extraction. The projects also avoided 323,939 m^3 in water loss. An additional 4,517 m^3 of wastewater was also treated annually. All of these water savings are equivalent to 19,240 tonnes of carbon dioxide emissions (CO_2e) avoided. The projects also included technological solutions that ensure efficient water use and prevent water discharge from households to river basins and coastal areas.

323,939 m^3
Water loss avoided

60,062,121 m^3
Saved from groundwater extraction

The financing also led to a 14% increase in the number of households with clean water and a 52% increase in the number of establishments whose wastewater were treated before water reuse or discharge to bodies of water. The number of hospitals provided with wastewater treatment also increased by 16% after the financing.

BDO issued its first Blue Bond on May 2022, for US$100 million from the International Finance Corporation (IFC) as anchor investor. The Blue Bond is the first in Southeast Asia and first to use the IFC's Blue Finance Guidelines. The issuance comes at a critical time for the Philippines, where severe and extreme water scarcity currently exist in parts of Luzon, especially in Greater Metro Manila and nearby provinces. Water availability in the Philippines is only 1,446 m^3 per capita per year nationwide, indicating that the country is experiencing water stress — a situation when water supply is from 1,000 to 1,700 m^3 per capita per year.

For more details on the 2023 BDO Blue Bond Impact Report, see https://www.bdo.com.ph/aboutbdo/sustainability/sustainability-reporting

ASEAN Sustainability Bond

BDO issued its first ASEAN Sustainability Bond in January 2022 and successfully raised ₱52.7 billion for the peso-denominated bond with a tenor of two years and a fixed rate of 2.90% per annum under its ₱365 billion Bond Program. As of September 2023, use of proceeds of the bond has been allocated to 28 projects amounting to ₱35.75 billion which is 68% of the total issuance. Of these 28 projects, 18 are under the green eligible categories, while 10 are under the social eligible categories of the BDO Sustainable Finance Framework (SFF). These projects contributed to the following social and environmental impacts:

- increased access to affordable, safe, nutritious, and sufficient food;
- increased production of Fair-Trade certified products;
- more beneficiaries of agricultural projects;
- creation of jobs and support for micro, small, and medium enterprises (MSME);
- reduction in greenhouse gas (GhG) emissions;
- increased renewable energy generation; and
- water savings

The Bond is the largest issuance for any Philippine financial institution or company to date, and was oversubscribed by over 10 times its original target of ₱5 billion. BDO's use of proceeds for the bond supported a range of sustainability initiatives that improve food security, generate employment, promote renewable energy, develop green buildings, improve sustainable water and wastewater management, enhance resource efficiency, and pollution prevention and control.

For more details on the 2023 BDO ASEAN Sustainability Bond Impact Report, see https://www.bdo.com.ph/about-bdo/sustainability/sustainability-reporting

Lending

Pioneering sustainable energy financing: BDO Institutional Banking

For over a decade, BDO Sustainable Finance under the BDO Institutional Banking Group (IBG) has been at the forefront of financing large scale eligible green and social impact projects. This covers a wide range of business activities — from renewable energy, energy efficiency, green building, clean transportation, pollution prevention and control, sustainable management of natural resources and land use, eco-efficient technology, sustainable water and wastewater management, terrestrial and aquatic biodiversity conservation, climate change adaptation, affordable housing, access to essential services, employment generation, and food security. Having pioneered Sustainable Finance since 2010, BDO has built a robust portfolio of large-scale renewable energy projects across the nation and in the region. This extensive experience has led to positive economic, environmental, and social impacts, serving as the foundation for the BDO Sustainable Finance Framework (SFF) for Bond Issuances.

To further expand sustainable finance coverage, the BDO Board approved a new financing type and additional categories (see colored text) for the SFF in 2023:

Green Finance

- Renewable energy
- Green buildings
- Clean transportation
- Resource efficiency and pollution prevention and control
- Environmentally sustainable management of living natural resources and land use
- Sustainable water and wastewater management
- Energy efficiency
- Climate change adaptation

Social Finance

- Employment generation
- Food security
- Access to essential services
- Affordable basic infrastructure
- Affordable housing
- Social and economic empowerment

Blue Finance

- Sustainable water and wastewater management
- Offshore renewable energy
- Ocean-friendly and water-friendly products
- Ocean-friendly chemicals
- Prevention, control, and reduction of waste from entering the coastal and marine environments
- Sustainable fisheries, aquaculture, and seafood value chain
- Ecosystem management, protection and natural resources restoration
- Resource efficiency and circular economy
- Sustainable shipping and port logistics sector projects

Orange/Gender Finance

- Gender responsive products and/or services
- Projects or enterprises with a substantially gender diverse and equitable workforce, and/or gender-inclusive value chains, that ensure gender-pay equity and equal workplace and employment-related rights to all regardless of gender identity
- Women-owned and/or Women-led enterprise
- Financing other ESG or SDG-aligned projects or initiatives that are intentionally designed to substantially and disproportionately have a positive net impact on women, girls or gender minorities

The BDO SFF acts as a guiding principle for issuing Green, Blue, Social, Orange/Gender, and Sustainability Bonds, as well as other debt financing instruments, enabling the bank to diversify funding sources and expand its investor base to include those focused on Environmental, Social, and Governance (ESG) criteria. The Bank actively contributes to the Philippines' Nationally Determined Contribution (NDC) by financing projects that reduce carbon footprints through the financing of Green, Blue, Social, and Orange/Gender Finance projects.

Projects eligible for financing under the BDO SFF are mandated to demonstrate clear environmental benefits, including reduced carbon footprints and enhanced community resilience to climate change. Socially impactful projects must show positive outcomes for impoverished, excluded, marginalized, vulnerable, disabled, undereducated, underserved, and unemployed populations.

The following activities are ineligible for financing:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES
- Production or trade in weapons and munitions[1]
- Production or trade in alcoholic beverages (excluding beer and wine)[2]
- Production or trade in tobacco[3]
- Gambling, casinos and equivalent enterprises[4]
- Any business related to pornography and/or prostitution
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Production or activities involving harmful or exploitative forms of forced labor[5]/harmful child labor[6]
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Activities involving (i) involuntary resettlement; (ii) risk of adverse impacts on indigenous peoples, (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or (iv) significant occupational health and safety risks

As of December 31, 2023, BDO funded ₱898 billion in sustainable finance, including loans to help finance 59 renewable energy projects (see breakdown of RE projects in succeeding pages).

BDO Sustainable Finance continues to catalyze a green recovery by financing innovative projects and pioneering financial instruments, contributing to the development of a sustainable financial value chain.

1 This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations. Note that the highest contributor to topline revenues determine the industry classification and the Bank's SEMS is mapped to industry classification.

2 ICMA Sustainability Bond guidelines

3 Ibid.

4 Ibid., 2

5 Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

6 Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

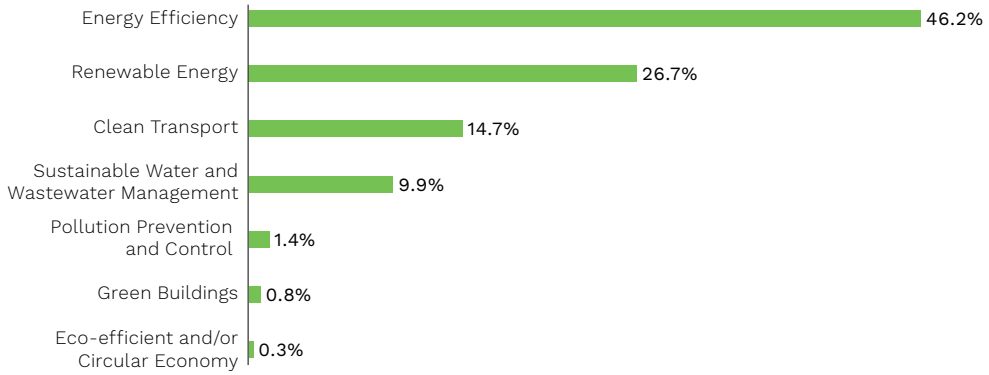
Economic, Environmental, and Social Impact 2-4, 203-1

Description	2022	2023
Total Sustainable Finance Funded	**₱781 billion**	**₱898 billion**
Loans disbursed in the past 5 years	National projects - ₱56.7 billion Airports - ₱12.4 billion Road networks - ₱31.2 billion	National projects - ₱73 billion Airports - ₱18.1 billion Road networks - ₱31.2 billion
Road Network Development	167.7km	167.7km
Vehicles Served	138.1 million	138.1 million
Carbon emissions annually reduced through efficient roadways	4,260 tonnes	4,260 tonnes
Total Installed Renewable Energy Capacity	**2,252 MW**	**2,377 MW**
Renewable energy projects funded	58	59
Carbon dioxide avoided per year by funded renewable energy projects	4,302,502 tonnes	4,382,572 tonnes
Equivalent passenger vehicles taken off roads yearly	913,491	930,491
Equivalent tree seedlings grown over 10 years	71,142,786	72,466,757
Families Served by Renewable Energy Projects	2,016,602	2,047,480
Biomass/Biogas Capacity	164 MW	164 MW
Geothermal Capacity	1,179 MW	1,179 MW
Mini Hydro Capacity	433 MW	433 MW
Solar Capacity	380 MW	505 MW
Wind Capacity	96 MW	96 MW
Disbursed Loan Amount per RE Technology Type	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass/Biogas: ₱24.9 billion Geothermal: ₱17 billion Hydro: ₱28.2 billion Solar: ₱12.9 billion Wind: ₱3.9 billion	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass/Biogas: ₱24.9 billion Geothermal: ₱17 billion Hydro: ₱28.2 billion Solar: ₱15.7 billion Wind: ₱4.1 billion
Bioethanol Production	44.1 million liters per year	44.1 million liters per year
Biodiesel Production	60 million liters per year	60 million liters per year

In 2023, loans deployed to Energy Efficiency projects accounted for 46.2% of the Bank's Green Finance portfolio. A significant amount funded a Public-Private Partnership for a 900MW Battery Energy Storage System (BESS) commissioned to address energy intermittency challenges in the country.

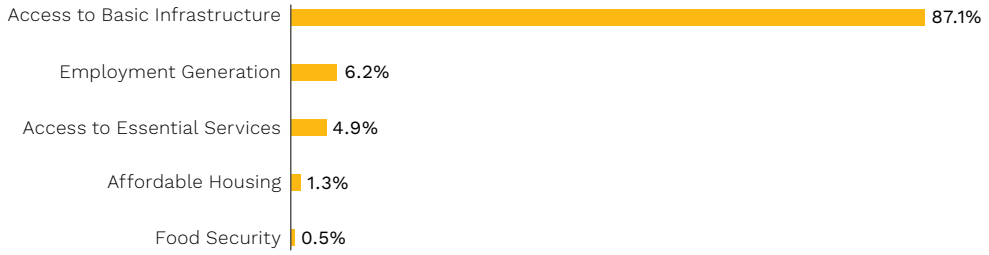
BDO continues to fulfill its commitment to finance other green initiatives including renewable energy, clean transportation, sustainable water and wastewater management, pollution prevention and control, green buildings, and eco-efficient production technologies.

Green Finance



In the same year, BDO's Affordable Basic Infrastructure portfolio accounted for 87% of its Social Financing. Over ₱67.4 billion in loans funded social projects under Affordable Basic Infrastructure, Employment Generation, Access to Essential Services, Affordable Housing, and Food Security.

Social Finance



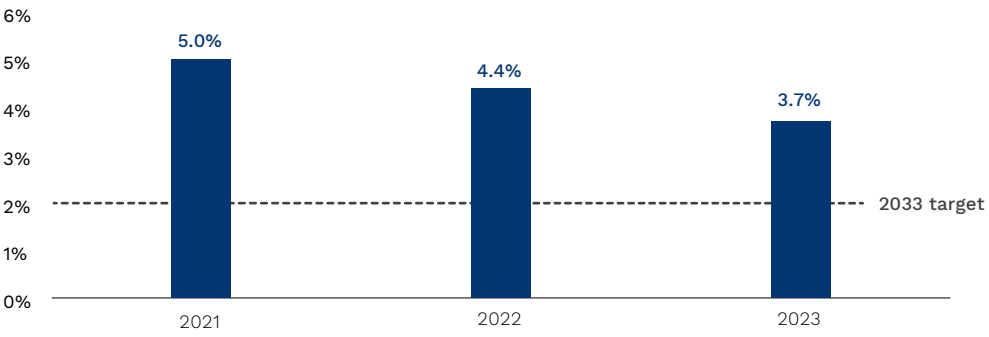
Loan proceeds were used for electrification projects that delivered power to underserved areas, telecommunication equipment, building a major airport, and constructing a mass rail transit for clean transportation. The Bank also financed MSMEs and financial institutions providing access to inclusive financial services, development of low-cost and economic housing, and other initiatives in the health, education, food, and agriculture sectors.

In adherence to BSP Circular 1159 which states the implementing Rules and Regulations of the Mandatory Agriculture, Fisheries and Rural Development Financing under Republic Act (RA) No. 11901 or “The Agriculture, Fisheries and Rural Development Financing Enhancement Act of 2022”, the Bank also ensures responsible evaluation and reporting of Sustainable Finance Projects to the BSP, aligning the Bank’s initiatives with regulatory frameworks and industry standards.

ENERGY TRANSITION FINANCE COMMITMENT

BDO aims to be consistent with its commitment in its Energy Transition Finance Statement in 2022 to cease lending to coal-fired power plant capacity (since 2019) and limit its coal exposure in the lending portfolio to no more than 2% by 2033. For the full Energy Transition Finance Statement, see https://www.bdo.com.ph/bdo-energy-transition-finance-statement.

Coal Exposure in Lending Portfolio (Bank-wide)



Sustainable Energy Finance Projects 203-1

Biodiesel

Production capacity
60 ML/Y

Disbursed loan amount
₱137 million

GHG avoidance per year based on Net (in tonnes CO_2e)
12,000

GHG avoidance per year based in Gross (in tonnes CO_2e)
153,732

Equivalent passenger vehicle off the road per year
32,640

Equivalent tree seedlings grown for 10 years
2,541,996



Bioethanol

Production capacity
44.1 ML/Y

Disbursed loan amount
₱920.9 million

GHG avoidance per year based on Net (in tonnes CO_2e)
35,296

GHG avoidance per year based in Gross (in tonnes CO_2e)
49,540

Equivalent passenger vehicle off the road per year
10,518

Equivalent tree seedlings grown for 10 years
819,153



Biomass/Biogas

Installed capacity
164 MW

Disbursed loan amount
₱24.9 billion

Net Energy Generation (MWh/year)
1,075,002

Gross Energy Generation (MWh/year)
1,194,447

Value of energy generation per year (Php/year)
₱7 billion

GHG avoidance per year based on Net (in tonnes CO_2e)
435,522

GHG avoidance per year based in Gross (in tonnes CO_2e)
483,913

Equivalent passenger vehicle off the road per year
102,743

Equivalent tree seedlings grown for 10 years
8,001,614

No. of households/ families (average of 6 persons per family) supplied by RE
228,555



Amount of agricultural wastes converted to feedstock/power T/Yr
1,572,241

No. of farmers supported
169,745

Geothermal

Installed capacity
1,179 MW

Disbursed loan amount
₱17 billion

Net Energy Generation (MWh/year)
5,522,758

Gross Energy Generation (MWh/year)
6,136,397

Value of energy generation per year (Php/year)
₱22.1 billion

GHG avoidance per year based on Net (in tonnes CO_2e)
2,237,468

GHG avoidance per year based in Gross (in tonnes CO_2e)
2,486,075

Equivalent passenger vehicle off the road per year
527,835

Equivalent tree seedlings grown for 10 years
41,107,779

No. of households/ families (average of 6 persons per family) supplied by RE
1,254,032



Hydro

Installed capacity 433.1 MW	Disbursed loan amount ₱28.2 billion	Net Energy Generation (MWh/year) 1,743,038	Gross Energy Generation (MWh/year) 1,926,950
Value of energy generation per year (Php/year) ₱10.2 billion	GHG avoidance per year based on Net (in tonnes CO_2e) 706,167	GHG avoidance per year based in Gross (in tonnes CO_2e) 780,677	
Equivalent passenger vehicle off the road per year 165,751	Equivalent tree seedlings grown for 10 years 12,908,653	No. of households/ families (average of 6 persons per family) supplied by RE 395,785	



Solar

Installed capacity 504.9 MW	Disbursed loan amount ₱15.7 billion	Net Energy Generation (MWh/year) 656,946	Gross Energy Generation (MWh/year) 729,939
Value of energy generation per year (Php/year) ₱5.2 billion	GHG avoidance per year based on Net (in tonnes CO_2e) 291,072	GHG avoidance per year based in Gross (in tonnes CO_2e) 323,413	
Equivalent passenger vehicle off the road per year 68,666	Equivalent tree seedlings grown for 10 years 5,347,700	No. of households/ families (average of 6 persons per family) supplied by RE 124,722	



Wind

Installed capacity 96 MW	Disbursed loan amount ₱4.1 billion	Net Energy Generation (MWh/year) 224,229	Gross Energy Generation (MWh/year) 237,483
Value of energy generation per year (Php/year) ₱1.8 billion	GHG avoidance per year based on Net (in tonnes CO_2e) 99,349	GHG avoidance per year based in Gross (in tonnes CO_2e) 105,221	
Equivalent passenger vehicle off the road per year 22,340	Equivalent tree seedlings grown for 10 years 1,739,863	No. of households/ families (average of 6 persons per family) supplied by RE 44,386	

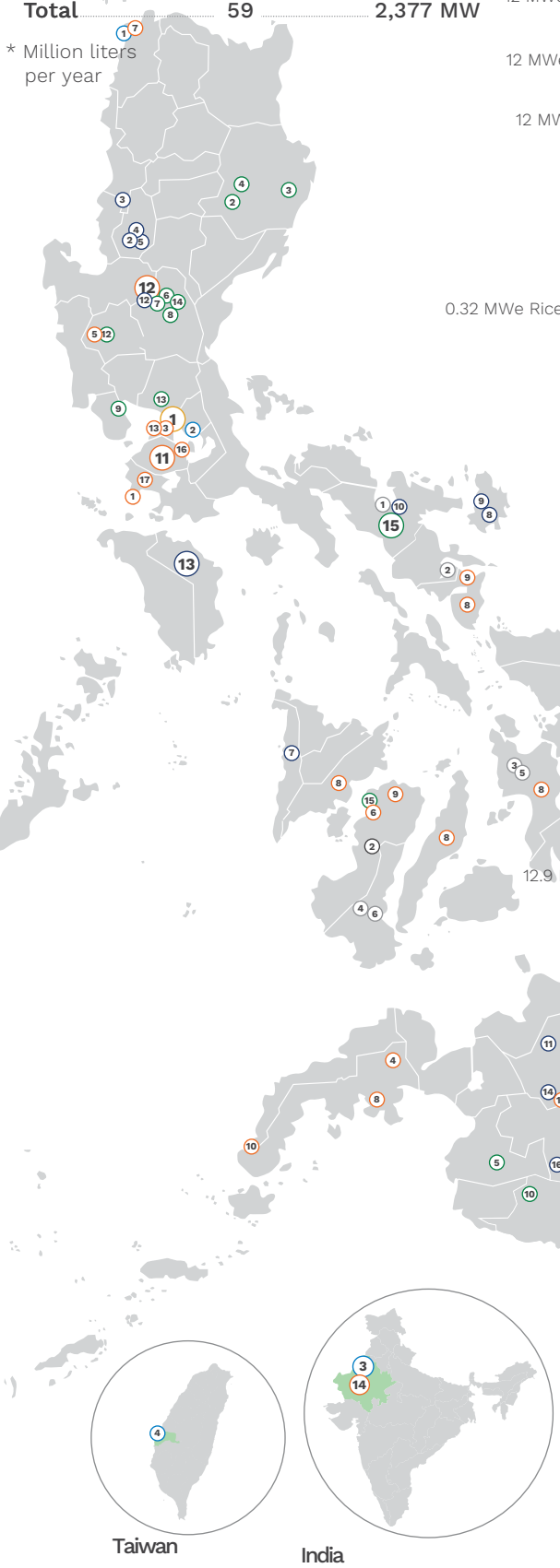


BDO Sustainable Energy Finance Project Map

RE Project	No. of Projects	Capacity
Biodiesel	1	60ML/Y*
Bioethanol	2	44.1ML/Y*
Biomass/Biogas	16	164
Geothermal	6	1,179
Hydro	13	433
Solar	17	505
Wind	4	96
Total	**59**	**2,377 MW**

* Million liters per year

1. 37.5 MW of 150 MW Wind Power Plant (Burgos, Ilocos Norte)
7. 6.8 MWp Solar PV Power Plant (Burgos, Ilocos Norte)
3. 70 MW RoR Hydro Power Plant (Alilem, Ilocos Sur)
2. 140 MW Hydro Power Plant (Benguet)
4. 31.8 MW Several RoR Hydro Power Plant (Benguet)
5. 19 MW Several RoR Hydro Power Plant (Benguet - Hydro Power Plant)
5. 100 MWp Solar Farm (Tarlac City, Tarlac)
12. 2 MWe Biomass-Fed Power Plant (Tarlac City, Tarlac)
9. 12 MWe Biomass-fired Power Plant (Orani, Bataan)
3. 0.3 MWp Solar Rooftop (Ortigas Center, Pasig City)
1. 63.29 MWp Solar PV Farm (Calatagan, Batangas)
7. 8 MW RoR Hydro Power Plant (Bugasong, Antique)
11. 7 MWe Biomass-fired Power Plant (Brooke's Point, Palawan)
4. 172.5 MW Geothermal Power Plant (Valencia, Negros Oriental)
6. 49.4 MW Geothermal Power Plant (Nasulo, Negros Oriental)
16. 0.38 MWe Biogas plant (Sta. Cruz, Davao del Sur)
2. 14.12 ML/Y Bioethanol Production Plant (Talisay City, Negros Occidental)
1. 30 ML/Y Bioethanol Production Plant (La Carlota City, Negros Occidental)
15. 20.58 MWe Turbogenerator Power Plant (Silay City, Negros Occidental)
6. 132.5 MWp Solar Farm (Cadiz City, Negros Occidental)
9. 0.325 MWp Solar Rooftop (Bacolod)
10. 0.5 MWp Solar PV (Zamboanga City)
4. 0.32 MWp Solar Rooftop (Zamboanga del Sur)
5. 15 MWe Biomass-fired Power Plant (Sultan Kudarat, Maguindanao)
1. 60 ML/Y Biodiesel Production Plant (Bagong Ilog, Pasig)
13. 1.17 MWp Solar PV Rooftop (Western Bicutan, Taguig City)
14. 28.76 Mwac Solar PV Plant (Jaisalmer district of Rajasthan, India)
14. 2.4 MW Mini-hydro Power Plant (Maramag, Bukidnon)
3. 14.1 MW of 762.8 MW Wind Power Plant (Jaisalmer district of Rajasthan, India)
4. 20 MW of 640 MW Wind Power Plant (Yunlin, Taiwan)



2. 20 MWe Rice husk-fired Power Plant (Alicia, Isabela)
3. 19 MWe Cogeneration Power Plant (San Mariano, Isabela)
4. 15 MWe Biomass-fired Power Plant (Burgos, Isabela)
6. 12 MWe Rice husk-fired Power Plant Phase 1 (San Jose City, Nueva Ecija)
7. 12 MWe Rice husk-fired Power Plant Phase 2 (San Jose City, Nueva Ecija)
8. 12 MWe Biomass-fired Power Plant Phase 3 (Llanera, Nueva Ecija)
14. 6 MWe Biomass-fired Power Plant (San Jose City, Nueva Ecija)
12. 132 MW Hydro Power Plant (Nueva Ecija - Pangasinan)
13. 0.32 MWe Rice husk-fired Cogeneration Power Plant (Sta. Maria, Bulacan)
2. 24 MW of 54 MW Wind Power Plant (Pililia, Rizal)
10. 1.8 MW Mini-hydro Power Plant (Buhi, Camarines Sur)
8. 2.1 MW RoR Mini-hydro Power Plant (San Miguel, Catanduanes)
9. 1.5 MW RoR Mini-hydro Power Plant (Obi, Catanduanes)
8. 5.2 MW Solar Rooftop (Iloilo, Leyte, Cebu and Sorsogon)
2. 140 MW Geothermal Power Plant (Manito, Albay)
3. 125 MW Geothermal Power Plant (Kananga, Leyte)
5. 586.4 MW Geothermal Power Plant (Tongonan, Leyte)
6. 12.9 MW of 25.8 MW RoR Mini-hydro Plant (Jabonga, Agusan del Norte)
11. 6 1.6 MW Mini-hydro Power Plant (M. Fortich, Bukidnon)
13. 10 MW Hydro Power Plant (Oriental Mindoro)
1. 106 MW Geothermal Power Plant (Kidapawan, North Cotabato)
2. 28.59 MWp Solar PV Power Plant (Digos, Davao del Sur)
10. 6 MWe Biomass-fired Power Plant (Surallah, South Cotabato)
1. 5 MWe Biomass-fired Power Plant (Pili, Camarines Sur)
11. 1.128 MWp Solar Rooftop (Carmona, Cavite)
12. 0.015 MWp Solar Rooftop (Umingan, Pangasinan)
15. 10.5 MW Solar power plant (Kibawe, Bukidnon)
16. 0.5 MW Solar Rooftop (Sta. Rosa, Laguna)
NEW 17. 125 MW Solar Power Plant (Tuy, Batangas)

Supporting Evolving Consumer Preferences: Consumer Banking

AUTO LOAN

BDO Auto Loan aims to be the leading and preferred auto loan provider nationwide that recognizes and practices sustainability. BDO Auto Loan incorporates ESG principles into business operations through the adoption of environment friendly initiatives, such as its **Green Mobility Program** which offers affordable rates and special promos to customers who choose to purchase eco-friendly vehicles such as hybrid or electric vehicles. A second initiative is the **Adopt-a-Tree** program in partnership with Haribon Foundation Inc. which plants a tree for every auto loan availed. BDO recognizes how the planting of trees help mitigate the impacts of climate change, help combat deforestation, and reduce greenhouse gas emissions. It also supports biodiversity conservation and enhances the quality of life of local communities.

991
HEV/EV Units Booked

₱1.4 billion
Amount Booked

5,713
Seedlings Donated

₱2.8 million
Equivalent Amount Donated

Women Empowerment

BDO Auto Loan supports gender empowerment by providing various opportunities and benefits for women to access auto loans and purchase their preferred vehicles. In 2023, women make up almost half of the total auto loan portfolio, with a 48% share, which shows their strong presence and influence in the business.

48%
Female Auto Loan Borrowers

Supporting Overseas Filipino Workers

Overseas Filipino Workers (OFWs) are considered modern-day heroes for their significant economic contributions that account for one third of the Philippine economy. BDO Auto Loan recognizes that vehicle ownership supports the personal and entrepreneurial goals of OFWs. BDO ensures that they have easy access to financing options that suit their unique needs and circumstances. The Auto Loan Team diversifies the vehicle choices and options for OFWs with a wide range of brands, models, and competitive rates. Among such choices, BDO Auto Loan also promotes and encourages environment-friendly and fuel-efficient vehicles. BDO empowers OFWs to fulfill their aspirations of owning a vehicle for personal and business use.

25%
OF Auto Loan Borrowers

HOME LOAN

BDO Home Loan is primarily engaged in providing end-user financing to various home buyers. BDO Home Loan partners with many of the country's reputable real estate developers in the development and construction of sustainable projects. These developers aim to support the long-term ecological balance of the environment through energy efficiency, use of sustainable materials, waste reduction, and more open-space designs for better health and well-being.

49%
Female Home Loan Borrowers

Through BDO Home Loan's **Contract-To-Sell Receivable Financing**, the Bank is able to assist real estate companies in the development and completion of their projects while buyers are still on their equity period and eventually providing end-user financing to these buyers with at least six to 12 months paid equity installments. These developers have likewise created separate business units to cater to low income groups by

providing affordable housing. The Bank supports these efforts by providing affordable financing, offering flexible payment options, and extended loan terms of up to 25 years.

Existing residential real estate property owners also have the opportunity to go green via **BDO Home Loan Equity Loan** financing for the construction and renovation of their homes. BDO supports the sustainability initiatives of the real estate industry and finds ways to use digital innovations to make home loan financing more accessible for Filipinos in the country and abroad.

₱72.6 billion
Home Loan Bookings

₱42 billion
Home Loan Bookings for First time Owners

SME LOAN

BDO SME Loan provides flexible loan facilities that support sustainable financing. **SME Ready Check** is a revolving credit line facility that provides for working capital requirements, such as for inventory build-up and management of collections and payables to suppliers. The **SME Term Loan** is ideal for investments in fixed assets such as purchase and upgrade of equipment and machineries, process engineering, construction of commercial or industrial buildings, and property acquisitions.

17%
SME Loan Booking Increase

In 2023, SME Loan financed various enterprises engaged in sustainable businesses: suppliers/traders of solar panels, providers of energy-saving power systems and equipment, and small companies in wastewater management and climate smart agriculture (e.g., hydroponic farming). For end-users, a number of loan releases went to the acquisition of green office spaces.

Since sustainability and sustainable financing are still uncommon concepts among SMEs, BDO continues to create awareness and direct application of green financing in the business — starting with training the Bank's salesforce front liners on Green Finance for SMEs from experts from the International Finance Corporation, in partnership with the Bank. *For more details on this training, refer to the section on Pursuing Partnerships for Impact.*

₱22.3 billion
Outstanding SME Loans for Consumer Banking Group

₱1.7 billion
Outstanding SME Loans by women-owned sole proprietorship for Consumer Banking Group

PERSONAL LOAN

BDO's Personal Loan is a financial product designed with flexibility to cater to diverse individual needs. As a multi-purpose cash loan facility, a customer may use the funds depending on their requirements, whether for tuition fees, medical-related expenses, or debt payment. Customers who avail of a Personal Loan are able to enjoy longer and lighter payments through its installment feature, along with competitive interest rates. BDO enables customers to access financial solutions while ensuring responsible lending.

153%
Client Growth

48%
Female Personal Loan Borrowers

42%
Clients in Provincial Areas

CARDS ISSUING

BDO is the leading credit card issuer in the Philippines with 3.5 million cards in force (30% higher vs. previous year). Growth in card issuance is driven by BDO's goal to provide our consumers an unsecured loan product that provides financial flexibility, whenever, wherever needed. A significant share of BDO's newly issued cards are to first-time credit cardholders, aligned to BDO's financial inclusion thrust to the underserved.

3.5 million
Cards in Force

60%
Female Credit Card Holders

In line with BDO's digitization efforts, the Cards Issuing Group launched the Customer Relationship Management (CRM), a new online card application platform which provides customers a more seamless, faster, and convenient way to apply for a BDO credit card. Customers can simply click on the "apply now" button at the BDO website or scan a Quick Response (QR) code available at BDO bank branches, partner merchants, and BDO pop-up booths nationwide. Card application processed through the CRM platform not only allows for a better onboarding journey for our customers but also achieves operational efficiency through paperless processing, significantly reduced paper consumption, and digital storage of applications. In 2023, Cards Issuing processed an estimated 37,000 credit card applications in a month through the CRM.

BDO Cards Issuing has also encouraged credit card clients to shift from printed to electronic statements of account (eSOA) to provide customers with better data protection and convenient access, along with eliminating paper use. In 2023, 97% of customers who have usage enrolled in eSOA. For card delivery, customers were given the option to pick up their credit card from BDO branches and courier hubs, particularly for those who reside or work in areas which cannot be reached by couriers or those in calamity-stricken areas.

Exploring New Cards

In June 2021, Mastercard introduced their Sustainable Card Certification Program where Issuers can choose from a range of independently verified Sustainable Card products, from a range of vendors and in a variety of materials. Aligned with this approach, BDO is exploring ways to identify environmentally friendly cards, while still ensuring consumer protection.

Investments

Financial wellness by turning savers to investors: BDO Trust and Investments

BDO Trust and Investments Group (TIG) advocates financially inclusive growth and responsible investing through its educational programs and investment product offerings. BDO TIG recognizes that financial literacy is essential to enable Filipinos to make sound plans and decisions to achieve financial independence. The goal is to first encourage Filipinos to save, then transform them from being savers into investors by improving their financial know-how, and consequently lead them to be more financially prepared for the future. BDO TIG's dedicated team of certified investment trainers conduct free financial education seminars to a varied audience, covering topics such as financial budgeting, basics of investing and retirement planning attuned to their level of investment needs and experience. In 2023, BDO TIG conducted a total of 26 seminars attended by 1,310 participants. In the future, it expects higher demand for financial literacy programs, as household income normalizes with the expected decline in inflation and the continued growth of the Philippine economy.

26
Financial Education Seminars Conducted

1,310
Participants of Financial Education Seminars

EASY INVESTMENT PLAN

To make financial independence a reality, financial literacy should be coupled with affordable, easy, and simple access to investments. For this reason, BDO TIG developed the BDO Easy Investment Plan (EIP). The EIP allows individuals to automatically and consistently invest their hard-earned savings in Unit Investment Trust Funds (UITFs), instilling the discipline and habit of regular investing to build their wealth and achieve their life goals in the future. The EIP gives its participants the flexibility and convenience of investing at lower minimum investment amounts of ₱1,000 (US$200 for dollar UITFs) per month, providing them access to a diversified pool of financial securities like bonds or equities, which typically require higher minimum transaction amounts. The EIP provides ordinary Filipinos opportunities to start investing and participate in the long-term financial growth through an affordable investment plan with their chosen UITF.

57%
Females Enrolled in Easy Investment Plan

PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)

BDO TIG recognizes the need for Filipinos to prepare ahead to ensure their financial security and social protection upon retirement and hopefully achieve a comfortable life during their senior years. For this reason, BDO TIG prides itself as the first trust entity to be accredited by the Bangko Sentral ng Pilipinas (BSP) and the Bureau of Internal Revenue as an administrator of the Personal Equity and Retirement Account (PERA), a voluntary retirement savings account aimed to supplement future individual retirement benefits from either SSS, GSIS, and/or from the employer's retirement plan. BDO PERA instills the mindset of planning for retirement early, as well as enables customers to take advantage of the tax benefits offered exclusively to PERA contributors.

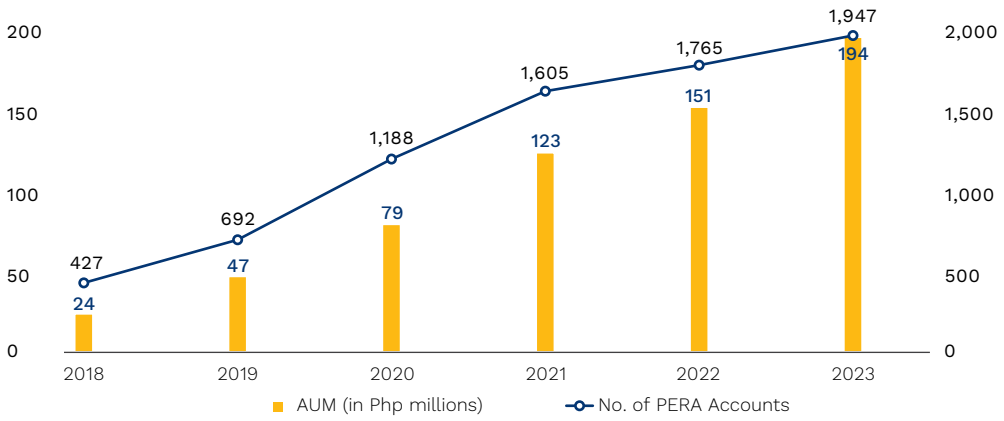
Since PERA's launch in 2016, BDO TIG continues to be at the forefront of bringing PERA more accessible to Filipinos. In 2017, BDO TIG rolled out the country's first PERA Online facility which provided ease and convenience in onboarding new PERA clients. BDO also became the very first participant in Seedbox, a digital platform that allows one to invest in PERA funds online from different fund providers, making BDO PERA UITFs available to a wider market. BDO's participation in Seedbox's online platform as the sole PERA Product Provider was instrumental to the BSP's launch of its Digital PERA initiative in September 2020.

In 2023, the allowable PERA contribution limit of ₱100,000 increased to ₱200,000 for local Filipinos and ₱200,000 to ₱400,000 for Overseas Filipinos, which help attract PERA contributors to invest more. We continue to see high growth rates in both assets under management (AUM) and number of contributors as Filipinos become more aware of the need to augment their retirement pay through PERA.

In addition to its own series of financial literacy sessions, BDO TIG maintains active participation in various events and roadshows organized by the BSP, other industry organizations and media partners, held in various locations and attended by clients and other stakeholders. These include the four-week feature on Net 25's Ano Sa Palagay N'yo? talk show, partnership with the BSP in a Trust Officers Association of the Philippines (TOAP) webinar organized for the families and members of the Overseas Filipinos Negros Occidental Federation, Inc. (ONOFI), and participation as resource speaker in BSP's Economic and Financial Learning Office – PERA Roadshow held in Cagayan de Oro. BDO TIG plays a pivotal role and holds the distinct privilege in the industry in promoting PERA to the public, aligned to BDO's advocacy of financial inclusion and literacy. The consistent promotion of PERA through various channels helps spread PERA awareness throughout the country.

BDO TIG believes in instilling the investment discipline of EIP and the retirement planning aspect of PERA to Filipinos. Driven by the We Find Ways philosophy, BDO TIG took a major step to redefine corporate pension planning with Pension 360®, a first-of-its-kind integrated pension plan solution. Pension 360 incorporates TIG's corporate pension fund management services with complimentary investor education tools and programs such as financial literacy sessions, savings and investment programs such as EIP and PERA tailored to sync with the business goals of the employer and financial goals of the employees.

Personal Equity and Retirement Account



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) EQUITY FUND

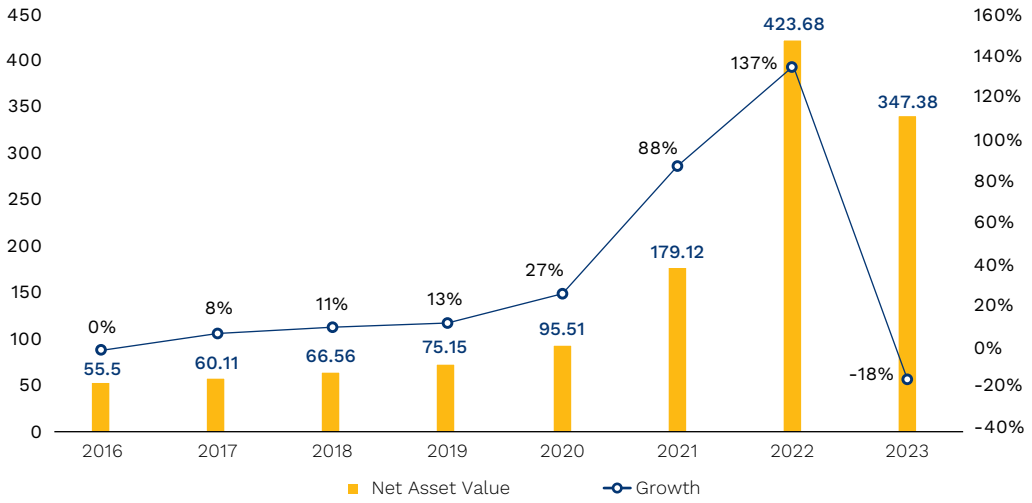
BDO TIG also integrates environmental, social, and governance factors in its investment offerings to clients through the BDO ESG Equity Fund, the first ESG-themed UITF in the Philippines that aims to support and promote local companies that exhibit noteworthy and credible ESG performance.

In the evaluation and monitoring of the Fund's investments, BDO TIG adheres to its rigorous investment process, with the added layer of assessment that takes into account the Bank's sustainable finance framework. The Fund follows a negative screening process to exclude companies with primary businesses associated with alcohol or tobacco, gaming, mining and oil exploration, power companies deriving 5% or more of total capacity from coal power plants, and companies with unethical business practices, among others. The Fund's investments are reviewed monthly to ensure underlying investments are in strict compliance with the ESG criteria.

The Fund ended the year with a net asset value (NAV) of ₱347.4 million, experiencing its first annual decline in NAV since its inception in 2015. The decline in NAV was primarily affected by the general investor sentiment on the equities market brought about by high inflation and high interest rate environment, as evidenced by the negative returns posted by the Philippine Stock Exchange Index (PSEi) in 2023. Given this macroeconomic scenario, investors took profits from their investment in the Fund from the past years and opted to invest in the safety of time deposits and other fixed income outlets which offered attractive yields throughout the years. Nevertheless, the BDO ESG Equity Fund posted positive returns in 2023, consistently outperforming the PSEi. Since its launch, the Fund has provided robust long-term returns, outperforming the PSEi by more than 11.4% in a 5-year period and by 8.25% since its inception.

Moving forward, BDO TIG will continue to manage the Fund to provide long-term capital appreciation by looking for growth opportunities in the local stock market through companies that exemplify ESG principles in their business operations. Through the BDO ESG Equity Fund, BDO TIG also strives to provide both retail and institutional clients with a values-driven investment product that upholds their own ESG principles. By supporting the sustainability initiatives of the Bank and its clients, BDO TIG believes that this will yield significant social return on investment in the long run.

BDO ESG Equity Fund
Net Asset Value (in Php millions)



Managing Wealth for Future Generations: BDO Private Bank

BDO Private Bank (BDOPB) finds ways to maximize sustainability initiatives available to it, keeping in mind the nature of its products and services and the profile of its clients. In achieving its sustainability goals, the Bank ensures that it is fully aligned with its parent bank. BDOPB follows BDO Unibank's Environmental and Social Risk Management System (ESRMS) that helps identify, assess, and manage E&S risks associated with its lending and investment activities, as well as its day-to-day operations.

In order to achieve its E&S goals, BDOPB's approach is three-fold: through internal policies and processes; through products and services; and through clients.

Internally, BDOPB has embedded processes to manage and reduce the carbon footprint of the business and its operations, reduce its energy, water, and fuel consumption, minimize the production of all types of waste, especially paper, and drive the reuse and recycling of non-hazardous waste, and the safe and proper disposal of hazardous waste in all its offices. BDOPB tracks and reports its energy and water consumption to the parent bank. Employees are also encouraged to take part in sustainability activities through volunteerism and in-house recycling and waste segregation initiatives.

On the business side, through its open architecture platform, BDOPB is able to make available to its clients green, social, and sustainability-related financial instruments. At present, the clients of the Bank have invested about ₱3 billion in various green and sustainability bonds traded in the Philippines.



BDOPB communicates sustainability topics to its clients by including informative articles in its in-house client magazine, Managing Wealth. In past issues, BDOPB featured its parent bank's ESG activities as well as a variety of inspiring articles on ecotourism, conservation, and businesses which promote sustainability.

With its strategy, BDOPB will be in a better position to promote sustainable growth and achieve strategic resilience, anchored on good governance, and guided by the principles of accountability, transparency, integrity, and fairness.

In 2023, BDOPB celebrated its 20th anniversary. Throughout its 20 years, BDOPB has been determined to adapt and grow with the shifting financial landscape, staying ahead of the curve with cutting edge practices. Driven by a culture of trust and integrity, BDO Private Bank is set up not only to take care of families, but to serve entire generations of Filipinos.

Investing in ESG: BDO Treasury

Following the Bank's Sustainable Finance Framework, BDO Treasury Group has accumulated a modest amount of green, social, and sustainability bonds in the sovereign, financial institutions, and energy sector. Treasury intends to diversify and grow this portfolio as opportunities for investment become available. In 2023, Treasury was invested in a total of 12 labeled bonds which adhere to ESG-compliance practices relating to or involving achievement of UN sustainable goals, environmental and social risk assessment in the use of proceeds, project evaluation and selection, reporting, and external ESG reviews. Specifically, Treasury has invested in bonds with use of proceeds that span across advancement of renewable energy, clean transportation, conservation of biodiversity, agriculture and forestry, climate change adaptation, green and/or affordable basic infrastructures, access to essential services, food security, reduction of inequalities, employment generation, sustainable water management, socioeconomic advancement and empowerment, pollution prevention and control, and energy efficiency among others.

Treasury is keen to expand this investible universe of ESG-compliant issuers, having obtained favorable ESG risk assessment from the BDO Sustainability Office for additional investments in the telecom, logistics, mining, real estate, and healthcare sectors, and one sovereign. Likewise, annual reviews now incorporate ESG risks, as well as the entity's progress versus their stated ESG targets.

Underwriting

Financing Sustainability through the Capital Markets: BDO Capital

The global sustainable finance market was valued at US$5.8 trillion in 2022 based on the World Investment Report 2023 issued by United Nations Conference on Trade and Development (UNCTAD). The sustainable finance market remains a key driver of change in the way companies implement their investment strategies. ESG risks and opportunities are becoming increasingly relevant in equities and fixed income underwriting and management, loan syndication, project financing, and advisory services.

BDO Capital & Investment Corporation (BDO Capital) integrates ESG factors into its underwriting, arrangement, and advisory services, particularly on the environmental, social, and governance performance of companies it underwrites, and the impact of transactions that it brings to the market. BDO Capital promotes green and sustainable finance initiatives through its underwriting of green and social bonds, advisory for projects that promote investments in renewable energy, green buildings, and other infrastructure to support the Philippines' transition to a more sustainable mode of economic development.

BDO Capital has been recognized by local and international recognition bodies for this approach. It was named as the country's Project Finance House of the Year for the 6th time (2017-2021 and 2023) at The Asset Triple A Sustainable Infrastructure Awards 2023. BDO Capital also won the Green Project Deal of the Year for real estate developer Arthaland Corporation's ₱3 billion green bond issue, where a large part of the proceeds will fund the company's investment in new certified sustainable residential projects.

Apart from these two awards, BDO Capital received from The Asset in 2023 the Telecom Acquisition Deal of the Year for Frontier Towers Associates Philippines' ₱50 billion debt facilities, for having supported the largest telecom tower sale and leaseback transaction closed in the country in 2022. It is among the largest telecom-related financing packages signed within said year.

BDO Capital jointly managed and underwrote the maiden ₱10 Billion ASEAN Fixed-Rate Green Bonds of energy company ACEN Corporation (ACEN) issued in 2022. The Green Bonds complies with ASEAN Green Bond Standards and is aligned with the International Capital Market Association's Green Bond Principles, which require proceeds to be used exclusively for the funding of eligible green projects. Proceeds will be used to finance ACEN's various solar energy projects in northern and central Philippines. The deal was awarded the 2023 Best Green Bond of the Year (Philippines) by Alpha Southeast Asia and Best Fixed Income Deal by the Investment House Association of the Philippines (IHAP).

BDO Capital acted as Joint Global Coordinator, Lead Local Underwriter, and Joint Bookrunner for the ₱6.4 billion initial public offering (IPO) of Citicore Energy REIT, Corp. (CREIT) listed in 2022. CREIT is a Real Estate

₱3 billion
Green Bond for Green Building

₱50 billion
Telecom Tower Sale and Leaseback

₱10 billion
ASEAN Fixed-Rate Green Bond

₱6.4 billion
Initial Public Offering for an investment trust in renewable energy real estate

₱100 billion
Term Loan Facility for Mass Rail Transit

Investment Trust (REIT) formed primarily to own and invest in income-generating renewable energy real estate properties of the Citicore Group. The IPO was CREIT's debut into the capital markets and a pioneer for the Philippine Capital Markets as the first renewable energy and non-real estate player to list via REIT in the PSE. Proceeds from the primary offer were used by CREIT to acquire Citicore's Bulacan and South Cotabato solar plants. Cicero Green rated these companies as Dark Green - the highest rating by Cicero's Shades of Green Assessment. Meanwhile, proceeds from the secondary offer were reinvested by the Citicore Group to fund additional renewable energy projects. The deal was named in 2023 Best IPO (Philippines) by The Asset, Best Equity Deal, and Deal of the Year by IHAP.

In May 2023, BDO Capital jointly arranged a ₱100 billion term loan facility for San Miguel Corporation's Mass Rail Transit 7 Inc., with proceeds to partially finance the design, construction, testing, commissioning, operation, and maintenance of an integrated rail-based mass transportation system consisting of the following:

- A 22-kilometer open road segment of the system, consisting of at least six (6) vehicular lanes from the Bocaue, Bulacan interchange of the North Luzon Expressway to an intermodal transportation terminal,
- An intermodal transportation terminal built adjacent to the Mass Rail Transit System (MRTS) station terminal, and
- The MRTS, including the depot and rolling stock.

The project aims to significantly improve the transportation system in the Luzon region, allowing for a more efficient and faster flow of commuters, travelers, goods and services, as well as reduce emissions, when MRTS becomes operational.

FIRST GENDER BOND IN THE COUNTRY

In July 2023, BDO Capital, in partnership with Landbank of the Philippines, jointly arranged a ₱5 billion first-ever Gender Bond issue in the country for ASA Philippines Foundation Inc. (ASA), a non-profit engaged in microfinance, micro loans and other financial services to underprivileged and underserved communities. The proceeds will be used for working capital to fund ASA's lending program that specifically targets women of the lower income sector engaged in microenterprises as principal borrowers. The transaction supports the United Nations' SDG 5.a that aims to "undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources, in accordance with national laws".

₱5 billion
First-ever Gender Bond Issuance in the Philippines

PHILIPPINE SOVEREIGN BOND ISSUANCE

BDO Capital continues to support the Retail Treasury Bond (RTB) and Retail Dollar-Denominated Bond (RDB) issuances of the Philippine government as part of the latter's proactive strategy to finance key initiatives and programs in the areas of food security, infrastructure, education, and healthcare. At the same time, RTB and RDB issuances aim to promote financial literacy and inclusion, the value of saving for the future, and smart investing in safe and relatively higher earning investments, among the country's general population. In pursuit of these

US$1.26 billion
Retail Dollar-Denominated Bond

₱283.7 billion
Retail Treasury Bond Joint Issue Manager

goals, BDO Capital acted as joint issue manager for the ₱283.7 billion 29th RTB and the US$1.26 billion second RDB issuances of the Republic of the Philippines via the Philippine Bureau of the Treasury in 2023, making sovereign-risk rated, high yielding investment instruments widely available to small savers all over the country for subscription amounts as low as ₱5,000 for the RTBs and US$200 for the RDBs.

Insurance

Leaving a lasting legacy for future generations: BDO Life

Life insurance is a financial instrument that not only protects breadwinners' dependents from unforeseen financial risks; it also enables them to secure a lasting legacy for those they leave behind, helping them accomplish their dreams for the future. In 2023, BDO Life launched initiatives to make life insurance simple, easy, accessible, and sustainable for breadwinners.

AWARENESS IS WHERE IT ALL BEGINS

Among the principal reasons why people don't buy life insurance is the lack of awareness and understanding of what life insurance can do for their families. A 2023 research study conducted by BDO Life revealed that real life experiences of life insurance beneficiaries, coupled with guidance from financial advisors, are the main factors that help customers understand and realize the need for financial protection. Guided by these insights, BDO Life launched two ad campaigns that featured true stories of families who were able to benefit from the program. The first story illustrated how life insurance proceeds were utilized to support children's education. The second demonstrated how proceeds enabled the family to pay off loans and keep their home. Both are real life financial issues that surface when a family's primary income provider prematurely passes away. BDO Life also utilized its digital presence by employing short posts on social media that feature simple and informative content to address common life insurance misconceptions, aimed particularly at primary breadwinners.

FINANCIAL PROTECTION FOR ALL

In addition to offering micro-insurance plans to underserved communities through BDO Network Bank (BDONB), BDO Life participated in the World Teachers' Day event organized by the Department of Education (DepEd) in partnership with BDONB. In this event, BDO Life and BDONB provided 1,190 teachers with the "Kabalikat Plan," free micro-insurance coverage against accidental death and disability, on top of in-hospital income benefits. The plan provides valuable social protection at no cost for public school teachers, a majority of whom are breadwinners for their families.

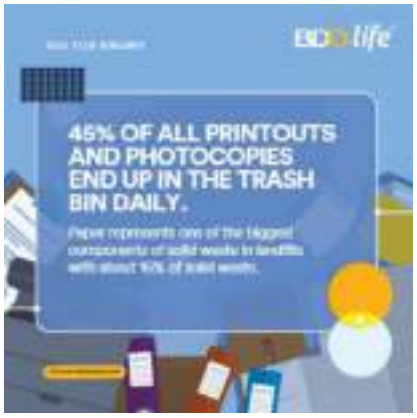
1,190
Teachers Provided with Free Micro-Insurance Coverage

ENHANCED CUSTOMER EXPERIENCE, REDUCED ECOLOGICAL FOOTPRINT

Recognizing the significant environmental impact of paper consumption, BDO Life embarked on digitalizing its processes. Apart from promoting operational efficiencies and improving customer experience, BDO Life's digitalization efforts will significantly minimize the organization's ecological footprint.

- **ePolicies.** Clients are provided an electronic copy of their policy contract. Electronically distributed policies offer a more efficient way of delivering policy contracts, while reducing courier expenses and paper consumption by 39%.
- **eReceipts.** Similar to ePolicies, clients now receive electronic copies of their official receipts via email. This initiative allows clients to receive their receipts in a timely manner while ensuring secure personal information. Over time, eReceipts will help cut mailing costs and reduce paper consumption by 60%.
- **Sales Tool.** To improve customer experience and make the sales process more efficient and engaging, BDO Life is digitalizing its entire customer onboarding process. With the sales tool, Financial Advisors can help customers identify their financial needs, explore insurance options, walk them through product benefits, and purchase their life insurance plan, all with a few taps on the screen. Once rolled out, the sales tool is expected to reduce BDO Life's use of paper products by 80% and cut backroom operational processes by 23%.
- **Customer Portal.** Clients can conveniently access their policy details, update their contact information, pay premiums, and make policy-related service requests online. The web-based customer portal minimizes the need for manual interventions from financial advisors and customer service representatives.







Driving stronger awareness for the value of life insurance, finding ways to protect the underserved, and taking steps to shift to a paperless operational environment – these initiatives form part of a broader effort by BDO Life to improve customer experience and make life insurance more sustainable and accessible for all.

De-risking business and individual activities: BDO Insure

Insurance products and programs play a crucial role in supporting the SDGs and aligning with environmental, social, and economic sustainability in several ways.

First, insurance helps mitigate risk associated with climate change and environmental disasters in support of SDG 13 on Climate Action, by providing coverage for property damage, business interruption, and liability resulting from environmental events. Insurers incentivize businesses to adopt sustainable practice and build resilience against climate-related risk.

Second, insurance fosters economic stability and poverty, aligning with SDG 1 on No Poverty and SDG 8 on Decent Work and Economic Growth. Microinsurance programs can empower low-income individuals by offering financial protection against unforeseen events, enabling them to invest in income-generating activities without fear of losing everything.

Insurance contributes to SDG 3 on Good Health and Well-being by providing health insurance coverage. Access to healthcare services becomes more affordable and widespread, positively impacting the well-being of individuals and communities.

Climate change is a significant challenge facing the insurance industry, and insurance brokers are no exception. Brokers can expect to see an increase in claims costs and underwriting losses, reduced availability and affordability of insurance coverage, and increased regulatory scrutiny. However, climate change also presents some new opportunities for brokers, such as helping clients to identify and manage their climate change risks, developing strategies to adapt to the impacts of climate change, and supporting clients to develop and implement sustainable business practices. Insurance is also a form of adaptation measure that increases resilience and protects the businesses from the increasing number of risks like climate change physical risk.

When designed with sustainability in mind, insurance products and programs become powerful instruments in advancing the SDGs and supporting BDO's sustainability strategies. They will not only protect against risk but also promote responsible business practices, economic development, and social well-being.

INSURANCE AND SUSTAINABILITY

BDO Insurance Brokers, Inc. (BDO Insure) program offerings are designed to provide comprehensive coverage while adhering to sustainability principles and encompassing risk mitigation, financial inclusion, and alignment with BDO's sustainability strategies. This involves offering innovative policies that integrate environmental, social, and governance (ESG) considerations.

The program caters to a diverse audience, including businesses seeking sustainable risk management solutions and individuals desiring inclusive and eco-conscious insurance options. BDO targets markets where there is a growing awareness of sustainability, appealing to environmentally-conscious consumers and responsible corporate entities. Collaborations with stakeholders amplify the impact, creating a synergy between the insurance program and BDO's broader sustainability initiatives.

In 2023, BDO Insure successfully launched ESG-integrated policies, emphasizing climate resilience and social impact. The program expanded its reach, penetrating new markets, and witnessing increased adoption of sustainable insurance practices. Collaborations with key partners further enhanced the program's effectiveness. Among its milestones are:

- Notable improvement on paperless transactions within BDO Insure such as E-policy, Risk Engineering Survey Reports, and other internal reports transactions. At least 22% reduction of paper consumption from 5,896 reams in 2022 to 4,615 reams in 2023.
- Successful claims settlement of Acts of Nature such as the damages caused by Typhoon Odette in December 2021. This shows that BDO Insure fully understands the effect of climate change prior to insurance inception.
- Proactively participated in bidding for Property Insurances on renewable energy such as a hydro power plant, wind power plant, and solar power plant. As a part of the property insurance program, BDO Insure also includes coverages for sewage treatment plants and chemical treatment plants.
- Risk Advisor to critical businesses such as mining, petrochemical plants, and steel manufacturing. BDO Insure provides inputs on their loss mitigation program on potential incidents that may lead to environmental liabilities. Examples of these are insurance cover for floating solar panels, construction of a client's own sewage treatment plant, tailing storage facilities (TSF), and establishing their own Materials Recovery Facility (MRF).

RISK MANAGEMENT ADVISORY

BDO Insure strengthened economic resilience through risk mitigation and support for businesses in navigating uncertainties. It also facilitated economic growth by promoting responsible investment and financing initiatives aligned with sustainability goals. In terms of environmental impact, the company reduced environmental risks by encouraging clients to adopt eco-friendly practices through specialized insurance offerings such as shifting to e-policy and electronic Risk Engineering Survey Reports to clients, insurance, and reinsurance companies.

BDO Insure provides advisory to clients through Risk Management Reports on:

- Good housekeeping, to prevent further losses due to fire, typhoon, flood, and earthquake
- Loss Control Recommendation (LCR) to clients most especially to natural hazards and construction such as the implementation of preventive maintenance program to vital equipment fire protection and detection system, LPG, sewage treatment plant, drainage system, and a materials recovery facility
- Premises liability of clients on environmental issues such as effluent discharge, carbon emission, noise, and ambient air
- Establishment of proper chemical storage practices

BDO Insure promotes enhanced financial inclusion by providing accessible insurance solutions to underserved communities, as well as improved public health by offering health insurance options, ensuring affordable access to quality healthcare services.

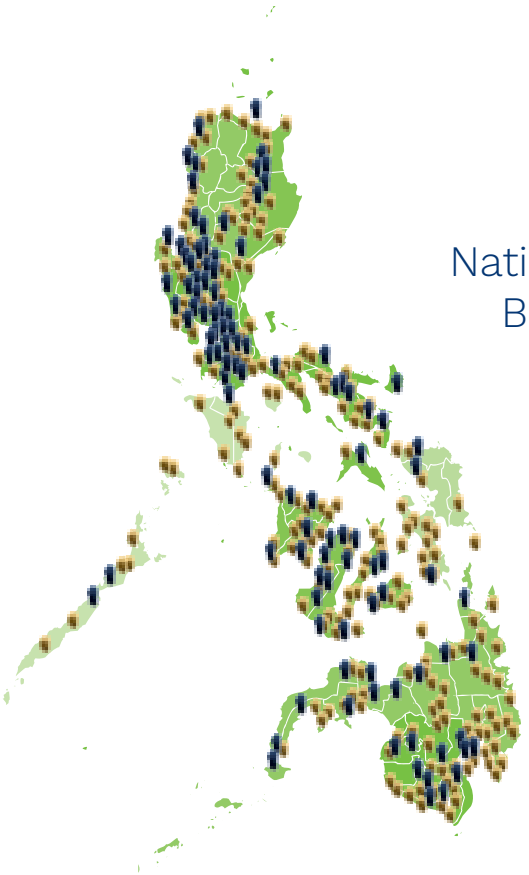
CASE STUDY:

Parametric Insurance to manage climate risk

In 2023, BDO Insure added Parametric Insurance Cover in its product portfolio. Initially provided by the Department of Finance (DOF) and the Government Service Insurance System (GSIS) in support of SDG 11 on Sustainable Cities and Communities, parametric insurance supports faster response to severe natural disasters. BDO Insure's Parametric Insurance coverage is tailored to the insured's needs, based on specific risks triggered by certain events.

The impacts of climate change have become evident with the increasing shocks that communities and individuals face. Parametric insurance may cover natural events such as earthquake, cyclone, flood, storm surge, and hail. The insurance may also cover shocks within the supply chain like construction interruption and other risks associated with natural capital. The insurance may also cover wind power volatility and the agriculture sector in cases where there is excess precipitation leading to crop loss.

Financial Services Reach and Value



Nationwide presence through branches: BDO Unibank and BDO Network Bank

BDO Branches Nationwide

BDO Unibank	1,206 branches
BDO Network Bank	393 branches

Biodiversity index based on provisioning services

2.87 — 4.07

Phygital Strategy

Establishing frontline client relationships: BDO Branch Banking

As a universal bank, BDO continues to find ways to enable access to financial services, both in person and online as it recognizes that to be inclusive is to provide different types of services for the different financial needs of the community.

Branch Banking supports the SDGs by fostering innovation aligned with SDG 9 and promoting responsible consumption and production aligned with SDG 12. To cater to BDO clients who still prefer in-person transactions in branches because they enjoy dealing with another person, BDO combines the warmth of human interaction with the benefits of digital technology through its Phygital Banking strategy. Phygital comes from the words Physical and Digital, describing the domains in which banks operate to reach its clients. BDO pursues a Phygital Strategy which recognizes the value of integrating the expansion of its digital reach, with the continuous growth of its physical reach through its network of branches and offices nationwide and abroad.

- Through BDO's Branch Online Booking portal, clients also have the option to book an appointment online for their branch visits, receive a QR code to be scanned on the Queue Management System (QMS) scanner once they reach the branch, and immediately fall in queue. Access at https://www2.sam.bdo.com.ph/

100%
Branches with Queue Management System

- BDO branches introduced self-service technologies as part of its digital transformation efforts to make its service delivery more efficient and to promote customer satisfaction across all its channels

    a) The **account opening** and **self-service stations** inside bank branches enable clients to input their transaction details before talking to a branch employee. This eliminates the need for manual form-filling and allows bank personnel to focus more on building relationships with clients, instead of processing paper transactions.

    b) BDO's ATMs are the first in the country to be equipped with **QR and biometric technology** that allows for cardless cash withdrawal.

    c) The **Universal Teller Machine**, a combined Automated Teller Machine (ATM) and Cash Deposit Machine (CDM) with additional features is now available in selected branches. Clients now enjoy the following new features: Check Deposits, Passbook updates, Biometric-enabled transactions, and more.



BDO recognizes that building trust is important in digitization and provides in-branch assistance to encourage individuals to perform financial transactions in digital format. This helps eliminate the clients' fear of making mistakes that may result in loss of access or loss of funds in their account. The Bank has cascaded guides in Taglish or a combined vernacular Tagalog and conversational English language format to bank employees so that customers entering the branch may feel more comfortable rather than intimidated.

AVAILABILITY IN TIME OF NEED

With more than 1,200 branches nationwide and extended hours and weekend banking availability, BDO Branch Banking ensures it remains as accessible as possible to both existing and potential customers. BDO recognizes that having more branches require more resources but given the country's high vulnerability and exposure to disaster risk, the Bank continues to expand and provide convenient access to products and services nationwide, more so during times of emergency. To manage resources at the branch, employees are issued reminders for business continuity requisition, ensuring ample supply while also limiting the request for forms depending on the nature of the transactions received in the branch. Branch personnel also encourage paperless transactions processing through a kiosk inside the branch to reduce the use of paper.

1,993,044
Total New CASA (Current Accounts/Savings Accounts)

18.8 million
Number of Customers Served

BDO branches aim to provide services to its clients at the soonest opportune time to ensure that cash is available when and where it is needed by the community. During natural disasters (i.e. typhoons, flooding, earthquakes), advisories are released by Branch Banking Group to guide employees on proper handling of safety reminders and instructions during such situations, including assistance to be provided to our clients.

Whenever there are unusual/hazardous circumstances happening within the branch premises (e.g. vehicular accident which destroyed the façade of the branch, foul smell caused by sewer pipe leak, lithium ion battery fire incident of nearby establishment, etc.), the branch bankers are trained to handle safety and security. Concerned branch is also advised to go on early closure/branch closure depending on the gravity of the

situation. To ensure that banking operations will not be compromised, a buddy branch nearest the concerned branch is announced where clients can proceed to fulfill their banking transactions.

To ensure that clients visiting the branch are reminded about the safety banking tips to protect clients from fraud-related activities, branch personnel are trained to discuss Anti-Scam Tips and refer them to the BSP 1140 Advisory material displayed on the branch counters.

PARTNERSHIP WITH SM MALLS

Some 44% of adult Filipinos remain unbanked according to the most recent survey of the BSP. To further the reach of its financial inclusion efforts, the Bank has partnered with SM Supermalls, also a member of the SM Group, to be able to serve clients in urban areas and in provinces. When SM opens a new mall, a BDO branch in the mall opens for clients as well, making it a one-stop shop where bank clients can conveniently transact with BDO while also enjoying the mall attractions, even during weekends. Families of Overseas Filipino Workers, for example, are BDO clients who are also frequent visitors at SM Malls.

Ensuring availability of cash: BDO Cash Services

BDO supports access to financial services by helping ensure the availability of fit banknotes and coins needed by the Bank's branches, automated teller machines, and clients. BDO Cash Services operates a logistics network with cash centers in more than 60 strategic locations nationwide to reach not just urban areas, but also remote municipalities.

Aside from the circulating fit banknotes and coins, BDO also supports the Clean Note and Coin Policy of the BSP by helping ensure that:

- Fit banknotes/coins are properly segregated from unfit banknotes/coins;
- Only fit currency is re-circulated, as well as loaded in automated teller machines;
- Unfit currency is removed from circulation; and,
- Measures that deter unacceptable practices, such as, among others, stapling and writing on currencies, and excessive folding, are in place to extend the life of banknotes and coins.

BDO also supports the efforts of the BSP in making the circulation of currency more efficient through the Cash Service Alliance.

AUTOMATED TELLER MACHINES

The Bank's focused expansion of new branches mainly in provincial areas is supplemented by Automated Teller Machines (ATMs), digital channels, and agency banking, as well as increased market coverage of the unbanked and underserved segments of the population to broaden financial inclusion. These initiatives have allowed BDO to generate and widely distribute economic value, supporting economic activity across the country.

5,514
Teller Machines Nationwide (ATMs, Cash Accept Machines, Universal Teller Machines, and Self-Service Teller Machines)

99%
Municipalities and Cities Deployed with ATMs and CAMs

CASE STUDY:

BDO and the Cash Service Alliance

The Cash Service Alliance (CSA) is a cash circulation mechanism designed by the BSP to allow banks to service requirements for fit Philippine currency of other banks from their available cash holdings. Before the CSA was implemented, banks sourced their requirements for fit banknotes and coins exclusively from the BSP and deposited excess currency holdings only to the BSP. With the CSA, BDO supplied other banks with their cash requirements, while it also rationalized its cash services by reducing armored car trips to and from BSP branches.

The Bangko Sentral ng Pilipinas (BSP) named BDO as one of its outstanding institutional partners during its 2023 Outstanding BSP Stakeholders Appreciation (OBSAC) ceremony held in Manila on 27 October 2023. BDO was recognized for serving as the primary source of fit banknotes, in terms of amount, among all CSA participants in the Greater Manila Area.

According to Rosabel B. Guerrero, Managing Director, Regional Operations Sub-Sector of the BSP, "the BSP lauds CSA-participating banks like BDO for working together to develop innovative means to ensure unhampered service to the public. The CSA has resulted in concrete benefits, including reduced cash verification activities of the BSP and maximized use of fit banknotes in circulation. The BSP is keen to continue working together with the industry, including BDO, for worthwhile endeavors that benefit the Filipino people."

The CSA initiative of the BSP was cited as the "Best Currency Initiative Implemented in Response to the COVID-19 Pandemic (Central Banks Category)" by the International Association of Currency Affairs (IACA) in 2021. It was also one of the recipients of the Presidential Lingkod Bayan Award conferred by President Ferdinand Romualdez Marcos Jr. during the awards rites on 8 March 2023 in Malacañang Palace.

Facilitating access and inclusion: BDO Digital

BDO's Phygital Strategy continues to create banking relationships in person and online, to reach the underserved and the unbanked, and provide access to financial services for all, wherever and whoever they may be. BDO digital banking serves as a strategic complement and alternative for in-branch banking transactions and addresses client needs on multiple levels:

- **Accessibility and convenience**. Customers can transact anytime (24/7), anywhere.
- **Security**. BDO digital channels make use of technology such as biometrics, multi-factor authentication, and other fraud management tools for secure transactions.
- **Individual health and safety**. Digital platforms enable access to basic financial services through personal digital devices, eliminating exposure to health and safety hazards.
- **Reduced carbon footprint**. Decreases the need for travel for bank transactions.

BDO ONLINE

In 2023, BDO relaunched its new BDO Online application, with an improved user interface and experience, for smoother bank transactions similar to experiencing it inside a BDO branch or through a customer contact center. With the addition of security features such as personal identification number (PIN) and biometrics transaction confirmation, account notifications, and the ability to view and manage their accounts according to their preferences, the app saw a 22% growth in new users and a 9% increase in the volume of digital transactions compared to the previous year.

22%
Growth in New Users

9%
Growth in Transaction Amount

BDO PAY, BDO PAY ACCOUNT

The new BDO Pay app was relaunched in November 2023 and positioned as the everyday e-wallet application that provides BDO customers different ways to pay for purchases, as well as send and receive money anywhere, making financial transactions even easier. Payments are made simple with the option to choose the source of payment between their linked debit and credit cards. This makes purchases, utility payments, and other bills payment even more convenient, especially with the app's compatibility with QR Ph, the Philippines' national Quick Response (QR) code standard. The app also makes it easy for customers to find exciting and exclusive deals available for their BDO cards and accounts.



Together with BDO Pay, the BDO Pay Account allows non-BDO customers to open an account anywhere and anytime through the app. With zero initial deposit and zero minimum maintaining balance requirements, BDO Pay Account is the easiest way to start banking with BDO without visiting a branch. It supports the digital transformation roadmap of the BSP to provide bank accounts to 70% of Filipinos by 2023.

41%
Growth in New Users

130%
Growth in Transaction Amount

BDO CHECKOUT

BDO's merchant partners avail of BDO Checkout, an online payment solution that gives businesses of all sizes the capability to accept credit card, debit card, and mobile wallet payments, even without a website or outside of large and established e-commerce platforms. This is especially helpful to micro, small, and medium-sized businesses, as they seek to grow through offering convenient payment options to their own customers. BDO Checkout also enables large businesses to simplify and confirm online transactions with clients in a few very easy steps, compared to other online payment solutions in the market.

67%
Growth in Merchants

151%
Growth in Transaction Amount

BDO Pay, the BDO Pay Account, and BDO Checkout offer a suite of digital innovations that enable familial, friendly, and business relationships to thrive online and do business easier, more so when used in combination with the strength and reach of BDO's largest and ever-growing network of bank branches, automated teller machines (ATMs), and partner agencies nationwide.

CASH AGAD AGENCY BANKING

BDO's Cash Agad mobile banking solution is one of the earliest proponents of digital financial inclusion in the country, either extending or complementing the reach of the Bank in the rural areas where bank branches and ATM channels are scarce. The accredited Cash Agad agent-stores in communities provide ATM cardholders direct access to their bank accounts by allowing balance inquiry and cash withdrawal services at their stores.

With 9,764 Cash Agad agents nationwide in 2023, the agents cover 100% of provinces and 92% of the municipalities in the Philippines. The thriving community of neighborhood customers which grew even more during the pandemic is a perfect example of bringing to life the Bank's focus on financial inclusivity and economic growth of micro, small, and medium enterprises (MSMEs). The Cash Agad partners fulfill the need for access to financial services in underserved markets. The agents, in turn, earn additional income from convenience fees paid by the customers, while their stores also benefit from sales as first use of cash withdrawn by the same customers. The withdrawal service in itself, recycles the money at the store by letting these be withdrawn by the customers, while the Bank credits the agent's account the next banking day. It is a cost effective and efficient solution that lets the agent flourish as more transactions are processed. Best of all, the money remains in the community and helps the local economy grow.

From the time of its launch in 2015, Cash Agad has cumulatively processed over 105 million withdrawal transactions. This translates to ₱448 billion worth of total cash withdrawn. Customers in the countryside comprise of cash grant recipients of the government's Pantawid Pamilyang Pilipino Program (4Ps), payroll employees of private and local government units, beneficiaries of Overseas Filipinos, pensioners, and business owners. Customers are serviced by equally diverse Cash Agad agents ranging from pawnshops, cooperatives, and micro to small businesses. These include sari-sari stores, pharmacies, mini-groceries, gasoline stations, and other high traffic establishments in the community.

9,764
Cash Agad Partner Agents

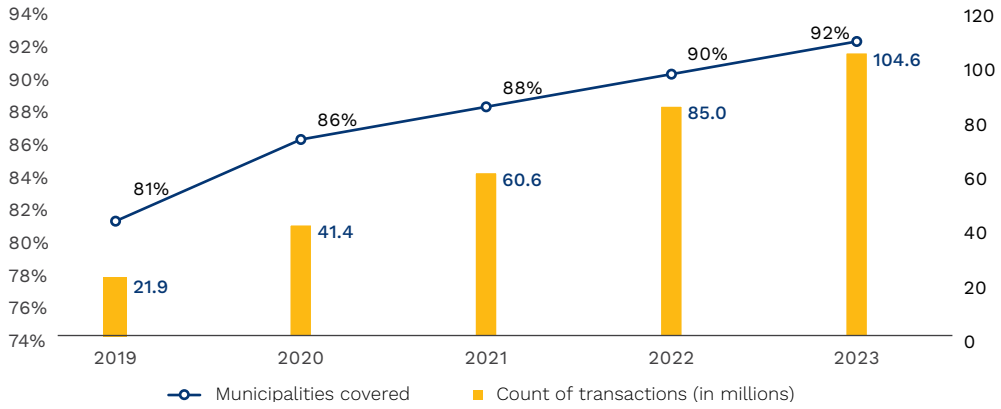
105 million
Cash Withdrawal Transactions to date

₱448 billion
Total Cash Withdrawn to date

92%
Philippine Municipalities Covered

100%
Philippine Provinces Covered

Cash Agad Coverage and Transaction Count



CASE STUDY:

Uplifting women entrepreneurs

Among Agency Banking's progressive partner agents is a group of mothers who are beneficiaries of the 4Ps program in Barangay Siana, Mainit, Surigao del Norte in the Mindanao region. As regular customers themselves, the mothers were familiar with the Cash Agad service works at partner stores. They eventually approached BDO in exploring the viability of having Cash Agad as a business upon learning that an agent generates extra income from the service fees. The women pooled their resources and founded the Siana Golden Mothers Association which was accredited as a Cash Agad partner agent and now operates a remittance and photocopy center. From being financial assistance beneficiaries to Cash Agad customers to women partner agents, the group have become empowered women entrepreneurs. Cash Agad became an opportunity for them to enrich their lives towards a future of financial stability.



Cash Management

BDO Cash Management Services (CMS) provides financial services and strategies to help emerging start-ups, large-scale businesses, and organizations effectively manage their cash flow, liquidity, and financial resources. These services include managing cash balances, analyzing and forecasting cash flow, optimizing working capital, and ensuring efficient cash utilization. While BDO CMS is deeply committed to enable clients to achieve their goals, the Bank is equally committed to promoting sustainable business practices among its clients. Among the green banking solutions that CMS offers are paperless statements, electronic record-keeping, and electronic payments that reduce the need for physical cash and checks, which require paper, ink, and transportation. By reducing paper usage and promoting digital alternatives, businesses can reduce their carbon footprint and contribute to environmental conservation efforts.

₱17 trillion
CMS Transactions Processed

136 million
CMS Transaction Volume

27% billion
CMS Deals Growth

Optimal cash management through efficient cash handling practices also helps businesses minimize the excess cash on hand, reduces the need for physical storage, and lessens security risks associated with moving large amounts of cash. For cash services, BDO CMS often partners with armored car services to provide secure transportation for cash. Armored vehicles are equipped with advanced security systems, including GPS tracking, surveillance cameras, and bulletproof exteriors. Trained professionals ensure the safe transfer of cash between locations. The Bank also provides Corporate Deposit Machines typically located in the clients' facilities. These depositories are designed to provide maximum security against theft and include features such as controlled access, vaults with multi-layered security systems, and video surveillance.

On the digital front, BDO Business Online Banking (BOB), the online cash management portal of BDO, enables businesses to transfer funds and receive payments electronically. This minimizes opportunities for theft or loss related to cash handling. BOB uses multiple authentication and strong encryption technology to protect sensitive financial data. It ensures that payment information remains secure and reduces the risk of unauthorized access. Regular data backups and robust disaster recovery measures are also in place. These serve as protection against loss of financial data due

to technical failures, natural disasters, or cyber-attacks. Critical financial information is well-designed to be retrievable, reducing the risk of irretrievable or lost cash.

CMS' digital payment solutions also play a crucial role in promoting financial inclusion and improving access to financial services. By enabling mobile wallets, online payment platforms, and electronic fund transfers, start-ups and small scale businesses are able to access financial transactions digitally, even without traditional banking services. This technology bridges the gap and provides convenient access to financial services for those in geographically or economically disadvantaged areas, where physical access to banks or financial institutions may be limited.

BDO Cash Management Services process a total transaction volume of 136 million, with a value of ₱17.4 trillion, for both collections and payments. The Bank implements around 56,000 deals per year, an equivalent 33% growth in estimated annual revenue. Total client base is more than 123 thousand, with 84% coming from small and medium enterprises.

CASE STUDY:

GrowSari: Transforming the Ubiquitous Sari-sari Store

GrowSari is a B2B ordering and store solution platform for the Philippines' over one million sari-sari stores (mom-and-pop stores or MSMEs). GrowSari equips the sari-sari stores with both the infrastructure and tools they need to transform themselves from simple outlets of fast moving consumer goods to comprehensive service hubs for the nation's grassroots communities.

GrowSari started in 2016 as an ordering platform that services sari-sari stores in three cities. Today, GrowSari powers the management, growth, and analytics infrastructure across 24 key cities in more than 400 municipalities in the Philippines. In addition to providing affordable and on-demand inventory, it also enables store owners to buy now and pay later through ELista effectively overcoming cash flow constraints and empowering store owners to keep their shelves well-stocked and grow their businesses without financial strain. GrowSari has also integrated multiple micro services such as telco load, bills payment, e-commerce, Wi-Fi, and other e-services. These micro services allow store owners to maximize their capital in one wallet and easily expand their business.

GrowSari has been a BDO Cash Management client since 2018. Last year, the Electronic Payment Facility via Application Programming Interface (API) was enabled with GrowSari's platform. This straight-through digital payment aligns with BDO CMS' objective to support clients in increasing business security and addressing operational concerns when customers pay in cash. Furthermore, with the E-Payment Facility, the settlement and payment consolidation are done more efficiently, translating to faster sales fulfillment and revenue growth for GrowSari.

The Electronic Payment Facility is meant to augment the existing payment channels that the Bank made available to GrowSari, namely over-the-counter (OTC) in all BDO branches and regular fund transfer via BDO Personal Online Banking (POB). BDO CMS also provides

Deposit Pick-up services to GrowSari to collect and consolidate cash payments made by sari-sari stores from various GrowSari warehouses.

"GrowSari aims to empower and transform one million sari-sari stores through technology by providing them affordable products, E-businesses and financial assistance. We are happy that our partnership with BDO Cash Management Services enables us to do this by providing not just collection and payment services, but more importantly determining the best structure of payments and accounts to optimize our cash flow and working capital," says Joseph Dultra Jr., Treasury Head of GrowSari.

Leasing for increased resilience: BDO Finance

As the leasing and financing arm of the BDO Group, BDO Finance Corporation (BDOFC) provides financing alternatives not offered by BDO Unibank through various products such as finance leases, mortgage loans, factoring, installment papers purchase, floor stock financing, and amortized commercial loans. Through leasing and amortized commercial loans, BDOFC is able to finance its customers' capital equipment requirements at affordable terms.

With leasing, customers are able to acquire the equipment they need without worrying about budget constraints. For example, companies in the construction industry are able to immediately mobilize new equipment for infrastructure and real estate development projects. BDOFC also continues to support its customers in the transport sector in the replacement of old vehicles and trucks with new, more energy and fuel-efficient units that will help reduce carbon emissions. Leasing enables trucking and logistics companies to modernize and expand their fleet to accommodate growing demands in the etransport sector and ecommerce. Companies engaged in specialized industries such as plastic recycling and waste disposal are likewise supported through leasing of plants and heavy machinery.

BDOFC's working capital lines such as factoring, which enables companies to obtain immediate cash by selling local trade receivables to BDO. This enables supporting the funding requirements of both large, medium, and small companies even in the absence of hard collaterals, allowing underserved markets to avail of credit facilities to support their growth.

BDOFC is one with BDO in understanding and anticipating the customers' evolving needs and in developing relevant products and services that will answer and address these requirements.

CASE STUDY:

Solar Rooftop installations

In 2023, BDOFC launched a pilot Leasing Program for Solar Rooftop installations to the officers of the BDO Group. This program aims to not only promote sustainability within the BDO community, but also resilience and preparedness in the face of increasing power costs and the looming energy crisis. With this program, BDOFC is able to highlight the importance of renewable energy and how using solar power can provide savings in electricity bills, and contribute any excess power generated to the grid for other people's consumption.



> Immediately after its launch through the Bank's E-Newsgram, BDOFC received overwhelming inquiries on the program from bank officers, some coming from as far as Mindanao. Buoyed by the response, BDOFC will develop a similar solar leasing program for commercial and retail clients this 2024. BDOFC shall also continue to pursue and partner with more vendors to be able to reach a bigger market and accelerate growth in various industries.

Financial Inclusion

Serving the Unbanked: BDO Network Bank

At a public gathering, BSP Governor Eli M. Remolona Jr. went on record for his expectations for 70% of adults in the country to have a bank account by end of 2023. This goal hopes to bring down the number of unbanked Filipino adults to 30% from the 44% cited in the BSP's latest financial inclusion survey in 2021.

As the country's largest community bank and a subsidiary of BDO Unibank targeted for the micro, small, and medium enterprise (MSME) segment, BDO Network Bank (BDONB) contributes to this national target through its continuous network expansion across the Philippine archipelago and its wide range of banking products that includes loans, deposits, remittances, micro-insurance, bills payments and other banking services.

In 2023, BDONB branch expansion was at a total of 506 branches and loan offices, up by 12% compared to last year. To enable easy financial access to its clients, BDONB accounts are able to use the BDO Group's combined 5,514 teller machines nationwide (ATMs, Cash Accept Machines, Universal Teller Machines, and Self-Service Teller Machines) around the country, along with the 9,764 Cash Agad Merchants among MSMEs. BDONB has also deployed Field Tellers, bank personnel who make the rounds of MSME clients unable to leave their stores to attend to their banking needs. Field Tellers provide secure account withdrawals and deposits which extends the reach of branches.

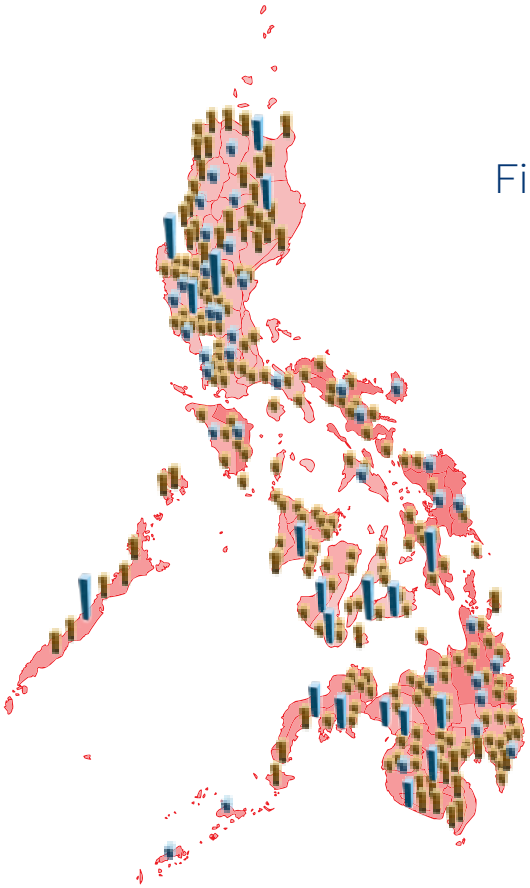
16%
Growth in Volume

92%
Coverage of Provinces Nationwide

BDONB is physically present in easily accessible locations and works on extended banking hours to cater to more clients. Following the phygital strategy of the parent bank, BDONB also complements its branches with its digital presence in social media and its own website. BDONB has a low minimum initial deposit to encourage more people to open accounts and to save. It also offers micro-insurance that provides hospitalization allowance for beneficiaries from age 18 to 80 years old. For the micro-insurance it has a compounded annual growth rate of 28%. The average age of insured clients is 41 years, with females at 59% of the total.

In 2023, BDONB was present in 92% of total provinces in the country, with the goal of covering 95% of the provinces in the next year. The loan products of the Bank are not just for the sake of lending, but also capital buildup to help clients improve their lives, and for the communities to accelerate economic growth. BDONB values its clients, understands their needs, and strengthens relationships with them through ease of access via physical and virtual presence. As a result, BDONB posted a 16% increase in volume from the previous year.

Consumers and Entrepreneurs



Finding ways to drive financial access: BDO Network Bank and Cash Agad

BDO Presence

Cash Agad Agents	9,764 agents
BDO Network Bank	393 branches

Poverty Incidence in the Philippines

0% 51%

Reference: 2023 Preliminary Poverty Statistics, Philippine Statistics Authority

MSME Financing

Development of the MSME market segment is important for BDONB. MSME Teams not only sell loans, but also advise their clients on how to improve and expand their businesses, reinforce the importance of savings and financial literacy, and connect them to the Bank to help them manage their finances well. With this approach, MSME loan bookings grew by 30% from 2022 figures, with female clients accounting for 68% of the total bookings. BDONB's expanded offices resulted in 6% increase in the number of offices offering MSME loans.

Salary Loans for Government Employees

In 2023, teachers in Mindanao accounted for 43% of the total salary loan releases of the Bank. Loan balance grew by 32%. Loan releases for 2023 matched the releases in 2022. The Customer Base of BDONB grew by over 22% as it continues to expand to more rural areas nationwide, with salary loans reach up by 34%. Personnel servicing this segment increased by 8% allowing for more people to serve financial needs of government employees. The Bank has also determined that 79% of its total active clients for Salary Loans are female.

30%
Loan Booking Growth

68%
Female availees of MSME loan

79%
Female availees of Salary Loan

Other Support Services for Clients

The Bank believes in further empowering its clients by organizing Financial Literacy discussions to help them manage their money and to use their loan wisely whether it be in schools, government offices or for public market vendors. The Bank has also run over 25 Negosyante Days which helps businessmen and entrepreneurs to avail of financial literacy talks. BDONB also works closely with the Department of Education by annually supporting its Brigada Eskwela (School Brigade) and Balik-Eskwela (Back to School) programs where bank employees distribute school supplies to beneficiary schools. BDONB also works closely with both the BDO Foundation for the schools and the SM Foundation as partner in Medical and Dental missions to areas that need health service support. The Bank also works closely with SM Supermalls, as a venue to reach more clients and showcase its products to entrepreneurs during Sunday Market at the malls.

Negosyante Days

BDO Network Bank provides opportunities for its clients to meet during what they call as Negosyante Days, where everyone can all learn about financial literacy and the new products and services that may be availed through BDONB. During one of the Negosyante Days, a junkshop owner met a rag maker who can supply retazos or rags for the junkshop's use. In another Negosyante Day, a poultry raiser met an ihaw-ihaw (grilled food) business owner and initiated talks to supply meat. Through BDONB's value added programs for its clients, the Bank is able to connect and bring value to business owners.

Customer Focus: BDONB Personalized Services

- BDONB tapped a Cash Agad Partner from Ilocos Sur to be the first touchpoint of borrowers for loan inquiry, computations, and applications. This channel helps teachers in the remote areas of the country to have access to loan facilities offered by BDONB. The program adds additional revenue to accredited Cash Agad partners and help improve value proposition and stickiness of the relationship with the Bank. The Cash Agad Partner was grateful to be a BDONB Loan Partner as it gives her additional income from service fees she collects from loan referrals. Other active partners are in Calatagan, Batangas, Caramoan and Garchitorena, Camarines Sur, and San Jacinto and San Pascual, Masbate
- Sevilla Sobaida is a Principal of LR Sebastian Elementary School, Cotabato City, and a long-time borrower at BDONB. Late last year, her house in Cotabato was completely burned down in a fire accident and her family was sent to a temporary evacuation area. To provide for her family's basic necessities, she applied for a salary loan with BDONB. She was very thankful for the quick and timely loan processing and the personalized service from BDONB's account officers, which included fetching her from the evacuation center and back for her loan application. It was a big relief for her that BDONB is always there in time of need.
- The St. Elizabeth Community Development Program, Inc. (SECDEP), a microfinance non-government organization, has been a BDONB depositor for nearly 10 years. As of September 2023, SECDEP had 10,000 clients dispersed across its nine provincial branches, but depositing collections have never been a challenge. SECDEP partnered with BDONB because it is reputable and well-established in the communities where they operate. In addition, financial transactions such as deposits and loans are also easier to release because they can be accessed through internet banking at any time and from any location, while clients may obtain their loan proceeds with convenience through ATMs. Apart from that, they are grateful to BDONB for supporting their special events, such as the annual Medical and Dental Missions, which are aimed at the customers they serve. SECDEP General Manager Luzviminda Carado, expressed her gratitude to BDONB for the unwavering support and service and for being always there.

Building relationships with Overseas Filipinos and families: BDO Remit

BDO Remit continued its efforts to scale up its services and relationships with Overseas Filipinos (OFs) and their families by expanding its grassroots marketing to the provinces of Bataan, Palawan, Leyte and Samar, notably increasing its reach to a total of 35 provinces across the country in 2023. This expansion, in partnership with BDONB, strategically enhanced access to remittance services in provincial and far-flung areas.

Widening customer reach

BDO Remit focused its efforts on enhancing the financial inclusion of OFs and their beneficiaries through an expanded partnership with SM Supermalls, particularly in provincial areas where their families are often located. Year 2023 marked the full resumption of BDO Remit's participation in SM's 3-Day Sale, mall openings and local festivals.

In December, BDO Remit and SM Supermalls held their 12th Pamaskong Handog holiday celebration that showcased exciting in-mall activities, special performances from actor and long-time endorser Piolo Pascual with some of the country's up-and-coming artists, and exclusive discounts from affiliates under the SM Group. Since 2012, BDO Remit committed to make OFs and their families feel valued and appreciated through its events and year-round offers exclusive for BDO Kabayan and BDO Network Bank Kabayan Savings account holders. In the provinces, major events at key OF hometowns are also opportunities for BDO Remit to join as OF families' have strong affinity to festivities. Among these events were the Panagbenga flower festival in Baguio, the Dinagyang cultural and religious festival in Iloilo, and the MassKarra Festival merrymaking in Bacolod. These initiatives allowed BDO Remit to set up information booths inside the malls providing an additional channel to address customer inquiries as a direct response to the need for accessible and convenient banking.

Increasing access to financial services through partnerships

While BDO Remit intensified its partnership with SM, it likewise extended the synergy of the two institutions to include government and non-government partners in its efforts. In honor of the economic contributions of the OFs and to promote their families' welfare, BDO Remit joined the nationwide celebrations of Migrant Workers' Day with the Overseas Workers Welfare Administration (OWWA) and the Department of Migrant Workers (DMW) in June. Celebrations were held at various SM Supermalls particularly in North EDSA, Tuguegarao, Bacolod, Iloilo, Puerto Princesa, and Davao, along with other locations in Baguio, Cavite, Camarines Sur and Pampanga.

Sharing the same goal of empowering families with financial education, BDO Remit widened its network by partnering with the Catholic Bishops Conference of the Philippines (CBCP). BDO Remit joined CBCP in its own celebration of Migrant Workers Day in 2023, which served as an additional channel to reach new clients.

4%
Growth in Total Remittance Transaction Count

2%
Growth in Total Remittance Transaction Volume

5,769
Domestic and International Financial Literacy Lessons Conducted

238,701
Domestic and International Financial Literacy Lesson Participant

OF families have been the main beneficiaries in the following initiatives of BDO Remit in the Philippines:

- School supplies donation to the children in Bacolod whose parents lost their jobs due to the pandemic, in partnership with the OFW Negros Occidental Federation, Inc. (ONOFI).
- Stress management workshops for Filipinos who are about to leave the country to help in their mental and emotional preparation for culture change and life in their country of assignment, together with OWWA and partner recruitment agencies.
- Financial literacy seminars for the wives of seafarers, working with a religious organization.
- Employment opportunities at BDO for OWWA scholars and interns, with some of them hired on-the-spot during OWWA's 41st Anniversary Job Fair.

Overseas, BDO Remit intensified its efforts to reach more Filipinos in Italy by partnering with various remittance partners and transforming their locations into OF hubs where BDO bankers can attend to client inquiries on Kabayan Savings and other BDO products and services. BDO Remit likewise held a series of community caravans and financial literacy talks in collaboration with key Filipino groups and NGOs in the United Arab Emirates. In Japan, BDO participated in the Philippine Expo, a 3-day major event that served as an avenue for OFs, remittance partners and the Philippine embassy to gather and re-establish rapport for the first time since the pandemic. BDO Remit also conducted several Post-Arrival Orientation Seminars (PAOS) for newly-arrived Filipinos in Japan to guide them on their finances and employment rights.

Moving past challenges in a changing market

Adapting to clients' evolving financial behaviors in the post-pandemic landscape was a challenge that BDO Remit addressed by proactively enhancing its client offerings. This involved introducing a diversified portfolio of products, including loans and insurance options, tailored to the specific needs of Kabayan account holders and their families. By broadening the range of financial services, BDO Remit provided its clients with more tools to manage their finances effectively and gave more value to their relationship with the Bank. These strategic cross-selling efforts fostered greater financial security and empowerment among clients.

Empowering Women as Consumers and Entrepreneurs



Bank accounts opened through online account application

61%



Access to credit card facility

60%

of Credit Cards Issued



Investment plans availed by women

57%

of Easy Investment Plans



Individual loans availed by women

49%
of Home Loans

50%
of First-time Home Loaners

48%
of Auto Loans

55%
of Mortgage Loans

55%
of Car Leases

48%
of Personal Loans

79%
of Salary Loans

63%
of Micro/ Small/Medium Enterprise Loans

41%
of Outstanding SME Loans by sole proprietors for Consumer Banking Group

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Individual insurance availed by women

59%
of Ordinary Life Insurance

59%
of Variable Life Insurance

47%
of Accident Insurance

63%
of Health Insurance

59%
of Total Insured Lives



Strengthening Business Resilience

We consciously manage our environmental and social impacts through good governance that sustains superior business performance anchored on accountability, transparency, integrity, and fairness. We develop BDO bankers with a sustainable mindset who thrive on finding ways to innovate, find solutions to sustainability challenges, and live up to the Bank's sustainability commitments.



Economic Impact

BDO has solidified its position as the nation's leading full-service bank, dedicated to meeting the diverse banking needs of every Filipino. The Bank reinforced its business franchise through continued market expansion especially in underserved areas, broadening financial inclusion. The Bank also continues to enhance its digital capabilities to provide customers with easy and seamless 24/7 access to the Bank's products and services. With a nationwide network offering a wide range of financial products and services, BDO supports the country's economic growth, allowing it to generate and distribute economic value.

Economic Value Relief Table

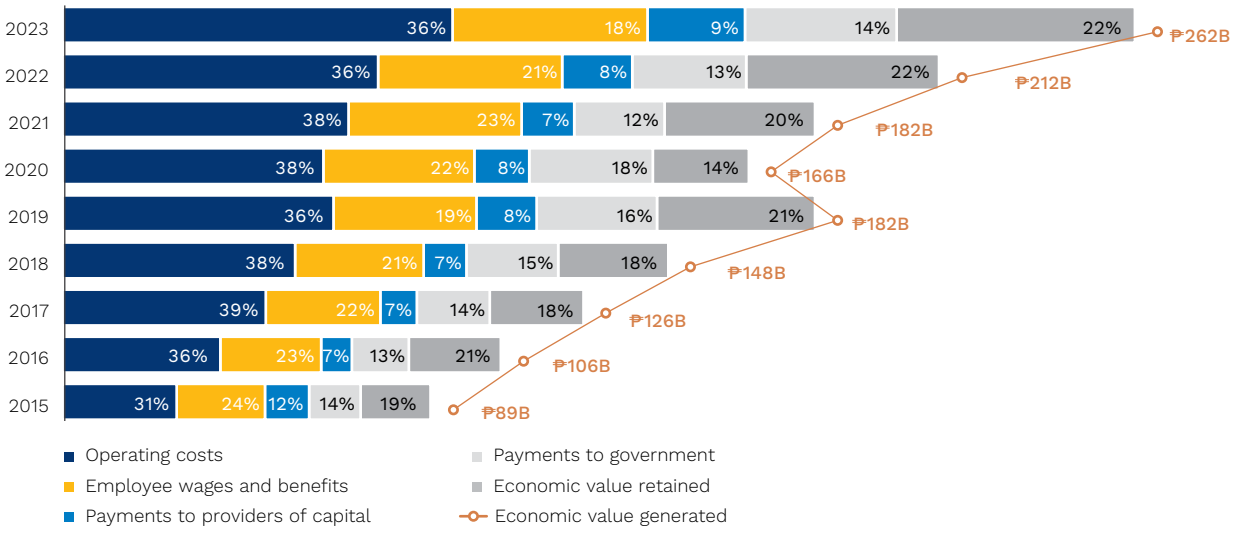
BDO's direct economic value generated (DEVG) increased by 24% year-on-year to ₱262 billion in 2023 on the back of sustained economic growth and improved consumer and business activities. The 2023 performance, the strongest growth since the pandemic in 2020, lifted the Bank's DEVG five-year compounded growth rate to 12%.

The Bank distributed 78% of the economic value it generated, or ₱205 billion, 24% higher than the previous year. Of the direct economic value distributed, ₱48 billion was for the wages and benefits to BDO's over 41,000 employees, fueling consumer spending and supporting the overall economy. In addition, other operating expenses increased by 25% to ₱94 billion.

Total tax payments amounted to ₱38 billion, contributing to the government's tax revenues to stimulate economic growth. Meanwhile, total community investments more than doubled to ₱216 million on the efforts of BDO Foundation, the corporate social responsibility arm of BDO, to boost financial education programs, relief operations in disaster-stricken communities, and the rehabilitation and rebuilding of rural healthcare delivery systems.

Economic Value Table

Figures in %



Good Governance to Create a Sustainable Future

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

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

BDO complies with the Securities & Exchange Commission (SEC) Code of Corporate Governance for Publicly-Listed Companies and with the Enhanced Corporate Governance Guidelines for Bangko Sentral ng Pilipinas (BSP)-Supervised Financial Institutions. It follows relevant international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organisation for Economic Co-operation and Development (OECD) and the ASEAN Corporate Governance Scorecard (ACGS) which serve as essential points of reference.

The Bank, as a financial institution, recognizes the importance of addressing climate change and supporting the country's transition towards a low carbon economy. Through its Board and Senior Management, BDO is committed to advancing its sustainability commitments and achieving strategic resilience by consistently incorporating sustainability in the way it conducts business. The Board, being the highest governance body, plays a crucial role in ensuring that sustainability is embedded in the Bank's compliance, corporate governance, and risk management frameworks. The Board sets the tone at the top by promoting an enterprise-wide culture that continually fosters environmentally and socially responsible business decisions. The Bank endeavors to contribute to the country's sustained growth by financing economic activities that nurture the environment, empower Filipino consumers, and promote the best interest of the Bank's various stakeholders. Consistent with the UN SDGs, the UN Global Compact, and the government's Sustainable Finance Roadmap, the Bank constantly strives to create lasting, net positive impact through delivery of various banking products and services that are sustainable, inclusive, equitable, environment-friendly, and socially relevant.

Our Board of Directors and Governance Structure

Responsibility for good governance lies ultimately 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 also periodically reviews the Bank's corporate mission and vision and ensures their continuous alignment with the Bank's strategic plans. It oversees management performance, the enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, continuing director education, and succession plans for the Board, the President and Chief Executive Officer (CEO), and senior management. It considers sustainability issues related to the environment, social, and governance factors as part of its sustainable banking practices.

Board Composition 2-9, 2-11

The Board is composed of eleven (11) members and aided by five (5) advisors. It is led by a Non-Executive Chairperson with six (6) Independent Directors, three (3) Non-Executive Directors, and one (1) Executive Director who is the President and CEO.

The present composition of the Board exceeds the minimum regulatory standards which require that independent and non-executive directors account for the majority. Independent and Non-Executive Directors of the Bank comprise 91% (10 of 11) of the Board. With six (6) of 11 Board seats occupied by independent directors, the Bank goes beyond the 1/3 minimum requirement of the BSP and the SEC.

Independent directors chair eight (8) of nine (9) Board-level Committees, namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. This provides independent, objective, and balanced judgment on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.

The Board advisors are considered as integral parts of the Board whose views are considered by the Board. Their opinions and recommendations are taken into consideration by the Board members. The presence of a female Board advisor provides an independent view of the Bank and complements the three (3) female non-executive directors in the Board, one of whom is an independent director.

On October 25, 2023, former Senator Franklin M. Drilon was appointed Independent Director to fill in the vacancy due to the untimely demise of former Vice Chairperson Mr. Jesus A. Jacinto.

For more details, see BDO 2023 Annual Report.

BOARD COMPOSITION


Teresita T. Sy


Nestor V. Tan


Dioscoro I. Ramos


George T. Barcelon


Estela P. Bernabe


Vipul Bhagat


Franklin M. Drilon


Vicente S. Pérez, Jr.


Jones M. Castro, Jr.


Josefina N. Tan


Walter C. Wassmer

Screening of Directors

The Board is responsible for the screening of new directors through the Nominations Committee. It leads the process of identifying and evaluating the nominees for directors. Using the Bank's Board Diversity Policy as primary reference, the Nominations Committee evaluates the balance, skills, knowledge and experience of the existing Board membership and the requirements of the Bank before the Annual Stockholders' Meeting. The result of the evaluation determines the role and key attributes an incoming director should have. The Nominations Committee receives recommendations for potential candidates and uses, to the extent possible, external search firms or external databases (i.e., Institute of Corporate Directors List of Members) in selecting the pool of candidates for the new members of the Board as done with the election of one (1) new independent director in 2023. The Nominations Committee recommends the most suitable candidate to the Board for appointment or election as director.

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

Board Diversity 405-1

The Bank's Board Diversity sets out approaches to promote diversity in membership of the Board of Directors of BDO Unibank, Inc. (BDO). The Bank recognizes that diversity in skills, experience, gender, sexual orientation or preference, age, education, race, religion, business and other related expertise among its directors will foster critical discussion and promote balanced decision by the Board. It views diversity as an essential element in maintaining strong corporate governance through a strong and effective Board.

The Board commits to continually promote and observe diversity in its membership. As a whole, the Board, through its members, should possess all of the necessary skills, experience and functional expertise to oversee the strategic direction of the Bank. In determining the optimum composition of the Board and in filling vacancies, the Nominations Committee should consider all aspects of diversity in its Diversity Policy in order to maintain an appropriate balance of skills, background, experience, and knowledge in the Board composition, as well as the important role of women with appropriate and relevant skills and experience.

In evaluating the suitability of an individual board member and promoting diversity in the composition of the Board, the Nominations Committee annually reviews the Board and Board-level Committee composition to ensure appropriate balance of skills, competencies, experience in its membership, and diversity to assure alignment with the new regulations. The Committee recommends to the Board of Directors the slate of candidates nominated by the stockholders for election to the Board of Directors during the Bank's annual stockholders' meeting. The Committee

Board Snapshot

DIRECTOR INDEPENDENCE

6 Independent Directors

4 Non-Executive Directors

1 Executive Director

DIRECTOR DIVERSITY

3 Females

2 International

DIRECTOR AGE

5 60-69

6 70+

BOARD SKILL DIVERSITY

11 Banking and Finance (including Treasury)

11 Corporate Governance Strategic Planning, and Business Strategy

11 Risk Management

2 Legal/Compliance

2 Sustainability (including sustainable finance)

2 Information Technology (such as cybersecurity and disruptive/digital technology, among others)

takes into account the relevant qualifications of every candidate nominated for election, with competence and integrity as the primary factors.

The present members of the Board have extensive experiences in banking, credit management, investment management, accounting and finance, insurance, legal management, business management, strategy formulation, bank regulations including anti-money laundering, information technology, sustainability, and risk management, both globally and locally. More than half of the board members have significant international education and/or work experiences, which bring global perspectives to the board.

In 2023, an independent director, with extensive experience in the private and public sectors, including in the legal field, joined the Board, thus further enhancing diversity in the Bank's Board.

Considering the growth, complexity and scope of the Bank's business, the Board believes that its current size and composition provide sufficient diversity among its directors and enable it to bring about effective leadership and maintain strong corporate governance.

Selection and Appointment of Senior Executive Management

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

Review of Bank's Mission, Vision, and Strategic Plans 2-16

The Board, being the highest governance body, is responsible for approving and updating the Bank's mission, vision, objectives and strategies on a continuing basis and in overseeing management's implementation thereof, taking into account the Bank's long-term financial interests, its level of risk tolerance, and ability to manage risks effectively. It is actively engaged in the affairs of the Bank, keeps up with material changes in the Bank's business and regulatory environment and ensures that the Bank has beneficial influence on the economy. The Board similarly oversees the implementation of policies governing major areas of the Bank's operations and holds special meetings to discuss strategic matters and critical concerns.

During the year, the Board approved, reviewed, and oversaw the Bank's financial budget and capital funding, business targets and strategies, quarterly declaration of dividends, and the release of the 2022 audited financial statements within 58 days from year end.

Its oversight functions include the review of operational and financial performance of senior management and work of the various committees in accordance with their Terms of Reference.

The Board also discussed macroeconomic outlook including the impact of the global inflation. In 2023, it approved the merger of the Bank with SM Keppel Land, Inc., with BDO as surviving entity.

Sustainability Initiatives

The Board also oversaw matters related to sustainability. It approved the Bank's Environmental and Social Risk Management System (ESRMS) which guides BDO bankers to identify, assess, and manage E&S risks and opportunities associated with the Bank's credit, investments and administrative operations. The Board also approved the additional categories for the green, social, and blue finance and a new category on orange/gender financing in the Bank's Sustainable Finance Framework to broaden the projects eligible for sustainable finance. The Head of the Sustainability Office regularly reports on Sustainability Updates in the Corporate Governance Committee meetings, and also reports to the Risk Management Committee on E&S risk management and opportunities (four updates).

The Bank's Blue Bond issuance in May 2022 helped the Bank expand its Sustainable Finance Framework to include projects supporting the country's blue economy, while establishing a new asset class in the Philippine debt market. In the Blue Bond Impact Report released in December 2023, the proceeds from the issuance have been allocated to two water management companies for water conservation and one waste management company for water reuse and recycling, preventing the direct flow of wastewater to rivers and other bodies of water that eventually lead to the ocean.

The Corporate Governance Committee noted various sustainability updates, including progress on the 2022 BDO Sustainability Report, the Environmental, Social, and Governance (ESG) Dashboard, and the Environmental and Social Risk Management System (ESRMS). Other updates were on the benchmarking results related to TIME World's Best Companies 2023, and Brand Finance ranking for the Philippines and the financial sector as well as local and international recognitions: The Retail Banker International Asia Trailblazer Award 2023, Asian Banking & Finance Whole Banking Awards 2023, Asia Corporate Excellence & Sustainability (ACES) Awards 2023, The Asset ESG Corporate Awards 2022 & 2023, and Qorus-Accenture Banking Innovation Awards 2023.

Improving Board Effectiveness 2-18

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. The assessment is facilitated by an external firm annually, more than the regulatory requirement of every three (3) years. The performance evaluation process begins with sending out customized Board Evaluation Questionnaires to each director and advisor who are required to complete them and explain the rationale of their response. The results are independently tabulated and assessed by the external facilitator.

The Bank engaged Isla Lipana & Co./PwC Philippines (PwC) anew as external facilitator for the Bank's 2022 Board Effectiveness Evaluation (BEE). The results of the director and board advisor assessment show that the Board has healthy and positive dynamics, indicating that the Board works well as a group. The Board is also diverse in terms of expertise, experience and perspectives especially with the addition of a new independent director, which is key for a well-governed bank. The results further indicate strong oversight and engagement by the Board with senior management.

The Chairperson, Vice-Chairperson, Lead Independent Director, and the President and CEO also demonstrated strong leadership in their respective roles. The Board-level Committees, on the other hand, generally exhibited high level of engagement with and oversight of senior management. Evaluation results also demonstrate strong leadership by the Board-level Committee chairpersons. The inclusion of global trends in banking technology and generative artificial intelligence as topics for the annual corporate governance training held on August 2, 2023 addressed the recommendation of PwC to consider continuous training programs that address emerging trends in disruptive technology/digitalization and cybersecurity threats.

In 2023, the Corporate Governance Committee endorsed to the Board the continuous engagement of an external facilitator for its yearly self-assessment. To the Committee, engaging an independent party every year, rather than

every three years as recommended by the Securities and Exchange Commission, provides more governance inputs to the Board and allows comparability and continuity. The Bank reappointed PwC as external facilitator for the 2023 Board Effectiveness Evaluation (BEE). PwC will facilitate a peer and self-evaluation process on the Board, Board-level Committees, and individual directors, with additional insights from selected senior management officers.

Continuing Education for Directors and Senior Management

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.

Directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours in 2023. All incumbent directors of BDO Unibank, along with members of senior management, attended its in-house corporate governance seminar held on August 2, 2023. Gartner, Inc. provided insights on global trends in banking technology and how BDO is fairing against these trends. They emphasized the importance of understanding the needs of customers through contextual engagement, as well as the increasing adoption of the "phygital (physical and digital) strategy" and generative artificial intelligence (Al) in enhancing customer experience, which are aligned with BDO's strategic plans. On the other hand, Boston Consulting Group (BCG) shared their insights about Generative Al and its disruptive impact in businesses. They examined risks posed by generative Al and highlighted the crucial role of people in transforming the business.



Apart from the in-house corporate governance training, the following external training programs were also attended by other directors: Anti-Money Laundering Council (AMLC) Registration and Reporting Guidelines (ARRG) Course; Institute of Corporate Directors' ASEAN Corporate Governance Scorecard (ACGS) for Publicly Listed Companies, Raging 2023 Technology, and the Maharlika Investment Fund: Its Impact on the Philippine Business Landscape; 10th Annual Securities and Exchange Commission – Philippine Stock Exchange Corporate Governance Forum; and SGV & Co.'s Corporate Governance Seminar. Some members of the senior management also received external training on corporate governance, internal audit quality assurance, reinsurance and reinsurance brokerage operations, and signature verification, in addition to the regulatory/mandatory online courses available in the Bank's eLearning portal.

Chairperson of the Board

The Chairperson is primarily responsible for leading the Board and ensuring its effectiveness. She provides leadership to the Board, fosters constructive relationships between directors, promotes an open environment for critical discussions and constructive debate on key issues and strategic matters, and ensures that the Board of Directors exercises strong oversight over the Bank's business and performance of

senior management. She takes a lead role in ensuring that the Board provides effective governance of the Bank and continues to operate at a very high standard of independence with the full support of the Directors.

Independent and Non-Executive Directors' Meeting

Regular meetings are held by Independent and Non-Executive Directors (INED) with the heads of the control functions (i.e. Chief Risk Officer, Chief Compliance Officer, and Chief Internal Auditor) as well as the external auditor, without the presence of management or any bank executive, to discuss various matters or issues outside the Board Audit Committee and Risk Management Committee meetings. The INED also meet with the heads of business and operating units to understand further and engage in deeper discussions with the Bank management. The meetings are chaired by the Lead Independent Director.

In 2023, the INED conducted three (3) sessions and the results of these sessions were discussed with the Bank's Executive Directors in three (3) separate sessions. The INED also asked for the presentation by the Bank's IT Group, particularly by the Chief Information Officer, updates on the Bank's NextGen IT Project and modernization of IT back-end systems and on creating a seamless customer experience, harnessing data via Application Programming Interfaces (APIs) and Generative Artificial Intelligence (AI), data governance, and cybersecurity.

Board Committees

The Board has established nine (9) committees to help in discharging its duties and responsibilities. These committees derive their authority from and report directly to the Board. Their mandates and scopes of responsibility are set forth in their respective Terms of Reference, which are subjected to annual review and may be updated or changed in order to meet the Board's needs or for regulatory compliance. The number and membership composition of committees may be increased or decreased by the Board as it deems appropriate, consistent with applicable laws or regulations specifically on the majority membership and chairmanship of independent directors in various committees. As of December 31, 2023, eight (8) of nine (9) board-level committees are chaired by Independent Directors.

The Board of Directors

- Responsibility for good governance lies with the Board.
- It is responsible for providing effective Leadership and overall direction to foster the Long-term success of the Bank.
- It oversees the business affairs of the Bank, reviews the strategic plans and performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices.
- It oversees management performance, the enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, continuing director education, and succession plans for the Board and CEO.
- It considers sustainability issues related to the environment and social factors as part of its sustainable banking practices.

Executive Committee

- Exercises oversight over the Bank's sustainability program.
- Exercises power of the Board in the management and direction of the affairs of the Bank.
- Acts as main approving body for loans, credits, advances or commitments and property-related proposals.
- Reviews and recommends for Board approval credit and investment proposals beyond its authority; major credit policies and amendments, including delegation of credit approval limits; establishment of branch/extension offices and domestic/foreign subsidiaries; and amendments to the Bank's Articles of Incorporation and/or By-Laws.

Board Audit Committee

- Oversees the financial reporting process, system of internal control and risk management systems, internal and external audit functions, and compliance with governance policies, applicable laws and regulations.
- Reviews the integrity of the reporting process to ensure the accuracy and reliability of financial statements and compliance with financial reporting standards and disclosure requirements set for publicly-listed companies.
- Monitors and evaluates the adequacy, soundness and effectiveness of the Bank's established internal control and risk management systems, policies and procedures including implementation across all units of the Bank.

Corporate Governance Committee

- Oversees the Sustainability initiatives of the Bank, particularly key processes, standards and strategies designed to manage environmental and social impact and governance.
- Assists the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Bank as well as its subsidiaries and affiliates.
- Conducts annual performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance.
- Oversees the continuing education program for directors and key officers and proposes relevant training for them.
- Recommends a suitable induction and orientation process for new directors.

Trust Committee

- Reviews and approves transactions between trust and/or fiduciary accounts, accepts and closes trust and other fiduciary accounts, and approves the investment, reinvestment and disposition of funds or property.
- Evaluates trust and other fiduciary accounts at least once a year.
- Reviews Trust and Investment Group's overall performance, profile of funds and assets under its management, industry position, and the risk management reports.
- Approves offering of new products and services, establishment and renewal of lines and limits with financial institutions, and investment outlets and counterparties.

Risk Management Committee

- Responsible for the oversight of the enterprise risk management program, including the environmental and social risk management, of the Bank.
- Responsible for approving risk appetite levels, risk management policies, risk tolerance Limits and approves the appropriate strategies for managing and controlling risk exposures, including preventing and/or minimizing impact of losses if risk becomes real.
- Oversees the implementation and review of the risk management plan including the system of limits of discretionary authority delegated by the Board of Directors to management under its purview and ensures that immediate corrective actions when limits are breached.
- Responsible for evaluating the continued relevance, comprehensiveness and effectiveness of the risk management framework.

Nominations Committee

- Reviews and approves the interlocking positions of Directors in other entities and ensure its compliance with the Bank's Interlocking Policy.
- Leads process of identifying candidates for election and appointment of directors and all other positions requiring appointment of the Board of Directors, giving full consideration to succession planning and the leadership needs of the Group. In particular, this process includes the profiling of the skills and competencies of the currently serving directors, the gaps in skills and competencies identified and the search for candidates who are aligned with the Bank's directions to fill the gaps. It then makes appropriate recommendations to the Board.
- Makes recommendations to the Board on the composition and chairmanship of the various committees.
- Reviews structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the non-executive Directors, and makes recommendations to Board with regard to any changes.

Compensation Committee

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

Information Technology Steering Committee

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

Related Party Transactions Committee

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

Further information regarding BDO's Board and Board-level Committees can be found in the Annual Report and at www.bdo.com.ph.

Independent Control Functions

Compliance

BDO's Compliance Group, through the Chief Compliance Officer (CCO), oversees the design of the Bank's compliance system and the overall compliance framework executed through a Compliance Program, and promotes their effective implementation. BDO Compliance Group reports to and is under the direct supervision of the Board Audit Committee. It is responsible for overseeing, coordinating, monitoring and ensuring compliance of the Bank with existing laws, rules and regulations through the implementation of the overall compliance system and program in accordance with the requirements of the BSP and other regulatory agencies, including but not limited to the identification and control of compliance risks, prudential reporting obligations as well as compliance training.

BDO's Compliance System forms the processes, people, policies and other components that, as an integral unit, ultimately drive the Bank's initiatives to conform to industry laws, regulations and standards. With the increasing regulatory focus on sustainability and resilience, the Sustainability Office and the Regulatory Compliance Department which both report to the Compliance Group also keep abreast on regulatory issuances and mandates from regulators pertaining to sustainability and sustainable finance, among others. In line with the Bank's initiatives is its commitment to ensure that activities of the Bank and its personnel are conducted in accordance with all applicable banking laws and regulations and industry standards, and this commitment to compliance serves to protect the Bank and its stakeholders. BDO's Compliance Group, as provided in its Charter, conducts independent compliance tests and reports to the Board Audit Committee any significant compliance issues or breaches.

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

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

Internal Audit 2-24, 403-8

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

It provides assurance and a systematic, disciplined approach to evaluate and improve effectiveness of risk management, internal control, and governance processes. On sustainability-related matters, the Internal Audit Function performs review on BDO Group's adherence to BDO Sustainable Finance Framework, regulatory issuances, and regulatory reporting requirements.

The Internal Audit provides assurance and a systematic discipline approach as required from best practices and global standards applied to the entire BDO Group including foreign and local subsidiaries and offices. It provides value to senior management and governing bodies as source of independent advice by keeping abreast of relevant changes and updates in regulations and Group's sustainability initiatives in compliance with but not limited to the following:

- BSP Circular No. 1085 series of 2020 - Sustainable Finance Framework
- BSP Circular No. 1128 series of 2021 - Environmental and Social Risk Management Framework
- BSP Circular No. 1149 series of 2022 - Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks
- SEC Memorandum Circular No. 4 series of 2019 - Sustainability Reporting Guidelines for Publicly-Listed Companies
- Global Reporting Initiative (GRI) Sustainability Reporting Standards

Internal Audit reports to the Board of Directors through the Board Audit Committee (BAC) of the parent bank and respective subsidiaries. It seeks BAC approval for the annual audit plan, provides updates on accomplishments, reports results of audit conducted, and tracks resolution of audit findings. In its year-end closing report, Internal Audit attests to the fulfillment of its mandated responsibilities and provides overall assurance on the effectiveness of internal control, risk management, and governance processes.

Compliance with the SEC Code of Corporate Governance

Publicly-listed companies are advised to disclose in their Annual Report the company's compliance with the Code of Corporate Governance and where there is non-compliance, to identify and explain the reason for such issue. We confirm that as of December 31, 2023, the Bank has substantially complied with the recommendations of the Code except for the following:

1 Policy on retirement age of directors, and
2 Disclosure of executive remuneration on an individual basis. For a more detailed discussion on the matter, please refer to the BDO Annual Report.

Corporate Policies and Practices

BDO Code of Conduct and Business Ethics

As a financial institution, BDO believes that practicing right conduct and ethical behavior inspires and strengthens the confidence of all our stakeholders. The BDO Code of Conduct and Business Ethics (the Code) outlines the principles and policies that govern the activities of the Bank and sets forth the rules of conduct in the workplace and the standards of behavior of its directors, officers and employees in their activities and relationship with external stakeholders.

The Bank upholds the virtues of honesty and integrity among its employees and instills a sense of commitment toward duty and responsibility. All employees are expected to observe discipline

in attending to their jobs and in interacting with co-workers. Supervisors and managers are expected to foster self-discipline and serve as role models to their subordinates. Bank officers are expected to intelligently and consistently apply the accepted principles of people management. All cases/violations must be reported. Failure to do so either by oversight or deliberate cover up is subject to appropriate disciplinary action. The Human Resources Group is responsible for overseeing the implementation of the Code across the BDO Group. It receives reports of violations and activates the process for undertaking a confidential investigation. As necessary, it may endorse the handling of the investigation to the Cases Review Secretariat for the appropriate action and recommendation.

The Board Audit Committee, at its discretion, may periodically report the Code of Conduct and Business Ethics cases to the Board of Directors. The Compliance Office will address lapses in compliance with regulatory requirements arising from the administrative cases due to the violation of this Code.

99.6%
Employees who have taken the Code of Conduct and Business Ethics Training in the past two years

Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities 205-1

BDO believes that the key to long-term sustainability and success largely depends on having a good name and solid reputation in the industry. Any director or employee who becomes aware of any violations of law, regulations, or policies should report the same to appropriate authorities, with protection from reprisal and discrimination. Reporting of violations should be done in good faith and without malice. This is embodied in the BDO Policy of Disclosure of Sensitive/Confidential Matters to management that governs the policies and procedures in the handling of whistleblower cases.

Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior 205-1, 205-2, 205-3, 206-1, 415-1

The Bank has zero tolerance for the solicitation and acceptance, directly or indirectly, of any gift (including entertainment services or activities), gratuity, commission or any form of payment from clients, business partners, suppliers and third-party service providers in connection to a service that may, in any way, influence the Director's, Officer's or employee's decision-making in exchange for any unnecessary favorable treatment. Likewise, BDO commits to comply with anti-corruption and bribery laws in all jurisdictions where it operates.

In 2023, there were four minor instances of cash abstraction (internal fraud) involving Bank employees who were then dismissed from employment from the Bank, consistent with the existing labor laws. The Bank filed legal cases against the erring employees to demonstrate its zero-tolerance policy on fraud. Also in the same year, there were no public legal case involving bribery and corruption brought against BDO and its employees.

BDO prohibits making any political donations to prevent any attempt to encourage favorable treatment of BDO and/or its directors and employees. The Bank reaffirms that it adheres to the no political contributions policy.

BDO is not involved in any anti-competitive behavior and has no violations of existing anti-trust and monopoly laws. No legal actions, pending or completed, pertaining to anti-competitive and anti-trust behavior were filed against the Bank.

Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Financing 2-23

BDO's Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and Counter-Proliferation Financing (CPF) compliance programs are approved by its Board of Directors. The Board Audit Committee and the Board of Directors receive monthly reports on AML compliance and monitoring from the Anti-Money Laundering Department (AMLD) of the Compliance Group. AML concerns are escalated to the AML Committee, a management group whose main duty is to oversee the Bank and its affiliates' effective and correct compliance with anti-money laundering laws and the Bank's AML/CTF/CPF program. The AML Committee, which consists of representatives from Compliance, Corporate Governance, Legal, Branch Banking, and HO Senior Officer, meets every three months or more frequently as needed.

The AMLD is in charge of ensuring that the Bank's Anti-Money Laundering, Terrorist Financing and Proliferation Financing Prevention Program (MTPP) is implemented correctly and efficiently. This involves using a risk-based approach to implement KYC policies and procedures, record retention policies, a system for promptly capturing and reporting covered transactions, investigating suspicious alerts and reporting as necessary, and creating and conducting specialized training.

The dedicated Compliance Units in specific business areas, such as Trust, Remittance, and Global Operations, as well as Unit Compliance Coordinators in various Head Office units and branches, are also under the supervision of the AMLD. Through each Compliance Officer, it also oversees the AML compliance of its domestic and foreign businesses.

BDO's local and international branches and subsidiaries are subject to Philippine AML laws, rules and regulations and its overseas foreign branches and subsidiaries abide by AML jurisdiction-specific requirements. The AML/CTF/CPF policies and practices are audited by an independent third-party annually.

AML Risk Assessment

BDO risk assessment determines risk classification to assess the AML/ Financial crime risk by looking into the country, products, business activity or industry, client's profile, delivery channels, ownership structure and affiliation.

The Bank does not engage with shell companies/businesses and virtual exchange companies. The same rule applies to Financial Action Task Force (FATF) and Office of Foreign Assets Control (OFAC) sanctioned nations unless additional due diligence reveals that the customer, even if they are citizens of a sanctioned nation, is not on the list of nations with which no business should be conducted. Such nationals are nevertheless regarded as high risk and are subject to annual enhanced due diligence (EDD). The Bank's policy outlines a list of high-risk clients and industries as well as foreign and domestic geographic locations that have been designated as such based on a sanction list.

Additionally, the Bank conducts a bi-annual enterprise-wide risk assessment.

The Bank has a "one-touch" KYC policy which eliminates repetitive KYC process for clients with multiple transactions with various business units within the BDO Group.

BDO categorizes its clients based on the overall risk they pose who undergo the corresponding Customer Due Diligence (CDD). For clients who pose normal risk, average due diligence is carried out, while EDD is used for clients who pose higher AML risk.

BDO complies with targeted financial sanctions laws, regulations and directives of the OFAC, FATF, and United Nations Security Council (UNSC) and those issued by the Bangko Sentral ng Pilipinas and the Anti-Money Laundering Council, and the Bank performs watchlist name-screening on all its customers against the watchlists issued by these regulatory bodies/agencies.

BDO actively monitors unusual and potentially suspicious activity which results in alerts on potential money laundering transactions. For possible suspicious transaction reporting, alerts are reviewed and investigated by the concerned business unit/branch of account, as well as by a dedicated team in the AMLD. BDO protects the confidentiality of Suspicious Transaction Report (STR) filings and any other information that could lead to the discovery of an STR.

AML Training

BDO offers customized face-to-face AML training to frontliners and relationship managers in order to communicate significant policies, new laws, and regulations. All bank employees are required to complete e-learning courses with exams after completing training every two years. The training includes identification and reporting of transactions that must be reported to government authorities, examples of different types of money laundering involving the Bank's products and services, and internal policies to prevent money laundering for employees who are relevant to reporting.

After the lifting of the Covid-19 lockdown in the Philippines, face-to-face trainings resumed and for the year 2023 alone, at least 26 customized classroom-type trainings have been conducted by AMLD which increased AML engagement and awareness within the Bank.

40,902
Employees Trained

26
Bespoke (Face to Face) Training

8
Courses Available in e-Learning Module (AML 101-108)

Anti-Online Sexual Abuse and Exploitation of Children

Aligned with its Human Rights Policy to protect and respect human rights in the workplace, the Bank has recognized the increasing risk posed by online sexual abuse and exploitation of children (OSAEC) and has implemented measures and controls to mitigate risks arising from this crime. It has reinforced an ongoing monitoring process in its alert scenario parameters under its transaction monitoring system to effectively detect human trafficking and child exploitation activities. The Bank's screening process has been strengthened by including the customers involved in suspicious transaction reports in its Negative List Database System (NLDS) and this has been articulated in the Bank's MTPP. Moreover, the Bank has defined appropriate turn-around time for alerts disposition and improved procedures on alerts investigation and review to ensure timely resolutions and the quality of investigation.

The Bank has developed training specific to OSAEC with AMLA 109 – Combating Online Sexual Exploitation of Children (OSEC). The training is required for client-facing personnel to ensure awareness of the ML/TF risk exposure from OSAEC and related activities and appropriate AML/CFT controls which they need to comply with to address or mitigate risks arising from this crime.

Tax Governance 207-1, 207-2, 207-3

BDO has a full compliance tax strategy and transparency policy in all the territories where it engages in business. BDO commits to contribute to the nation building of the territories, through the timely payment of taxes due on the Bank's income, products, and services to their respective government. BDO recognizes that the timely tax payment enables governments to finance a sustainable economic, environment, and socially responsible nation. This in turn leads to job creation and demand for the services and products of the Bank.

The BDO Comptrollership Group is responsible for the timely payment of the correct taxes due to the government, and reports directly to the BDO President and CEO. The organization has implementing units that are responsible for the timely payment of taxes on the different transactions of the organization and a Tax Compliance Unit that provides advisory services and announcements on the latest tax regulations that need to be complied with. The implementing units are subject to internal and external audits.

BDO engages its stakeholders on concerns related to tax in various forms. The Bank maintains formal communications to the tax authority on a need requirement basis. BDO also engages the tax authority through the Bankers' Association of the Philippines for industry-related issues.

The Bank discloses adverse material tax findings and material claims for tax refunds, if any, in its Audited Financial Statements and before the Philippine Stock Exchange.

The Bank's tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes in the Philippines, Hong Kong, Singapore and other parts of the world (United States of America, Japan, Canada, the Netherlands, and the United Kingdom).

Country-by-country Reporting 207-4

BDO Unibank, Inc. and Subsidiaries
Geographical Segment Reporting
As of December 31, 2023
(in Php millions)

	The Group				
	Philippines [1/]	**Singapore Branch [2/]**	**Hong Kong Branch and Hong Kong Subsidiary [3/]**	**Rest of the World [4/]**	**Total**
Net Interest Income	184,613	1,045	849	(120)	186,387
Fee and commission income	47,375	221	136	167	47,899
Other non-interest income	35,860	5	124	129	36,118
Total Income	267,848	1,271	1,109	176	270,404
Total Expenses	155,810	325	419	273	156,827
Impairment Losses	16,052	81	263	—	16,396
Profit before Tax	95,986	865	427	(97)	97,181
Income tax expense	23,262	150	208	1	23,621
Net Profit	**72,724**	**715**	**219**	**(98)**	**73,560**
Attributable to:					
Shareholders of the Parent Bank	72,575	715	219	(98)	73,411
Non-controlling Interests	149	—	—	—	149
	72,724	**715**	**219**	**(98)**	**73,560**
Total assets before goodwill and intangibles	4,373,222	50,840	40,198	2,042	4,466,302
Goodwill and intangibles	11,356	3	—	—	11,359
Total Assets	**4,384,578**	**50,843**	**40,198**	**2,042**	**4,477,661**
Non-current assets	**2,706,142**	**25,629**	**21,254**	**1,658**	**2,754,683**

1/ Net profit reported under Parent Bank (excluding BDO Hong Kong and Singapore Branches) and Subsidiaries operating in the Philippines

2/ Net profit reported under the Singapore Branch

3/ Net profit reported by the Hong Kong Branch and the Hong Kong Subsidiary

4/ Net profit reported by the foreign subsidiaries in United Kingdom, USA, Canada, Japan and the Netherlands

Building Trust on Technology 418-1

The World Economic Forum Global Risk Report 2023 identified widespread cybercrime and cyber insecurity risks as the 8th risk in a 2-year and 10-year scenario of global risks that exacerbate social inequality. BDO recognizes that trust must go hand-in-hand with technology development and takes strong steps in ensuring the safety and security of data and information entrusted by its customers in the Bank, while educating customers on scams and building confidence on the Bank's platforms.

Data Privacy and Protection

To ensure strict compliance with the Data Privacy Act, BDO follows its Data Privacy Management Program (DPMP) that lays down the rules on governance, information processing activities, data protection measures, breach management, third-party management, inquiry and complaints

handling, among others. It serves as the framework for protecting the data privacy rights of the Bank's data subjects and ensuring compliance with the National Privacy Commission's (NPC) Five Pillars of Data Privacy Accountability and Compliance.

1. **Appointment of Data Protection Officer (DPO).** The Bank appointed a Data Protection Officer (DPO) whose registration was renewed with the NPC last September 2023.
2. **Conduct of Privacy Impact Assessment (PIA).** PIA is a requirement for all new and existing programs, projects, processes or measures that have privacy impact. All business units of the Bank are required to perform and update their privacy impact assessments annually.
3. **Privacy Management Program and Privacy Manual.** The Bank's DPMP serves as a reference for all units of the Bank in complying with the Data Privacy Act of 2012. It has been further enhanced to intensify its data protection provisions in March 2023.
4. **Implement Data Privacy and Protection Measures.** BDO, in its commitment to data privacy and protection, adheres to the general principles, Transparency, Legitimate purpose, and Proportionality, in processing personal and sensitive personal information of its customers in all phases of the data life cycle.
   - Transparency. The Bank provides its customers clear and concise privacy provisions incorporated in its bank forms/documents, such as, the BDO Group Data Privacy Statement and the BDO Group Data Privacy Consent, to ensure that they are well-informed on the purposes of data processing, the parties involved, and the rights of individuals.
   - Legitimate Purpose. All data processing activities of the Bank are aligned with the declared purposes communicated to its customers whether it is for loan availment, branch banking transactions, regulatory compliance requirements, and/or any other services or transactions requested, allowed, or authorized by them.
   - Proportionality. The Bank only processes personal data that are relevant, adequate, and not excessive to the declared and specified purposes in its commitment and dedication to respecting the rights of individuals and limiting data processing to what is only essential.

Likewise, a regular Compliance Officer for Privacy (COP) data privacy forum is being conducted by the DPO to teach all COPs the step-by-step framework in resolving any privacy issue / concern referred to them by their respective business units, review the DPA principles and breach reporting procedures, apprise them with new and relevant NPC circulars and decisions.

5. **Exercise of Breach Reporting Procedures**. To increase awareness on NPC's breach reporting procedures, the DPO conducts trainings on the following topics, among others: (a) mandatory conditions of reportable data breaches, (b) things to do when there is breach, and (c) the data breach reporting procedure.

The Risk Management Committee (RMC) is also regularly updated with respect to the progress of the Bank's compliance to the Data Privacy Act.

Cybersecurity

BDO Unibank, Inc. is committed to safeguarding its clients' information and assets entrusted to it. Cybersecurity is a top priority at BDO and is an essential part of its business to help clients achieve their financial goals. As part of this commitment, BDO continues to invest in cybersecurity and fraud management technologies to give its clients the confidence that they would expect from the largest bank in the Philippines.

BDO strongly supports the Bangko Sentral ng Pilipinas (BSP) in its mandate to keep abreast with the adoption of technologies that will strengthen the BSP framework for risk supervision. The Bank commits to provide accurate and timely information to BSP for a responsive and effective banking supervision.

The cybersecurity program of BDO, based on the Information Security Strategic Plan, serves as the roadmap in enabling the business and provides assurance that its direction and intent are reflected in the cybersecurity posture of BDO. It utilizes a structured approach following international standards and industry best practices such as ISO 27001 and NIST Cybersecurity Framework in implementing its cybersecurity program.

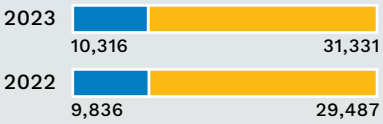
Recognizing the significant role of BDO in the development of the country, and that it is a key target for both nation-state and independent threat actors, BDO supports the cybersecurity initiatives of the Philippines in protecting critical infrastructure by making BDO cyber-resilient and raising awareness on the importance of cybersecurity amongst its clients.

Employee Profile

Male Female

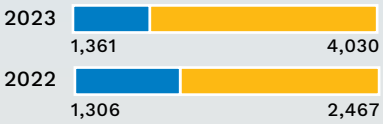
Employee Count

2023
41,647



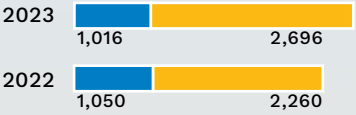
New Hires

2023
5,391



Employee Separations

2023
3,712



Leave Availments

Parental Leave (out of total availments)



Vacation Leave



Sick Leave

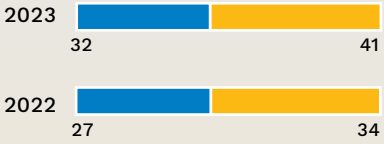


Training and Development

Average Training Hours Per Employee

38 2023
33 2022

By Gender



Sustainability Training Hours

2023
22,172



Transition Assistance Programs

2023
50



99.6%
Anti-Corruption Training

99.6%
Code of Conduct and Business Ethics Training

100%
Return to Work Rate (after Parental Leave)

44%
Employees covered by Collective Bargaining Agreement

100%
Remain to be employed 12 months after return to work from Parental Leave

99%
Senior Officers hired from local community

Skills Upgrade

Officership Development Program (ODP)



Management Development Program (MDP)



Relationship Manager Training Program (RMTP)



86%
Occupational Health and Safety Training

59%
Female Senior Officers

Ratio of standard entry level wage compared to local minimum wage
Male 1.1 : 1
Female 1.1 : 1

Employee Functions

STEM-Related

IT
450
1,076

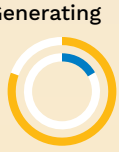


Engineering
29
210



Revenue-Generating

Sales
25,775
6,150



Workers who are not employees

Janitorial services

1,942

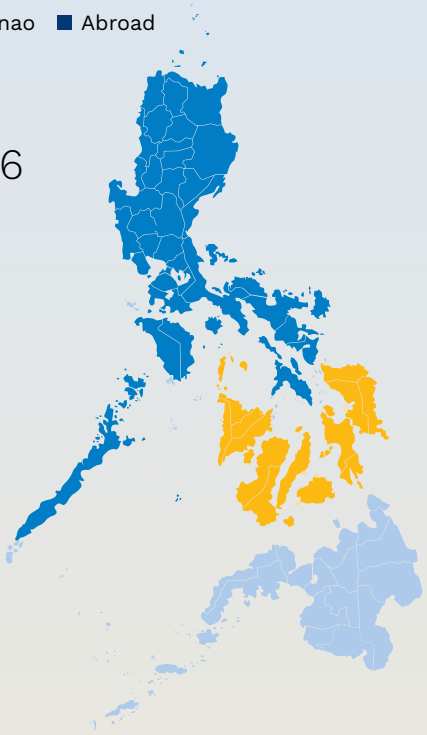
Security personnel

5,189

100%
Percentage of security personnel that received formal training on occupational health and safety

By Location

Luzon Visayas Mindanao Abroad



Employee Count

2023	2022
32,466	30,636
4,180	3,888
4,887	4,680
114	119

New Hires

2023	2022
4,153	2,702
651	517
559	526
28	28

Occupational Health and Safety

Male Female

Incidents of work-related ill-health

2023: 1,067 / 2,529

Fatality as a result of work-related injury

2023: 0 / 0

Lost-time injury (hours)

2023: 0 / 47

Safe man hours

Based on 1 million hours worked

2023: 13,440,000 / 51,840,000

Total hours worked

Based on 1 million hours worked

2023: 13,447,000 / 51,867,000

2023

37 Number of safety drills conducted for the year

By Level

2023 Gender Diversity

Male Female

	Male	Female
Rank and File	2,891	17,071
Junior Management	4,019	8,741
Middle Management	2,608	4,386
Senior Management	798	1,133

Employee Appraisal

Male Female

	Male	Female
Rank and File	100%	100%
Junior Management	100%	100%
Middle Management	100%	100%
Senior Management	100%	100%

Employee Appraisal

100%

Of Total Eligible Employees

- **Rank and File**
- **Junior Management:** First line managers or supervisors
- **Middle Management:** Managerial roles below senior management
- **Senior Management:** Assistant Vice President and up

Average Training Hours

2023 2022

	2023	2022
Rank and File	40	37
Junior Management	37	30
Middle Management	39	27
Senior Management	33	24

New Hires

Male Female

	Male	Female
Rank and File	310	2,912
Junior Management	632	755
Middle Management	332	297
Senior Management	87	66

Promotions

Male Female

	Male	Female
2023	1,371	6,689
2022	1,462	7,271

By Age Group

Employee Count

2023

<30	30-50	>50
14,229	24,206	3,212

New Hires

2023

<30	30-50	50>
3,982	1,366	43

Employee Separations

2023

<30	30-50	>50
1,575	1,872	265

By Type

Voluntary Involuntary

Employee Separations

	Voluntary	Involuntary
2023	3,283	429
2022	3,009	301

Human Capital Development 201-1,202-2, 401-1,401-3,404-1,404-2,404-3,405-2

A human-centered culture and organization: BDO Human Resources

We Find Ways is at the heart of BDO's culture of service, excellence, and innovation and a key factor in achieving BDO's objective to grow a "can lead" workforce that adopts a sustainability mind-set and thrives with innovative thinking and a customer-focused attitude.

BDO's C-O-R-E values are well aligned with the Bank's goal to develop leaders in the sustainability movement:

- Customer-focused. Everything each BDO banker does is in the service of the customer's financial objectives and interests. This redefines the Bank's role beyond simply being a provider of financial services, to a driver of financial inclusion. The Bank reaches out to current clients and the large number of unbanked and underserved Filipinos, and partners with them to fulfill their aspirations towards a more sustainable future.
- Out-of-the-box Thinking. Every BDO banker is encouraged to challenge conventional banking practices, beliefs, and processes for a better way to achieve the clients' objectives, without compromising quality, ethics, or good governance. As the country's largest bank, innovation and ideation are born out of the Bank's drive to think differently and from diverse perspectives.
- Right Attitude. All BDO bankers are encouraged to go the extra mile to meet the client's objectives. This is demonstrated in every BDO banker's commitment to excellent customer service and strong customer relationships. Incorporated in BDO's human resource trainings is the development of values such as integrity, team spirit, hard work, and service. Complementing BDO's commitment to build long-term relationships with customers is the bank's efficient business processes and user-friendly digital tools.
- Excellent Execution. As the largest full-service financial institution in the Philippines, BDO is committed to doing it right, on time, and according to expectations each and every day.



Driving Equal Opportunity Employment

BDO is committed to promote a work environment that fosters diversity, equity, and inclusion, where everyone receives fair and equal treatment, equal rights and opportunities regardless of gender, ethnicity, race, age, religion, sexual orientation, and disability, and are valued for their unique contributions to BDO's success. The Bank ensures that employment practices and policies are in compliance with labor laws, regulations, and standards in countries where it operates. BDO seeks the best talents who are selected, engaged, compensated, and promoted, as the case may be, based on merit and performance.

Labor Relations 2-30

In 2023, BDO concluded the negotiation of economic benefits for the covered members of the Bank's Union, which shall take effect from 2024 to 2025. Out of the Bank's total population, 44% are Union members. The negotiating panel, which is composed of male and female representatives from Management and the Labor Union, agreed to come up with package that is mutually beneficial to the employees and to the Bank in strengthening industrial relations, peace, and harmony.

Promoting Employee Health and Well-being 403-6

As bank operations fully transitioned out of pandemic conditions, BDO HR continued to prioritize employees' health and well-being. The Bank's dedicated online mental wellness platform marked its second year with a sustained bank-wide information campaign. The program continues to provide counseling and peer support services to employees who are faced with work-related struggles or personal challenges, not necessarily related to the pandemic.





Monthly health and wellness sessions focusing on various health topics were conducted to promote a culture of appreciation for overall physical and mental wellness. Activities that were implemented to cater to various employee groups included:

- Access to Flu and Cervical Cancer vaccination at preferred pricing for employees and family members
- On-premise bloodletting activity to leverage on employee donor's health benefits in the blood donation process
- 'Stretch and Flex', a 3–5-minute break for employees to avert work-related physical strain

Sustaining a Safe Work Environment 403-1, 403-2, 403-2, 403-4. 403-5. 403-6, 403-7, 403-8, 403-9, 403-9

BDO's Health and Safety Policy provides for a safe and healthy work environment for employees and mandates the identification, assessment, and mitigation of health and safety hazards in the workplace. The policy covers a wide range of workplace safety aspects, such as the Bank's strategies for Emergency Preparedness to ensure readiness for any unforeseen circumstances that could interfere with daily operations. The policy also includes instructions for safety orientations for new hires to set expectations on the necessary safety procedures. The Bank performs regular safety checks and upkeep of the Bank's facilities and reviews specific guidelines on electrical safety and building safety.

Safety Officers, along with emergency response teams and fire marshals, are assigned at BDO facilities to ensure smooth implementation of safety protocols in case of emergencies. At the same time, communication is maintained with the Facilities Engineer, HR Officer, and Business Unit (BU) Heads which allows for the discussion and resolution of any health and safety concerns within the BU.

BDO has a Hazard Identification Risk Assessment and Control (HIRAC) framework in place to identify work-related hazards and assess their risks, in compliance with the Occupational Safety and Health Law, also known as Republic Act 11058, which mandates the conduct of risk assessments in the workplace. Safety Officers accredited by the Department of Labor and Employment (DOLE) primarily identify these hazards through risk assessments and regular safety inspections at least twice a year. Members of the evacuation team, fire marshal, facilities engineers, and security guards are also involved in identifying hazards. They continuously monitor workplace safety and promptly report any identified hazards to the Safety Officers. The Health and Safety Committee, composed of senior officers from different business and support groups, i.e. Human Resources, Branch Banking Group, Consumer Banking Group, Security and Investigation Department, Procurement and Supply Management Department, Risk Management Group and the employees' labor union), meets regularly to monitor the implementation progress of Occupational Safety and Health (OSH) programs and address OSH issues. The DOLE and BSP routinely audit the OSH programs of the Bank.

Nurturing Learning and Development

Sustainability Capacity-building

BDO HR created and launched the Sustainability at BDO e-course in 2023 to promote a sustainability mindset among employees and engage employees as responsible corporate stewards. The 12-minute e-course was made part of the mandatory onboarding courses for new hires.

The BDO Sustainability Office conducted several capacity-building sessions among employees across the BUs, subsidiaries, and affiliates in 2023. The overall objective was to generate awareness, understanding, and action on the Bank's Sustainability Framework, the Board-approved Environmental & Social Risk Management System (ESRMS), and the importance of auditable data in sustainability reporting. HR Training helped track the attendance and feedback from all participants, mostly from Metro Manila and Luzon offices and branches. In 2024, the Sustainability Office will conduct similar sessions for employees in the Visayas and Mindanao regions.

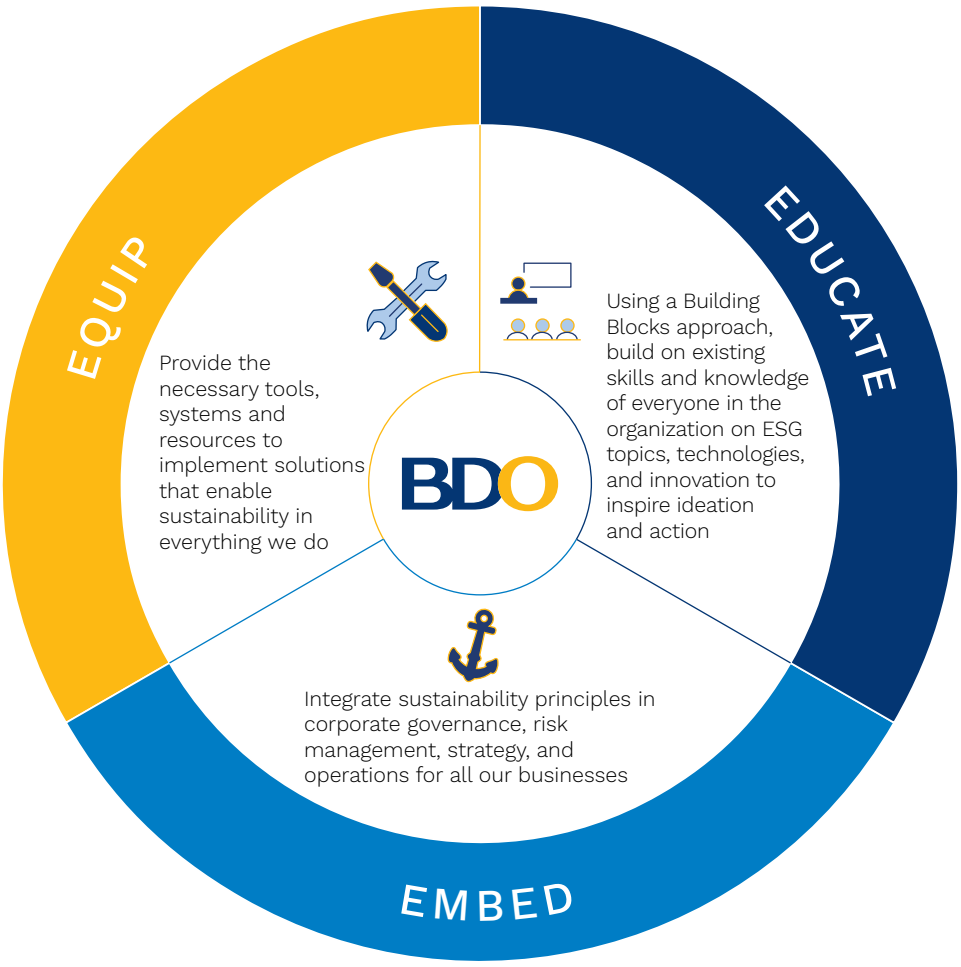
In partnership with the International Finance Corporation, the Sustainability Office also arranged for special trainings for key business units and subsidiaries on Green Finance for Small and Medium Enterprises (SMEs), Transition Finance, and Impact Investing. To know more about the partnership, see the section on Pursuing Partnerships for Impact in this report.

8,347
Employees Trained on Sustainability

22,172
Hours Spent on Sustainability Trainings



Capability-Building in Environmental, Social, and Governance (ESG) and Sustainability



Business Upskilling

Throughout the year, business skills training courses continued to be a priority across the Bank's different business units. Employees are equipped with the latest trends in the market through relevant and updated external training programs aligned to their roles. Trainings on products, services, systems and processes form part of the overall learning solution. These are complemented by courses and programs on wealth management, credit, and sales management.

BDO also successfully delivered flagship programs on communication, problem-solving, and critical thinking. Consultative selling and sales workshops were part of the learning offerings to enable client-facing learners the necessary skills to offer appropriate financial solutions to our clients. BDO also built leadership programs to develop our next generation leaders and designed development programs for our employees who aspired to transfer to roles they would also like to grow their career in.

A key challenge in learning is in reaching the widely geographically distributed BDO workforce. This was addressed by a mix of learning modes made available for employees. Face-to-face trainings for relevant courses were preferred and organized in areas nearer the employee work areas for convenience and a smaller carbon footprint. At the same time, the Bank provided options for virtual training and on-demand training through the iLearnHub courses.

Overall, these learning solutions are aligned with BDO's We Find Ways culture and continue to empower employees to effectively perform their respective roles in supporting the business and responding to customers' need.

Driving Talent Development

The Bank continues to implement its cycle of Talent Development Programs such as the Officers Development Program for junior officers and the Management Development Program for mid-managerial levels. Targeted career development programs were launched for specialized skills and professional enhancements such as the Career Accelerator Program to fast-track staff development, Relationship Manager Training Program to prepare for full-fledged relationship management role, and Branch Management Training Program for potential Branch Officers.

These programs enable employee skills enhancement, foster career growth, contribute to employee engagement and retention, and support succession planning by identifying high-potential employees and preparing them for leadership roles. By nurturing talent from within, business units are enabled with a pipeline of qualified employees ready to take on higher responsibilities, thus, sustaining inherent institutional knowledge and work culture synergy while reducing "new hire" adaptability risks as well as external recruitment costs.

557
Participants
Management
Development Program

1,092
Participants Officer
Development Program

19
Participants
Relationship Manager
Training Program

Improving the Employee Experience through Digital Transformation

To keep in step with the digital transformation across the enterprise, BDO continues its digitization of internal human resource processes aimed at increasing operational efficiency and creating a better employee experience:

- Provision of electronic copies of BIR Form 2316 (Certificate of Compensation Payment or Income Tax Withheld) provided secure and ready access to Bureau of Internal Revenue (BIR) Form 2316 and paperless transaction for approximately 19,000 BDO staff employees. Encryption ensured confidentiality and averted data privacy risk. Process-wise, approximately 15 mandays were avoided that were previously spent on preparation, sorting, and release of hard copy BIR forms to employees and individual scanning for submission as required by the BIR.
- Online employee exit feedback for resigning employees reduced the need for printing paper forms and minimized the use of transportation with fuel consumption when delivering these forms to different BDO locations. Manpower hours allocated for these activities were also shortened leading to more efficient and real time release/submission of forms.
- Enhanced job application experience featured improved data collection in the Career Website and allowed for greater ease and convenience in the application process via:
  - Ease in navigating for targeted job roles in the career website
  - Online completion of applicant's basic information

  At the back-end, once hired, the candidate's data is pushed to the BDO database, allowing for less encoding time.
- Online nomination for career development programs provided ease and convenience for People Leaders with nominees in their respective teams, reduced paper usage and related ancillary services such as mail and courier expenses, and brought efficiencies in encoding time and resource.

Performing to Sustainability Commitments

To support BDO's commitment to the achievement of its sustainability goals, BDO HR worked with the Sustainability Office to incorporate three (3) Behavioral Norms statements as part of the performance assessment of all employees in 2023. Employees were rated not only on the achievement of deliverables, but also on their adherence to the Bank's sustainability principles and embedding its value in the organization through the work that they do. A series of communications were cascaded bank-wide to create further awareness and will be reinforced in 2024 through a mandatory e-Learning course for all employees.

Clearly stating behavioral norms aligned to the Bank's sustainability commitments in individual performance met strong positive response from employees. It resulted in a significant increase in employee interest, participation in, and championship of the Bank's sustainability initiatives. It also resulted in great demand and attendance in sustainability trainings and briefings, as well as volunteer activities nationwide through the BDO Employee Volunteer Program (EVP).

Employee Volunteer Program

BDO HR, the Sustainability Office, and the BDO Foundation, supported by the Marketing Communications Group, continued to work closely together for the implementation of the BDO EVP to promote employee engagement and involvement in BDO's corporate citizenship initiatives. The program committed to pursue initiatives in the areas of poverty and hunger, the environment, education, financial inclusion, and human rights. The EVP is championed by the BDO Board whose members also approved the sustainability focus areas for the volunteer opportunities. For more details on the EVP, see the section on Pursuing Partnerships for Impact in this report.



CASE STUDY:

BDO Job Fair in partnership with OWWA

BDO HR and BDO Remit partnered with the Overseas Workers Welfare Administration (OWWA) for a one-day job fair for OWWA's scholars and interns as part of OWWA's culminating activities in celebration of its 41st anniversary in 2023. The event also supported OWWA's commitment to provide access to education up to employment for its scholars who are children of Overseas Filipino Workers. BDO is the largest provider of remittance services for overseas Filipinos. The event served as an opportunity for the scholars and interns to match their knowledge and skills to open positions at BDO.

Among the scholars and trainees who were successfully hired for a banking role was OWWA scholar Joshua Glenn. He related how he listened to speakers from OWWA and BDO as they shared their insights on life after graduation, employment in the Philippines, and opportunities made accessible by the job fair partnership.

Joshua graduated as a Magna Cum Laude from the University of the Philippines, the country's state university, with a degree of Bachelor of Science in Electronics Engineering. With his impressive academic credentials, Joshua Glenn was hired as IT Security Architect at BDO. He felt fortunate to be working at the largest bank in the Philippines in a role that is perfectly aligned with his career aspirations as an engineering graduate.



He advised other OWWA scholars to "learn to take initiative in opportunities. regardless of whether they guarantee success. Taking initiative is why our loved ones become OFWs and step out of their comfort zones for their families. I believe this applies not only to employment but also to seeking value, learning new skills, and bolstering advocacies, all contributing to a meaningful life."

Michelle Rabino was an OWWA intern and a graduating student whose goal was to get a job immediately after graduation. She is now building her career as a Marketing Assistant for BDO Network Bank. Michelle finds that working in the banking industry is not easy, but appreciates that BDO provides various trainings and seminars that help employees improve their personal and professional lives.



"I could not contain the happiness that my family and I felt when the HR personnel of BDO told me that I passed the assessment and got accepted for a role at BDO, one of the companies that I've always wished to work for. I will be forever grateful to OWWA for the opportunity to be part of the BDO family," she related.

"The job opportunity from BDO helps me build my confidence as a career woman. I was once a full-time housewife and a stay-at-home mom before I entered the corporate world, and luckily, BDO accepted me and trusted my abilities. I am able to help my husband with all our expenses, and we can now save enough for the future. I have become more generous to my family and somehow capable enough to help other people who are in need. Thanks to BDO, an employer who is generous enough to provide the best benefits an employee could ever ask for, the competitive compensation packages, comprehensive benefits, and the people I worked with contributed a lot to my positive and fulfilling employment. I am truly blessed, and I know I could be a blessing."

Environmental Impact

Energy and Emissions 302-1,302-2,302-3,303-4,303-5

BDO recognizes that its facilities require a significant amount of energy to meet the Bank's operational requirements. This may result in increasing costs, operational inefficiencies, and heightened carbon emissions if not managed properly. In 2023, the Bank implemented a comprehensive approach aimed at the well-rounded energy management of its operational footprint. The BDO Central Operations Group's Facilities and Procurement units implemented a two-pronged approach to energy: managing consumption and shifting to cleaner energy sources.

BDO conducted an energy audit of nine of its largest offices in various regions in the country. While the energy audit in compliance with the Department of Energy's (DOE) Energy Efficiency and Conservation Act or Republic Act 11285, it also aligned with the Bank's sustainability initiatives to identify a baseline for BDO's electricity usage. The energy audit facilitated the development of strategies and action plans in the short, medium, and long-term to improve the Bank's energy efficiency. The findings from the audit also highlighted opportunities for significant reductions in the Bank's energy usage.

To reduce electricity consumption, BDO continued to roll out its best practices in more facilities and branches nationwide, such as retrofitting with energy-efficient lighting and equipment, optimizing air-conditioning and heating systems, and encouraging employees to conserve energy through awareness campaigns.

The Bank is in the process of creating a bank-wide Energy Policy to set guidelines for energy-efficient practices across its facilities, and identify and monitor energy performance indicators over time.

In terms of shifting to cleaner energy sources, BDO consumed 10,728 megawatt hours (MWh) of electricity sourced from renewable energy, representing 10.8% of its energy sourcing from five of its largest buildings with the highest energy consumption. Majority of this energy was derived from a geothermal energy source. The success of this pilot initiative will pave the way for the Bank to expand and scale the approach to other BDO buildings in the coming years.

Managing Our Resources



Out of 1,686 branches audited

1,424 or 84%

are installed with inverter air-conditioners

Out of 147 buildings surveyed

85%

use modernized air-conditioning system (e.g. inverter air-conditioners, variable-frequency drives)

14%

use a combination of conventional and modernized air-conditioning system

1%

are installed with conventional air-conditioners



Out of 1,686 branches audited

1,576 or 93%

fully use LED lighting

Out of 147 buildings surveyed

60%

fully use LED lighting

38%

use a combination of LED lighting and conventional lighting

2%

fully use conventional lighting

CASE STUDY:

Energy Efficiency Upgrade

Investing in air-conditioning system in Data Centers

The air-conditioning system for one of the BDO Data Centers had cooling equipment and back-up air-conditioners that were over 15 years old and near their end-of-life. Their efficiency had significantly decreased over time and maintenance costs have started to escalate. Recognizing the need for an upgrade, BDO initiated an energy efficiency project amounting to ₱14 million in the fourth quarter of 2022 that was completed in the third quarter of 2023. With new units installed, the improvement was immediate and substantial. Required energy output dropped from 205.8 kW in 2022 to 152 kW in 2023. Looking ahead, we anticipate further energy efficiency gains and significant reductions in maintenance costs.

₱14 million
Investment for New Air-Conditioning Units

₱4.8 million
Savings from energy-efficient technology

Converting fluorescent light bulbs to LED

Replacing conventional fluorescent bulbs with more energy-efficient LED lights in the parking areas of the BDO Corporate Center Ortigas led to substantial energy savings. The retrofit took five months to complete and resulted in a decrease of 15,564 kWh in consumption. This translated into savings of ₱129,153 in 2023, compared to the same five-month period in 2022. The total cost of the retrofit was over ₱412,000, which will be offset by the energy savings over time.

₱412,000
Investment for LED Bulbs

CASE STUDY:

Retrofitting for a Retro Building

BDO Dasmariñas - Binondo Building in Manila is one of the oldest BDO facilities which has seen significant reductions in energy consumption through retrofitting of LED lights and the modernization of its elevators.

In 2018, the building consumed an average of 144,993 kWh per month, among the top five BDO buildings with the highest consumption. Recognizing the urgent need for electricity reduction, the Bank's Facilities Unit started to retrofit the building's lighting system with LEDs in 2019. This modification led to a considerable drop in the monthly energy usage to an average of 137,867 kWh, marking a 4.9% decrease from the previous year. There was also substantial cost savings of over ₱800,000 compared to the previous year's expenditure.

The following year, its traditional elevators were replaced with smart elevators, which further lowered the monthly average in 2021 to 131,000 kWh. This represented a significant 10% reduction in energy usage over time, when measured against 2018 figures, and generated substantial cost savings of ₱1,970,000 compared to 2019's electricity expenses.

These case studies show that the Bank actively finds ways to improve energy efficiency in BDO facilities. Through these initiatives, the Bank not only made the BDO Dasmariñas - Binondo Building more energy-efficient, but also provided a remarkable example for other offices to follow.

4.9%
Decrease in Energy Consumption

₱800,000
Savings from Energy-efficient Technology

Water Consumption, Discharge, and Effluents 303-1, 303-2, 303-3, 303-4, 303-5

BDO recycled 96 million liters of water in 2023, an increase from the previous year's 65.1 million liters. BDO Corporate Center Ortigas, which is equipped with a state-of-the-art rainwater and condensate harvesting facility, leads the way among the Bank's buildings in water recycling for office use. There is an increase in recycled water utilization which is attributed to improvements in water pump system, resulting in higher utilization rate of non-potable water.

96
million liters
Amount of Water Recycled

BDO buildings are installed with septic tanks and sewage treatment facilities to process and filter wastewater before discharge. Some buildings are also connected to external services that collect and treat wastewater before it is released into lakes or freshwater outlets. The Bank also engages third-party services to siphon its septic tanks annually.

Fuel Consumption

Diesel consumption is driven by generators in each of the Bank's branches and corporate offices, on standby as emergency power supply source to ensure that power remains ready and reliable for branch operations. In order to avoid downtime, generators that run on diesel are regularly run and tested as part of preventive maintenance. The Bank's LPG consumption comes from the supply provided to the tenants in the cafeteria that provide food to the Bank's employees. Shuttle service to and from BDO corporate offices in Ortigas and Makati are provided to encourage personnel carpooling instead of individual bank car to save on rising cost of fuel and minimize carbon footprint.

Materials and Waste 301-1,301-2,301-3, 306-1,306-2, 306-3,306-4,306-5

BDO's Waste Management Technical Working Group (TWG) continuously implements circularity measures to minimize waste across its operations and throughout its value chain—effectively managing significant waste-related impacts. This commitment is demonstrated through a variety of initiatives aimed at reducing waste generation and promoting resource conservation. These initiatives prioritize waste prevention, reuse, recycling, and composting over landfill disposal. The Bank ensures compliance with local waste management laws, rules, and regulations, and promotes a culture of environmental responsibility among its employees. Efficient and cost-effective waste management practices are implemented to further this commitment.

The Bank strictly adheres to the Republic Act No. 9003, also known as the Ecological Solid Waste Management Act of 2000, which mandates waste segregation, collection, and disposal at the source. The Bank's waste management initiatives, such as the BDO Waste Busterrr campaign, are designed to educate employees about the importance of waste segregation and encourage them to reduce, reuse, and recycle waste both at work and at home.

BDO ensures that the treatment and disposal of hazardous waste are aligned with RA 6969 by contracting only with DENR-accredited haulers.

The Bank's janitorial service provider collects non-hazardous waste for segregation in our materials recovery facility. Collected waste is turned over to the appropriate and accredited haulers by the Bank's janitorial service provider. Hazardous waste produced and collected by the Bank include used oil of generators, busted lights, and e-waste. They are kept safe in a storage area for hauling by third-party vendors accredited by DENR.

Recyclable waste is turned over to an accredited hauler. Third-party vendors recycle the paper, issue certificates on the amount recycled, and plant trees on behalf of the Bank, in exchange for the collected waste. Third-party vendors convert carton and paper waste to bond papers or seed papers, while plastic and other packaging waste are converted to different types of products such as clothes hangers, pallets, furniture, trash bins, trays, among others.

The Bank ensures reliability through collection of waste, waste-related data, and waste monitoring and tracking that is conducted by engineers, technicians, housekeeping, security, and a third-party recycler.

Managing Internal Consumption

The Bank also works with its suppliers to manage their environmental footprint. BDO has conducted an internal assessment of the materials that the Bank consumes in its operations, papers and toners/cartridges. On the supply side, BDO has lease arrangements on printers where BDO pay only for the use of new/remanufactured toners/cartridges, where empty toners/cartridges are pulled-out by supplier for refill and reuse.

BDO has also implemented the DigiCur project. This has resulted to a 15% decrease in volume of paper bank-wide consumption for 2023 versus 2022.

On the demand side, the procurement office started the digitization of requisition in 2008 using Electronic Forms Management System (eForms) and purchase order processing via Electronic Purchase Order and Delivery System (EPODS). The eForms is for internal clients to submit their requests for purchase. The system consolidates and creates purchase orders per supplier for items/services with standard unit cost. Suppliers are able to view and service orders in EPODS as well as create billing statement for requests completely served. Through the system, the Bank has reduced the use of hardcopy general requisition form, purchase order, and invoices. The suppliers are now required and able to bill multiple served requests in one invoice. The Bank has also reduced the transportation demand for suppliers who can view and process their invoice online.

Circularity in Operations

The Bank promotes circularity through refurbishing or repairing our assets to reuse them for the same or different purpose. The Bank redistributes its reusable Furniture, Fixtures, and Equipment (FFEs) or other resources, where feasible, to prolong the lifespan of our assets and avoid purchasing new assets.



1,186,299.88 kg of paper recycled through paper mill with **₱4,142,859.79** income and **135 trees** planted, with Certificate of Tree Growing, in behalf of BDO



317 units of open type shelves and **12 units** of whiteboard from DigiCur Project at BDO North Tower were recycled/re-allocated to various branches



4,634 requests of **16,502 IT** items, **22,764 FFE** items, **10,327** consumable items processed disposal through accredited service provider for recycling, re-use and re-sale



463 units of various accessories from BDO buildings and warehouse, such as lights, glass doors, counters, panelboard were refurbished, repaired or cleaned and re-allocated to different BDO buildings



450 units from Unibank and **230 units** from Subsidiaries IT FFE – various computer sets, printer, laptop, IP phone, headsets, scanners, LFD monitor, mobile phones, switches, tablets, and webcam were re-allocated/ re-issued



4,224 acrylic desk dividers from branches and Head Office were converted to trays and accessory boxes which were either sold to employees or sent as institutional gifts to clients. Proceeds from the sales are given to the BDO Foundation for the rehabilitation and reconstruction of schools and rural health units.

34 units of ATM enclosure and
23 units of CDM enclosure were refurbished and re-allocated to offsite and within BDO branches ATMs
214 sets of workstations were reused

Partnership with BDO Foundation

FFEs in good working condition are donated to BDO Foundation's beneficiaries.

- 253 non-IT FFEs including various chairs, tables, sofa and cabinets were donated to various Regional Health Centers project of BDO Foundation.
- 503 non-IT FFE and IT equipment combined items donated to various Health Centers and schools.
- 1,000 Acrylic Dividers from Branches were donated to local Cooperatives thru BDO Foundation to be re-produced to other product/items.
- A percentage of the sale of every BDO Exclusive item is donated to the BDO Foundation for the construction of classrooms nationwide.

CASE STUDY:

Waste Busterrr: Reduce, Reuse, Recycle

The BDO Waste Busterrr campaign, launched in the fourth quarter of 2022, is a testament to the Bank's commitment to environmental stewardship. In the second phase of the project, BDO expanded the scope of the campaign to include 22 buildings. This expansion was a significant step forward in the commitment to sustainability and demonstrated BDO's dedication to making a positive impact on a larger scale. Since the launch of this project, the Bank has invested over ₱2.2 million and now span across 26 facilities in Luzon, Visayas, and Mindanao.

The Bank's Facilities Unit is responsible for the day-to-day waste management activities. This team oversees the operations of waste management within the Bank's facilities, ensuring that procedures for waste handling and disposal comply with local, regional, and national laws. They coordinate waste collection and disposal, ensuring proper segregation and handling of waste per type. DENR-accredited third-party service providers are engaged for waste collection and disposal, and periodic audits are conducted to ensure correct waste segregation. This information is collected and reported to the Sustainability Office as necessary.

The Bank measures its performance through data analysis and strategic meetings that assess the strengths, weakness, opportunities, and threats in the implementation of the program. The Facilities Unit also reviews operations to identify opportunities for waste reduction at the source. Properly labelled and color-coded waste bins are made accessible in some pantry areas and common areas within the Bank's facilities to create an enabling environment for the employees to observe proper recycling.

₱2.2 million
Investment in Waste Management

26 facilities
Nationwide Implementing Waste Busterrr: Reduce, Reuse, Recycle Waste Management Program



The Bank enjoins its employees in the effort to segregate waste at source. Non-hazardous waste generated in the workplace is segregated and disposed of through the Bank's accredited third-party service providers of waste management. The three types of wastes are (i) recyclable dry papers; (ii) recyclable plastics, metals, and glass; and (iii) non-recyclables including food waste and soiled packaging. Designated trash bins for recyclables and non-recyclables are placed in common areas, while trash bins for hazardous and infectious waste are placed in restrooms. Trash bins provided in personal workstations are intended only for recyclable dry paper waste.

The Waste Busterrr campaign encourages employees to become champions of waste management by reducing, reusing, and recycling waste both at work and at home. Through multimedia communication channels, employees have been able to share their tips and best practices, fostering a sense of community and shared responsibility towards the environment. The campaign also includes mandatory e-learning videos for all employees located at select buildings and branches, further emphasizing the Bank's commitment to building a culture of sustainability. Since its inception, the Campaign has trained 7,702 employees on proper waste management through its e-learning course.

By promoting waste management best practices, the Waste Busterrr campaign contributes to these goals by promoting eco-friendly solutions.

By year-end 2023, the Bank was able to collect 7,143 kilograms of recyclable waste across all included facilities.



7,702 employees

Trained on Proper Waste Management

Recycle Right

The TWG worked with the Marketing Communications Group to include a recycle right series. The program aims not only to teach its employees to reuse, reduce, and recycle, but also to recycle in the correct manner to lessen waste directed to disposal.







CASE STORY:

X-Trash Challenge

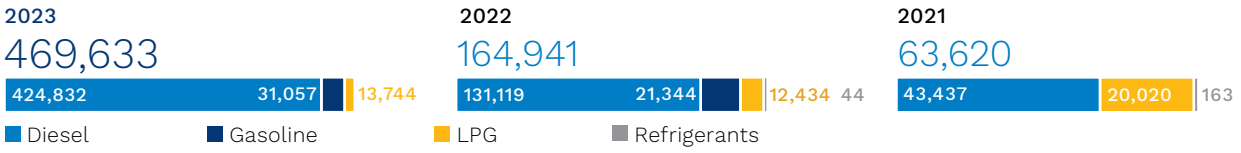
Another significant initiative that underscores BDO's commitment to waste management is its participation in the X-Trash Challenge. This competition, sponsored by the Philippine Business for Social Progress (PBSP) and Basic Environmental Services Technology (BEST), brings together various Philippine companies in a collective effort to reduce waste. The challenge involves collecting recyclable materials such as paper, plastic, and metal wastes. BDO has been a proud participant in the X-Trash Challenge since 2021, consistently achieving podium finishes each year.

In 2023, the initiative resulted in the collection of 10,519.34 kilograms of recyclables, which were exchanged for 30,798.64 environmental points. BDO plans to donate these points to a worthy cause. In previous years, the winnings from the challenge have been used to support underprivileged families. In 2021, BDO partnered with Samahan ng Nagkakaisang Pamilya ng Pantawid (SNPP) to purchase food packs and groceries for priority families in Cavite, Makati, and Muntinlupa cities. In 2022, BDO collaborated with the Addition Hills Integrated School in Mandaluyong City, using the proceeds to purchase food packs for priority families in Metro Manila.

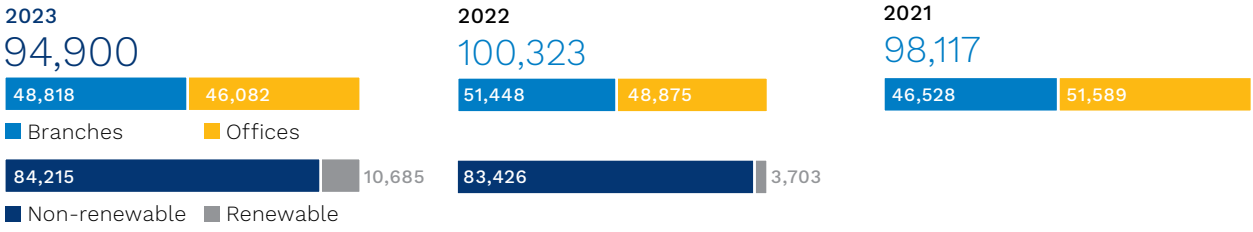
Overall, the BDO Waste Busterrr Program, X-Trash Challenge and recycling initiative are more than just a waste management initiative. This reflects the Bank's commitment to sustainability, financial inclusion, and environmental stewardship. BDO is not only influencing employees to rethink their waste in the office but also the waste at home by bringing them in the drop-off areas. BDO holistic materials and waste management contributes to the achievement of national economic goals in waste reduction and sets a benchmark for other organizations in the industry.

BDO Resource Consumption 2-4

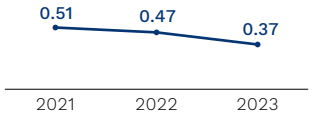
Fuel Consumption (in liters)



Electricity Consumption (in '000 kWh)

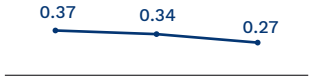


Energy Intensity (in total electricity consumption, MW / total employee count)



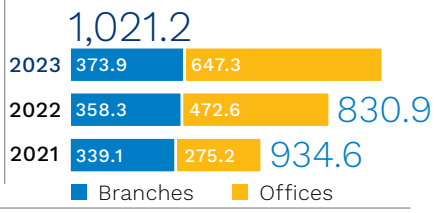
Calculated as: Total electricity consumption / revenue in millions

Carbon Intensity (in tonnes CO_2e/₱1 million in revenue)

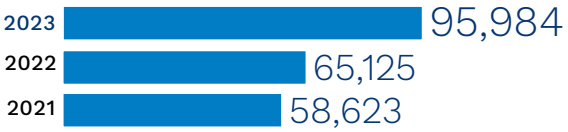


Calculated as: Total CO_2e emission / revenue in millions

Water Consumption (in '000 cu.m.)



Recycled Water (in cu.m.)

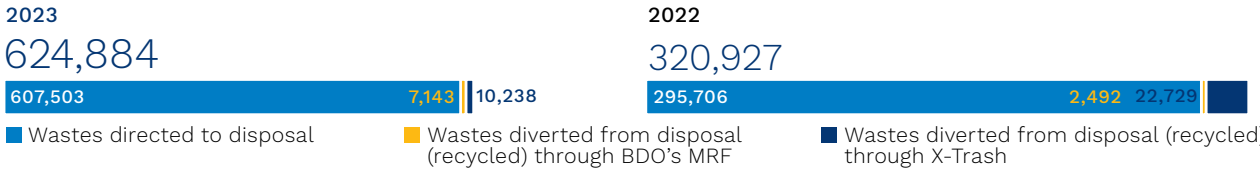


Water Discharge (in cu.m.)*



*Water discharge monitored is only for offices

Non-hazardous Waste (in kg)



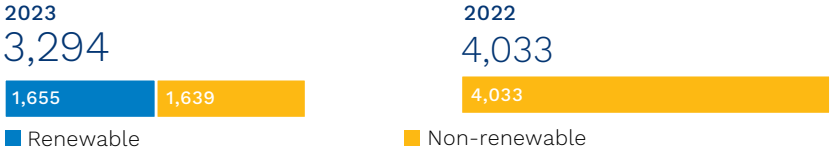
Hazardous Waste (in kg)



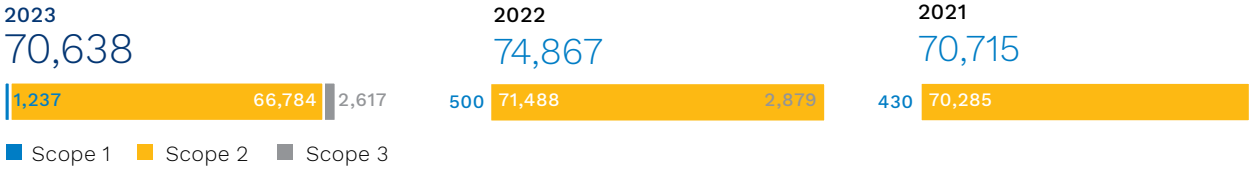
Fuel Consumption of Tenants (in liters)



Electricity Consumption of Tenants (in '000 kwh)



GHG Emissions (in tonnes CO_2e)



The overall emissions reported above includes Dominion Holdings' fuel, electricity, and water, as well as its greenhouse gas emissions.

Breakdown of BDO Emissions for Scope 1, 2, 3

	Luzon	Visayas	Mindanao	Abroad	Total
Within BDO					
Fuel Consumption (liters)					
Diesel					
Generator sets	108,969	16,932	15,147	-	**141,048**
Transport vehicles	212,501	4,257	67,026	-	**283,784**
Gasoline	2,177	7,736	21,144	-	**31,057**
Heating and Cooking: LPG	13,744	-	-	-	**13,744**
Scope 1 emission (in metric tonnes)					
CO_2	887.5	74.3	268	-	**1,229.8**
CH_4	3.3	0.3	1	-	**4.6**
N_2O	1.9	0.2	0.6	-	**2.6**
Total CO_2e	**890.2**	**77.8**	**277.1**	**-**	**1,237**
Electricity consumption (MW)					
From non-renewables	67,731,713	5,546,619	6,354,129	155,999	**79,788,460**
From renewables	10,685,175	-	-	-	**10,685,175**
Scope 2 emission (in metric tonnes)					
CO_2	57,324.7	4,233.8	5,141.9	83.7	**66,784.1**
CH_4	-	-	-	-	**-**
N_2O	-	-	-	-	
Total CO_2e	**57,324.7**	**4,233.8**	**5,141.9**	**83.7**	**66,784.1**
Outside BDO					
Fuel and electricity consumption and waste disposed					
Diesel (liters)					
Generator sets	1,000	-	-	-	**1,000**
Electricity (MW)					
From non-renewables	1,638,964	-	-	-	**1,638,964**
From renewables	1,654,852	-	-	-	**1,654,852**
Non-hazardous waste (kg)					
Directed to disposal	600,648	4,260	2,595	-	**607,503**
Diverted from disposal	15,581	578	1,222	-	**17,381**
Scope 3 emission (in metric tonnes)					
CO_2	2,611.7	3.2	2.1	-	**2,617.0**
CH_4	0.01	-	-	-	**0.01**
N_2O	0.01	-	-	-	**0.01**
Total CO_2e	2,611.7	3.2	2.1	-	**2,617.0**

Consumer Protection Practices 416-1

BDO's financial consumer protection framework is anchored on disclosure and transparency, protection of client information, fair treatment, effective recourse, and protection of consumer assets against fraud and misuse. The framework ensures that consumer protection practices are embedded in BDO's operations and considered in the development and implementation of the Bank's products and services.

Customer Experience Philosophy

At BDO, we proudly embrace a We Find Ways mindset, weaving it into the fabric of our Customer Experience Philosophy. This principle amplifies our commitment to foster a banking experience that goes beyond mere transactions, offering diverse products, and providing personalized services to customers through deep understanding of their financial goals and life circumstances.

Board and Management Oversight on Customer Concerns

The Board is primarily responsible in maintaining an effective oversight on the Bank's consumer protection policies and programs. Senior management implements the Board-approved strategies and ensures that control mechanisms are in place. The governance and oversight functions are reinforced by the various roles that own, manage, oversee, or provide independent assurance over Consumer Protection activities such as:

- Senior Management: Senior Management ensures that the approved Consumer Protection policies and procedures are clearly documented, properly understood, and consistently implemented across all levels and business units.
- Compliance and Internal Audit: The Compliance Office and Internal Audit, both of which take their authority from the Board's Audit Committee, support the BOD in overseeing the Bank's adherence to the Consumer Protection policies as well as in ensuring the effectiveness of its application/ implementation across all financial product and service offerings.
- Operational Risk Management Unit (ORMU): ORMU is responsible for assisting management in embedding the operational risk culture, awareness, framework, and implementation throughout the Bank. Top complaint drivers and subsequent corrective/preventive actions are reported to the Board on a quarterly basis to ensure that Consumer Protection related risks and/or concerns are mitigated, Consumer Protection standards and requirements are complied with, and other material developments that will impact the Bank's consumers are disclosed.

Enforcement and Monitoring of the Customer Assistance Management System (CAMS) 2-25

BDO enforces and monitors the Consumer Assistance Management System or CAMS through a combination of established policies, streamlined processes, and dedicated teams. This system aims to deliver customer satisfaction through compliance with regulations.

- Internal policies: Consumer Protection policies are outlined in the CAMS Manual. These policies define how consumer assistance is managed, including complaint resolution procedures, escalation protocols, and customer communication standards.
- Dedicated Teams: The Bank has specialized teams, such as Customer Service and complaint resolution or service fulfillment teams, responsible for implementing and overseeing CAMS. These teams handle consumer inquiries, requests, and complaints, working in coordination with one another to address issues properly, promptly, and efficiently.
- Monitoring and Reporting: A tracking system is in place to record and monitor client interactions, complaints, and resolutions. This allows the Bank to identify trends, measure service level performance, and address emerging issues. Regular reports help management assess the effectiveness of CAMS.
- Continuous Improvement: BDO regularly reviews and updates CAMS based on feedback, changing regulations, and industry best practices. Continuous improvement ensures that the system remains relevant and effective in meeting customer needs and addressing concerns.

Process for Handling of Customer Concerns 2-25

BDO prioritizes efficient customer concern resolution. Upon receipt of a complaint, the Bank's frontliners acknowledge and record the concern. If the issue can be addressed at point of contact, immediate resolution is provided to the client. Otherwise, the concern is endorsed to the appropriate unit for investigation. Once the root of the problem is identified, the team works to find a suitable resolution which may involve refunds, corrections, and/or explanations. Clear communication and transparency are crucial throughout the process, ensuring customers feel heard and satisfied with the resolution.

Training for Customer Assistance 2-25

BDO employees, particularly the frontliners are required to take the Financial Consumer Protection eLearning course to familiarize themselves with the concept of CAMS, its procedures, customer service standards, and relevant regulatory requirements. The training material is anchored on the Consumer Protection Standards of Conduct which sets the expected behavior from Bank employees when dealing with customers.

Listening to Customers' Needs 2-25,2-26

In order to deliver exceptional banking services, we collect and utilize valuable inputs from customers, understanding their needs, and continuously improving their overall experience. We have a robust and comprehensive engagement and feedback mechanism, employing multiple channels to ensure that the voice of the customer resonates throughout our operations.

- Multi-faceted Customer Service: Our dedicated customer service teams, which may be reached via call, email, and social media private messaging, have been pivotal in addressing any product, process, or system-related inquiries and providing timely resolution to concerns. The direct communication channels allow us to promptly respond to concerns and offer personalized support.
- Branch-level Interaction: Physical branches serve as touchpoints for direct engagement. This brick and mortar approach allows us to establish deeper relations with the public at large and strengthens our understanding of a locale's wants, needs, and concerns.

- Website: The Bank's web page offers a secure messaging system where clients can provide feedback, report issues, and seek customer service support. Please visit https://www.bdo.com.ph/contact-us.
- Social Media Engagement: Active monitoring of social media platforms enable us to promptly address customer concerns. Our commitment to social media listening reflects our agility in responding to emerging trends and issues within the digital landscape.

Customer Contact Center 2-26

In compliance with the BSP Circular 1160, particularly under the Protection of Client Information standard, and in support of the Bank's Data Privacy policy, BDO's Customer Contact Center (CCC) sees to it that any and all customer-related data are obtained, stored, and used only and specifically to carry out its function of effectively assisting customers with timely responses and appropriate solutions to their queries or concerns.

To this end, the Customer Contact Center strictly adheres to the Bank's physical, organizational, and technical controls to maintain the confidentiality, integrity, and availability of personal data. CCC has been closely involved in the Bank's aggressive push for modernization not only of its systems, but processes as well. In doing so, the Customer Contact Center recognizes that the shift to digitalization comes with certain risks especially with the threat of data leaks or hacks. Close coordination and cooperation among the CCC, Cybersecurity, and Fraud Management is constantly strengthened to protect customer information and prevent unauthorized access.

BDO has included security-related spiels in the Contact Center protocols so our Customer Service Officers can seamlessly incorporate advice regarding protecting personal details, such as passwords and account information, into their conversations.

CCC also takes the opportunity during verification processes to remind clients about the importance of keeping their information secure by briefly explaining the verification steps and advising against sharing of sensitive details to random/unknown/suspicious individuals.

In 2023, Customer Assistance Management System logged some 8 million customer cases of which only 7% were problem-related in nature. Majority of the cases were inquiries at 4.9 million and requests at 2.9 million.

CASE STUDY:

#BDOStopScam Customer Awareness Campaign

Scam cases have been rising in recent years. The surge in online scams globally underlines the need for continuous public awareness campaigns and fraud prevention education to equip account holders with knowledge against ever-evolving scam tactics.

Scams can be persuasive because scammers can exploit on the reality that for many customers, the concept of an online Personal Identification Number or PIN is new and customers have a tendency to believe official-looking online advisories. Scammers bank on either



voice, email, or SMS channels to trick customers into sharing sensitive account information such as their PIN.

Under the premise that uninformed customers are more susceptible to be victims of scams, customer communication is considered a critical tool to risk management. BDO Fraud Management under the Consumer Banking Group created an anti-scam campaign which hopes to bring across the following important key points:

1. The importance of watching out for the red flags that indicate a scam and keeping themselves updated on the latest scam tactics
2. The importance of staying vigilant — scams target all individuals, regardless of their age, education, or profession
3. Enabling customer to proactively report these scams to immediately address possible new types of attacks

The BDO StopScam campaign aims to inform customers with a savings and/or current account, a credit card, and a frequent user of online banking as they are the ones who are most commonly victimized by scammers via different forms of phishing, a type of cyberattack that tries to trick people into revealing their personal or financial information or installing malware that acquires personal information such as PINs or passwords.



BDO Fraud Management's awareness campaign strategy is to reach the customer through multimedia channels to ensure vast coverage in pushing anti-fraud key messages across. Examples of channels used are SMS, email, Viber, social media, complimented by the use of traditional media through radio and newspapers. The top 3 key messages are:

1. Do not click links
2. Do not share your password and username
3. Do not share your OTP or One Time PIN

In 2023, the campaign sent anti-fraud advisories to an estimated 9.5 million customers and only encountered 1% fraud incidents compared to last year. The results show the effectiveness of the campaign among the Bank's customers. At the same time, the campaign promotes confidence in using BDO's online platforms.

Supply Chain and Approach to Procurement 204-1,408-1, 409-1,414-1,414-2

BDO sources 97% of its supplies from a local supply chain. The Bank follows a Manual on General Procurement Guidelines that establishes the policies on procurement of products and services and provides a framework of efficient, consistent, transparent, and compliant purchasing practices across its Business Units (BU). The Bank accreditation process for its suppliers starts with verifying legitimacy through government standards and certifications. After confirming compliance, the Bank assesses the suppliers' capability to provide the required items or services. In addition to standard regulatory requirements, certifications such as hazardous waste disposal registration, compliance with

Department of Labor and Employment (DOLE) regulations, and proof of payment of wages and statutory benefits for custodial services are necessary. Billing or invoices from service providers involved in labor cases may be partially or wholly suspended by the Bank until the issues are resolved.

Vendor Engagement

Following the Board approval of the ESRMS, the Bank started to assess the environmental and social maturity of the top 20% of BDO vendors based on spend and company size. The Supply Chain Technical Working Group (TWG) released a survey on sector-related E&S risks of the identified vendors. The survey results showed varying levels of awareness and action on E&S matters, with majority at the initial stages of their sustainability journey. In 2024, BDO will implement its 3Es approach to capacity-building: Educate, Embed, and Empower its vendors to help them manage their E&S risk. The Supply Chain TWG also aims to finalize its draft Supply Chain Ethical Code, for senior management review in 2024.



Pursuing Partnerships for Impact

We value collaboration and partnerships where we can make best use of our expertise and resources to scale collective impact. We engage with our stakeholders to ensure that we bring everyone along in our sustainability journey.



Scaling and Mainstreaming Financial Inclusion: BDO Foundation

Guided by BDO's We Find Ways philosophy and a strong sense of corporate citizenship, BDO Foundation marked 2023 as its 5th year driving financial inclusion in the service of Filipinos. In 2023, the corporate social responsibility arm of BDO Unibank expanded its implementation of major initiatives in financial education in various communities, mindful of its commitment to sustainable development and nation-building.

Partnerships with Government Agencies

In line with its financial inclusion advocacy and the National Strategy for Financial Inclusion of the Bangko Sentral ng Pilipinas (BSP), BDO Foundation continued to implement financial education programs in partnership with the BSP and other government agencies:

Partners	Achievements in 2023
Agricultural Credit Policy Council (ACPC)	■ Development of KITA Mo Na! financial education game and trainer's manual ■ Conduct of train-the-trainers sessions
Armed Forces of the Philippines (AFP)	■ Publication and turn-over of trainer's manual to the AFP and BSP
Bureau of Fire Protection (BFP)	■ Development of the BFP Trainer's Manual
Bureau of Fisheries and Aquatic Resources (BFAR)	■ Conduct of training sessions for beneficiaries using Fish N' LEarn financial education game kits and BFAR Trainer's Manual
Civil Service Commission (CSC)	■ Roll-out of the program through training of trainers sessions conducted by the Civil Service Institute
Department of Education (DepEd)	■ Conduct of writeshops (writing workshops) by the BSP and DepEd's Bureau of Curriculum Development ■ Integration of financial literacy concepts into the teaching of Mathematics, Science, Araling Panlipunan (Social Studies), Entrepreneurship, and other subjects
Department of Migrant Workers (DMW) / Overseas Workers Welfare Administration (OWWA)	■ Conduct of Pre-Departure Orientation Seminars for migrant workers as part of the Pinansyal na Talino at Kaalaman or PiTaKa program on financial knowledge and awareness
Department of Trade and Industry (DTI)	■ Pre-production of three financial education videos for micro, small, and medium enterprises (MSMEs)
Philippine National Police (PNP)	■ Development of modules and the PNP Trainer's Manual
Technical Education and Skills Development Authority (TESDA)	■ Development of online learning modules for technical-vocational (tech-voc) students
Securities & Exchange Commission (SEC)	■ Development of program that promotes financial literacy, investor protection, and scam prevention

Technical working groups composed of BDO Foundation managers, officers of BSP's Economic and Financial Learning Office, and representatives from partner government agencies worked closely to implement the programs and integrate financial education into the existing initiatives of government agencies for the economic well-being of their respective target audiences.

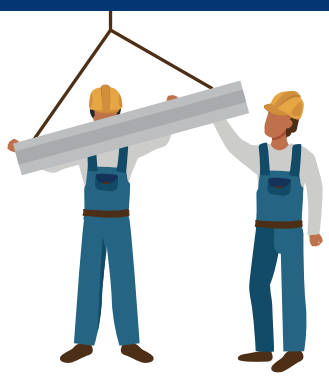
The lessons covered topics such as saving, budgeting and financial planning, avoiding scams, debt management, entrepreneurship, insurance, and retirement planning. Beneficiaries included students, teachers and non-teaching personnel, Overseas Filipino Workers (OFWs), government workers, armed forces personnel, police personnel, firefighters, fisherfolks, farmers, technical-vocational learners, and micro, small, and medium-sized enterprises (MSMEs).

BDO Foundation



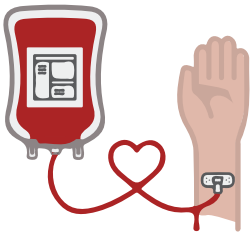
Relief Operations

Beneficiaries to date
805,261 families
2023 beneficiaries
43,500 families



Classrooms Built

63 in Elementary schools
60 in High schools
4 in College



Blood Center

1,328 Population covered



Tech-Voc Training Facilities

1,006 Beneficiaries per year
6 Classrooms built
3 Workshops built



School Buildings Built

19 Elementary schools
15 High schools
1 College

Beneficiaries per Year

15,800 Elementary students
16,788 High school students
1,589 College students



Handog sa 'Yo ng BDO Foundation Food Assistance

Beneficiaries to date
99,900 families
2023 beneficiaries
30,000 families



Rural Health Units (RHUs)

160 Rehabilitated RHUs to date
29 Rehabilitated RHUs in 2023
7,831,373 Population covered to date
861,791 Population covered in 2023



Financial Education

Beneficiaries to date
5,630,262 Students
112,892 Teachers and Non-teaching Personnel
994,699 Overseas Filipino Workers (OFWs)
7,844 Civil Servants
37,468 Armed Forces
7,278 Fisherfolks
60 Farmers
199,413 Members of the General Public

2023 beneficiaries
1,680,262 Students
33,892 Teachers and Non-teaching Personnel
3,197 Civil Servants
30,793 Armed Forces
4,367 Fisherfolks
60 Farmers
199,413 Members of the General Public
26 Financial education videos developed



Online Financial Education Course

To make financial education accessible to more people, BDO Foundation and BSP signed a memorandum of agreement for the development of a free online course on personal finance. The project is in line with the BSP's thrust to promote broad, convenient, and informed access to high-quality financial services among Filipinos through financial education partnership programs.

Nine interactive modules, each one 20 to 30 minutes long, will cover lessons on financial planning, saving and budgeting, debt management, basics of investing, fraud and scam prevention, financial consumer protection, digital financial literacy, Personal Equity and Retirement Account (PERA), and relevant economic indicators. The modules will teach financial literacy lessons through videos, interactive activities, and end-of-session assessments. Slated for release in early 2024, the modules will initially be uploaded on the online learning platforms of BDO and the BSP. Eventually, the learning resources will be made available on demand to partners, stakeholders, beneficiaries, and the public. Users will be able to access the financial education e-learning modules using personal computers, laptops, and mobile devices.

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Interactive modules on financial literacy topics

Based on an agreement signed by BDO Foundation, TESDA, and BSP in 2023, TESDA will be the first partner to use the modules. The course will be uploaded on the TESDA Online Learning Program and required for technical-vocational learners.

BDO Foundation and BSP hope to change the financial education landscape by making learning digital, borderless, and accessible to all Filipinos whether they are in the country or abroad. Through the financial education e-learning modules, the partners hope to cultivate a financially healthy and economically empowered citizenry that can actively contribute to nation-building.

BDO Foundation also participated in the BSP Financial Education Stakeholders Congress, where the financial education e-learning modules were launched. The Fin-Ed Congress also marked the ceremonial turn-over of the AFP Financial Education Trainer's Manual and featured a learning session on financial education best practices by the Foundation and its partners.



For all these collaborative activities, BSP Governor Dr. Eli Remolona Jr. and BSP Deputy Governor Bernadette Romulo-Puyat presented a certificate of appreciation to the Foundation at the Outstanding BSP Stakeholders Appreciation Ceremonies in December 2023. BSP lauded the Foundation for working with stakeholders to institutionalize financial education in capacity building programs, uplift the economic well-being of the public, and improve the financial literacy of the Filipino citizenry.

Recognition for Fisherfolk Program

For developing and implementing the financial education program for fisherfolk, BDO Foundation earned international recognition conferred at virtual and in-person ceremonies by the Asian Banking & Finance (ABF) Retail Banking Awards, Asiamoney Banking Awards, and Asia Responsible Enterprise Awards. Locally, the initiative was also awarded by the League of Corporate Foundations (LCF) CSR Guild Awards.

The award-giving bodies acknowledged BDO Foundation for its efforts to help improve the financial literacy, productivity, and income-generating capability of fishers all over the country. They also cited the Foundation for its contributions to the creation of Fish N' LEarn, a gamified teaching tool designed to make financial literacy lessons engaging for the target beneficiaries. Co-developed by BDO Foundation, BFAR, USAID Fish Right, and BSP, the training intervention covers lessons on the conservation of marine resources, saving, budgeting and financial planning, entrepreneurship, insurance, and debt management.



The initiative helps fishers and their families break the cycle of poverty and supports the Department of Agriculture's goal to attain a food-secure and resilient Philippines with empowered and prosperous farmers and fisherfolk.

Private Sector and LGU Partnerships

In 2023, BDO Foundation also organized several financial literacy sessions for various beneficiaries, in collaboration with non-governmental organizations as well as public and private sector partners:

Partners	Beneficiaries
Asia Pacific College	College students
Association of Foundations	NGO professionals
Don Bosco One TVET (integration into curriculum)	Technical-vocational learners
Empower and Transform and DepEd	Teachers and non-teaching personnel
Empower and Transform	De La Salle University student athletes
Iloilo City government and Uswag Negosyo Academy	Iloilo market vendors
Iloilo City government Public Employment Service Office (PESO)	PESO trainers
National University	College students and faculty
Iloilo City government	Local Government Unit (LGU) trainers

To help empower Filipino educators and learners, BDO Foundation, in partnership with Huawei Philippines and the Knowledge Channel Foundation, launched a new set of educational videos designed to make the study of Mathematics more engaging, interesting, and interactive for Grade One students. In support of Knowledge Channel's MathDali initiative, the Foundation and Huawei funded the development of the five curriculum-based videos on early numeracy. Knowledge Channel produced the learning resources in consultation with the DepEd. The videos will be made available for viewing on the channel's on-air, online, and offline platforms.

Knowledge Channel is a non-profit organization that aims to improve the quality of education in the Philippines through media and technology. Huawei is the global leader in information and communications technology infrastructure and smart devices. BDO Foundation has previously partnered with both organizations for other education-related initiatives.

Training Program for MSMEs and Persons with Disabilities

In 2023, BDO Foundation signed a memorandum of agreement with LINK Center for the Deaf for a training program aimed at enhancing the capabilities of MSMEs. The training will help aspiring and existing micro-entrepreneurs—including persons with disabilities—pursue business ventures that are responsive to current social and economic challenges.

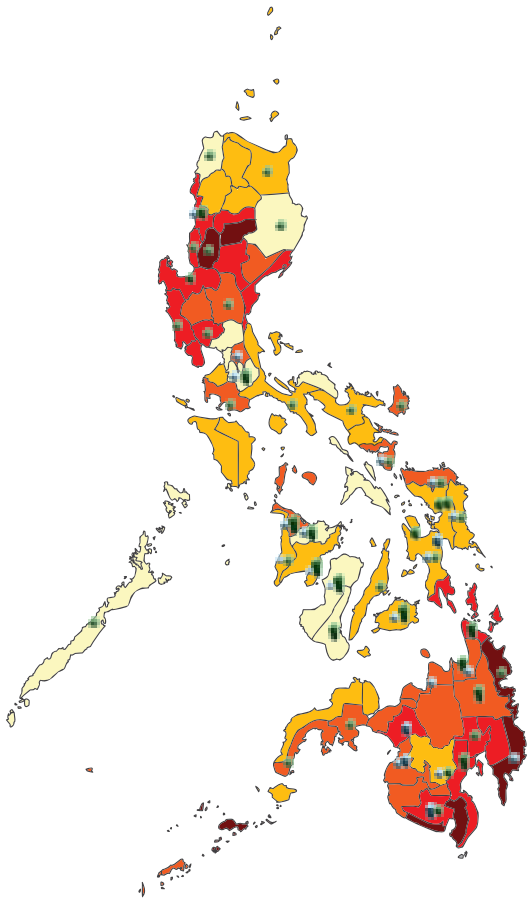
Funded by BDO Foundation, the program will cover eight modules on business planning, marketing strategies, financial management, customer relations, and other aspects of operating successful small businesses. The Foundation will also sponsor a series of train-the-trainers sessions for interested implementing partners such as local governments, NGOs, church groups, and other institutions serving the MSME sector.

LINK is a non-governmental organization that supports the holistic development of people who are deaf, by providing sign language training, teacher enhancement, educational support, and enterprise development programs.

8
modules for MSMEs and persons with disabilities

Disaster Response

BDO leverages its resources towards building better in the aftermath of a disaster through relief, rehabilitation, and recovery of disaster-stricken communities.



Increasing adaptation of communities: Rehabilitating RHUs and building classrooms

- 2 New Learning Facilities
- 38 Learning Facilities Constructed since 2012
- 29 Newly Rehabilitated Rural Health Units
- 160 Rural Health Units Rehabilitated since 2012

Health and Education Facilities Rehabilitated and Built

- Rural health units
- Classrooms

Combined Risk to Geophysical Disasters

- Very High
- High
- Medium
- Low
- Very Low

Rehabilitation of Rural Health Units



BDO Foundation achieved another major milestone as it rehabilitated its 160th rural health unit (RHU) in 2023 to help improve the health and well-being of Filipinos in disadvantaged communities. The Foundation's previous record was at 131 RHUs in 2022.

As in previous years, the Foundation renovated health centers, particularly their exteriors, layout and interior design, lobbies and waiting areas, offices, birthing clinics, consultation rooms, treatment rooms, and pharmacies. Using available space, it built breastfeeding stations for nursing mothers, play areas for children, and waiting lounges for senior citizens. It installed new signages, furniture, and fixtures to help health workers accommodate more patients in environments conducive to good health and well-being. The improvement of facilities empowers doctors, nurses, and midwives to provide quality primary healthcare services more often and more efficiently to their constituents. The initiative benefits mothers, infants and children, persons with disabilities, senior citizens, and indigenous peoples living in remote areas.



BDO Unibank and BDO Network bank branch officers also recommended health centers in need of assistance. The initiative was backed by the Department of Health (DOH), local government leaders, and health officers, who provided guidance on the renovation of RHUs. Through the rehabilitation program, BDO Foundation helped health centers receive high assessment scores in healthcare delivery from the DOH and accreditation from PhilHealth, the country's national health insurance provider. The Foundation helped improve the healthcare delivery system in the country, one of the goals under the Philippine Health Agenda.

Construction of a Blood Center



BDO Foundation also constructed a facility that serves blood donors and patients. The Philippine Red Cross (PRC) Agusan del Norte - Butuan City Chapter Blood Center supports the mission of the PRC as well as the International Red Cross and Red Crescent Movement to provide life-saving services for Filipinos in vulnerable situations. The blood center benefits patients in Agusan del Norte and neighboring provinces in the Caraga Administrative Region in Mindanao who need safe, adequate, and high-quality blood and blood products. Funded by BDO Foundation and contributions from BDO employees, the construction of the building provided for basic equipment, furniture, and fixtures.

Construction of School Buildings

BDO Foundation and the Philippine Geothermal Production Company (PGPC), another company under the SM Group, completed the construction of a three-classroom school building in Baybay Elementary School in Catarman, Northern Samar. The partnership with PGPC addressed the shortage of classrooms and provided teachers and students a conducive learning environment. PGPC is a pioneering geothermal energy company that provides clean, reliable, and renewable energy. BDO Foundation previously collaborated with PGPC for the construction of school buildings in Northern Samar and Albay provinces as part of post-Super Typhoon Yolanda (international name: Haiyan) rebuilding efforts in 2014 and 2015.

The project in Catarman supported the partners' shared advocacy to aid communities affected by disasters. In recent years, the municipality was also severely affected by Super Typhoon Odette and other disasters. Supportive of the DepEd's Adopt-A-School program, the construction of the building in Baybay Elementary School included the provision of blackboards, tables, chairs, and electric fans.



A similar structure was built for students in Cebu. In support of Don Bosco's mission to educate, evangelize, and capacitate Filipino youth, BDO Foundation constructed a training facility for the Don Bosco Technical Vocational Education and Training (TVET) Center in Balamban, Cebu province. Senior high school students now use the facility with its new furniture, tools, and equipment to learn technical-vocational livelihood skills through classroom instruction and workshops. The Balamban facility is the third built by BDO Foundation for Don Bosco, after similar facilities were constructed in 2019 and 2021 respectively, in Mati City, Davao Oriental and Dumangas, Iloilo. Don Bosco's TVET Centers educate out-of-school youth and prepare them for gainful employment in the Philippines and abroad.

Relief Operations



BDO Foundation continued to mount relief operations for Filipinos in provinces placed under a state of calamity, mobilizing volunteers for the immediate distribution of relief goods or hygiene kits in affected communities. In the spirit of bayanihan or community volunteerism, employee volunteers visited evacuation sites and distributed packs containing food, rice, and drinking water to families displaced by typhoons, earthquakes, volcanic eruptions, fire, and an oil spill incident.

The disaster response efforts were made possible by partners, which included parishes, diocesan social action centers, non-governmental organizations, local government units, the military, and the police. The relief operations were also supported by BDO Unibank and BDO Network Bank branch employees, who helped BDO Foundation assess emergency situations in affected areas and coordinate logistics. Backed by the BDO Unibank community and its partners, the Foundation has effectively reached out to disaster-affected Filipinos in their time of need.

A Vegetable Garden for Food Security



Building better includes long-term initiatives to help communities address basic needs such as food security and hunger. BDO Foundation and East-West Seed Foundation (EWSF) successfully established a vegetable garden as a livelihood opportunity in a community in Lian, Batangas through a partnership project. Project Gulayamanan is a clever play on the Filipino words for gulay (vegetable) and yaman (wealth) to best describe its goals to provide additional food supply to the community and promote wealth through the cultivation of vegetables. EWSF is a non-governmental organization that empowers disadvantaged farmers and promotes proper nutrition through improved vegetable consumption.

In 2023, BDO Foundation and EWSF, in partnership with the local government unit, celebrated the graduation of 50 residents, who successfully completed nine training sessions on vegetable gardening. The graduation also served as a harvest festival, which gave the farmers an opportunity to market and sell their first full harvest. Prior to their graduation, the beneficiaries learned lessons on how to manage their earnings through a financial literacy training session conducted by BDO employee volunteers.

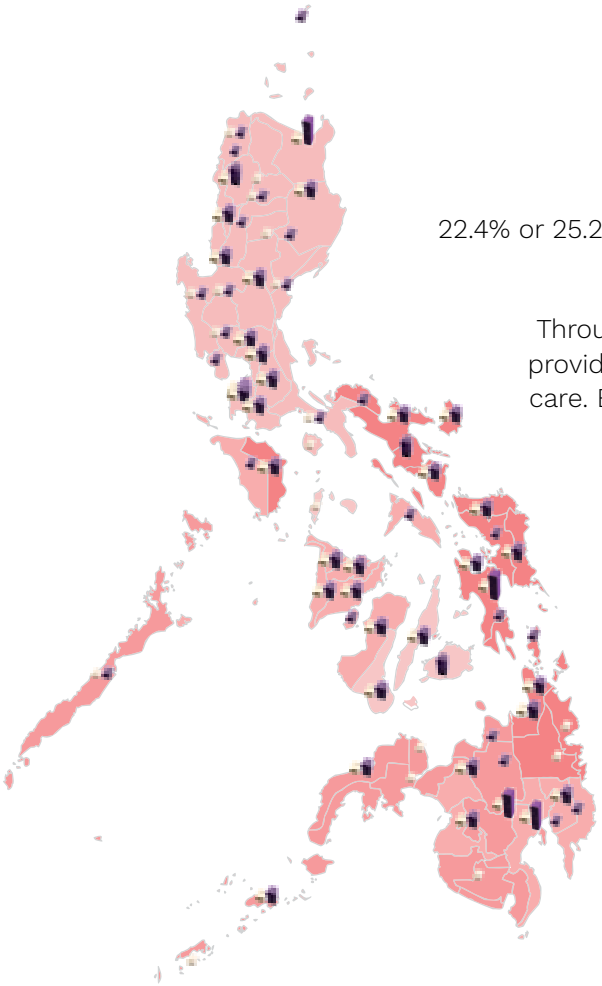
Christmas Gift-Giving Program

For the fourth consecutive year, BDO Foundation provided food assistance for communities all over the country through its Christmas gift-giving initiative dubbed Handog sa 'Yo ng BDO Foundation. It distributed food packs to help poor families celebrate the season. The Foundation tapped previous partner non-governmental organizations (NGOs) Caritas Philippines and Tanging Yaman Foundation. In 2023, the Foundation engaged two additional NGOs, Ako Ang Saklay and Ako Bakwit, to include more beneficiary communities.



BDO Foundation has previously partnered with Ako ang Saklay for relief operations in areas affected by the Marawi Siege in 2017, earthquakes in various parts of Mindanao in 2019, and Typhoon Karding in 2022. A Catholic organization, Ako ang Saklay cares for the sick and provides aid for differently abled individuals and disaster survivors. It also organizes outreach missions to indigenous peoples.

Ako Bakwit, on the other hand, promotes the rights and welfare of internally displaced persons in the country. During the pandemic, Ako Bakwit helped BDO Foundation distribute food assistance to beneficiary families in Metro Manila and the province of Rizal.



Gift giving and relief operations

16.4% or 4.51 million families experienced poverty.

22.4% or 25.24 million Filipinos' per capita income is not sufficient to meet their basic food and non-food needs.

Through gift giving and relief operations, the Bank helps to provide access to basic services such as food and medical care. By 2023, BDO Foundation has given food packages to 99,900 low-income families during its gift giving and 805,261 families through relief operations.

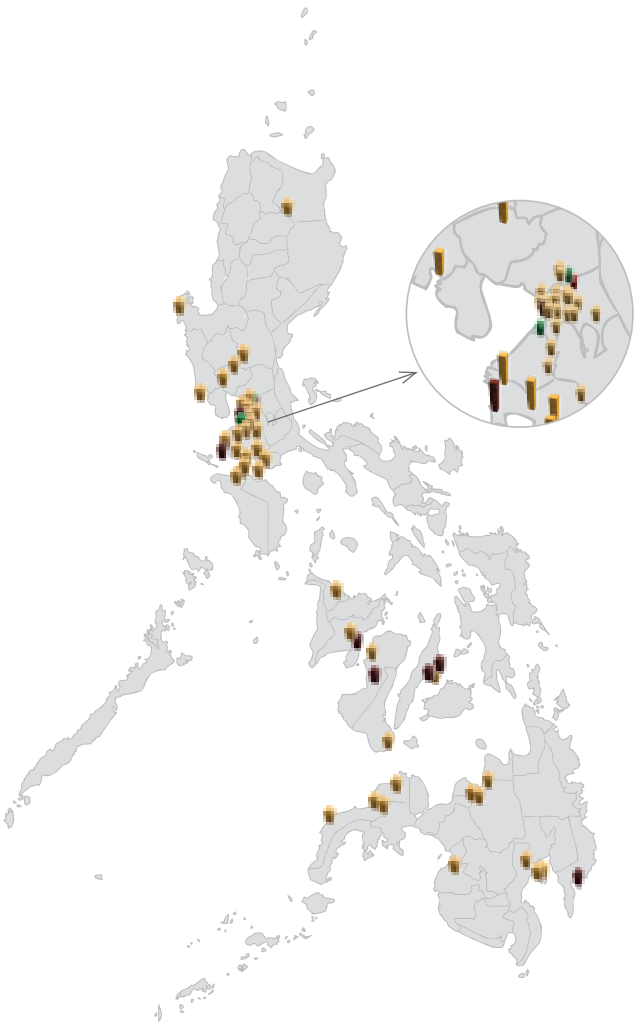
Reference: 2023 Preliminary Poverty Statistics, Philippine Statistics Authority

Gift Giving

Relief Operations

Poverty Incidence in the Philippines

0% 51%



Promoting A Sustainability Mindset: BDO Employee Volunteer Program

Employee Volunteer Program Map

Milestones in 2023:

86 volunteer activities nationwide

1,263 volunteers nationwide

4,402 total volunteer hours

Education

Environment

Financial Inclusion

Poverty and Hunger

In 2022, BDO launched its Employee Volunteer Program (EVP) to promote a sustainability mindset and engage employees as sustainability advocates in BDO's sustainability commitments and initiatives. The EVP Core Team is led by the Human Resources (HR), the Sustainability Office (SO), and BDO Foundation, supported by the Marketing Communications Group (MCG), and championed by the Corporate Governance Committee which has oversight on employee engagement in sustainability.

These activities contributed to the achievement of the Sustainable Development Goals (SDGs) and specific targets in the areas of poverty, hunger, the environment, education, and financial inclusion, all underpinned by protection and respect for human rights. The EVP gives all BDO employees nationwide opportunities to champion the SDGs and give back to the community by contributing their time, effort, and skills in the volunteer events of BDO Foundation and external partner organizations, which have existing volunteer activities aligned with the EVP SDG themes.

Poverty and Hunger. BDO Foundation started the Handog sa 'Yo ng BDO Foundation in 2020 as part of efforts to aid economically disadvantaged communities during the Christmas season. In the program's 2023 run, a total of 531 BDO volunteers present in 69 sites nationwide helped in distributing Christmas food packs to 30,000 indigent families, families from indigenous communities, and families of persons with disabilities.



The distribution sites were in Aklan, Batangas, Benguet, Bulacan, Cagayan, Camarines Sur, Cavite, Cebu, Cotabato, Davao del Sur, Eastern Samar, Iloilo, Isabela, La Union, Laguna, Lanao del Sur, Leyte, Maguindanao del Norte, Metro Manila, Misamis Oriental, Negros Occidental, Negros Oriental, Nueva Ecija, Pampanga, Pangasinan, Rizal, Sultan Kudarat, Tarlac, Zambales, and Zamboanga del Norte.

Environment. BDO employee volunteers joined a two-day clean-up of the Las Piñas–Parañaque Critical Habitat and Ecotourism Area (LPPCHEA), a protected area that is home to 41 species of migratory birds and one of the few remaining mangrove forests in Metro Manila.



The employees collected waste along LPPCHEA's southwest portion called Long Island. This activity aimed to raise awareness among BDO employees on proper waste management with the hope of saving and preserving critical areas like LPPCHEA. Based on a 2021 study conducted by Meijer et al[1], the Philippines accounts for 36% of the total plastic dumped into the ocean, making it the largest contributor to plastic pollution in the ocean globally. This activity was an opportunity for BDO volunteers to act firsthand on the issue of plastic pollution.

Volunteers were provided an orientation on the different kinds of waste that could be found along coasts and instructions on the segregation and collection methods. The collective efforts of 300 BDO employees resulted in the collection of more than 2,200 kilograms of waste from the coast, which were then segregated and disposed properly through the local government unit.



[1] Meijer, et al. Science Advances. 30 April 2021. More than 1000 rivers account for 80% of global riverine plastic emissions into the ocean. Available at <https://www.science.org/doi/10.1126/sciadv.aaz5803>

In September, 150 BDO employees joined the reforestation of the La Mesa Watershed through seed germination and tree planting activities in partnership with officers of ABS-CBN Foundation Bantay Kalikasan. BDO adopted one hectare of forest, where 50 volunteers planted 400 White Lauan trees. The other volunteers participated in seed germination and planted 500 seedlings of Makaasim tree in preparation for the planting season which will begin in June 2024.

At the same event, BDO employee volunteers participated in an environmental awareness lecture facilitated by officers of ABS-CBN Foundation Bantay Kalikasan. The lecture focused on the importance of the La Mesa Watershed since it supplies water to Metro Manila residents and serves as the "Green Lung of Metro Manila," absorbing three to five percent of the city's carbon emissions.

Education. BDO participated in the Department of Education's (DepEd) Brigada Eskwela 2023, a nationwide school maintenance program, which encourages local governments, communities, businesses, non-governmental organizations, and individuals to help in the public school clean-up before the opening of classes. A total of 163 employee volunteers consisting of BDO employees, senior officers, and one independent Board director volunteered their time and skills at Commonwealth Elementary School. This particular public school is considered as one of the most populous elementary schools in Southeast Asia, with an average enrollment of eight thousand students annually.



Conducted two weeks before the official start of the school year, Brigada Eskwela allowed the volunteers to help parents and teachers of the school's incoming 900 Grade Two students prepare for the school year. Volunteers painted and cleaned 10 classroom walls, ceilings, tables, and chairs, while others were at the Gulayan sa Paaralan for vegetable gardening of eggplants and chili pepper seedlings. BDO also donated laptops, computer tables, televisions, and projector screens to Commonwealth Elementary School.

Financial inclusion. A total of 125 BDO employee volunteers served as financial literacy trainers for 1,599 participants of 13 financial literacy sessions conducted nationwide throughout the year. Participants were taught the basic concepts of saving, budgeting, and financial planning as well as the benefits of safekeeping their money in a bank account.



Participants of the financial literacy sessions included junior high school students, senior high school students, students currently undergoing their on-the-job training (OJT), students of alternative learning system (ALS), teachers, and non-teaching staff, farmers, and members of marginalized families.

In order to conduct the 86 volunteer activities throughout the year, BDO strategically partnered with key organizations and institutions and identified volunteer opportunities aligned with the EVP themes.

In 2023, BDO partnered with the following organizations and ensured diversity among the beneficiaries of its volunteer activities:

- **ABS-CBN Foundation**, a non-profit organization that aims to improve the lives of disadvantaged Filipino families in the Philippines and globally. It is the public service arm of The Filipino Channel (TFC) and oversees all corporate social responsibility activities of ABS-CBN, one of the country's biggest media conglomerates

- **Ako Ang Saklay Inc.**, a non-profit organization dedicated to empowering and developing women, youth, and persons with disabilities
- **Ako Bakwit Inc.**, a non-government organization that works towards promoting and protecting the rights and welfare of internally displaced persons
- **Caritas Philippines**, the humanitarian, development, and advocacy arm of the Catholic Church in the Philippines
- **Department of Education**, the national government agency responsible for ensuring access to, promoting equity in, and improving the quality of basic education
- **Don Bosco One TVET**, the technical-vocational center of the Salesian Society of St. John Bosco in the Philippines
- **East-West Seed Foundation Philippines**, the corporate social responsibility arm of East-West Seed Philippines, dedicated to empowering Filipino farmers with good seeds and greater knowledge
- **Tanging Yaman Foundation**, a non-profit organization that links donors with various beneficiaries among the most underprivileged in the Philippines
- **Upskills+ Foundation Inc.**, a non-profit organization working with communities, families, and individuals who are informal settlers experiencing extreme poverty and high unemployment in the Philippines
- **World Wide Fund for Nature – Philippines**, the national organization of the World Wide Fund (WWF) network that focuses on improving the lives of Filipinos by addressing climate change, promoting sustainable livelihood programs, and conserving the country's marine and land habitats

As proof of strong demand for volunteer opportunities, the Bank currently holds the record of full online registration for multiple events nationwide, merely 20 minutes after its announcement. As the demand for volunteer opportunities for employees continues to grow, the Bank looks forward to expand its advocacy with its current partners and to enlist more organizations to be part of the initiative in the coming years.

Stakeholder Communication Campaign 2-29

BDO implemented a comprehensive communication plan to generate awareness and understanding on how the Bank's sustainability initiatives help stimulate economic growth, protect the environment, build better communities in the aftermath of disasters, and create positive environmental and social impact in the country.



Key themes for sustainability stories focused on the following:

- Sustainability bond issuances
- Sustainable finance projects
- Corporate social responsibility activities
- Recognitions on sustainability and ESG
- Partnerships to advance sustainability initiatives

Sustainability stories from BDO, its clients, partners, and stakeholders were shared with traditional media (including national broadsheets, tabloids, and provincial publications), foreign publications, online news sites, and bloggers to reach each channel's respective audiences who are considered the Bank's target market segments. The stories were also widely shared on BDO's own social media accounts on LinkedIn and Facebook.

Through regular updates on the Bank's sustainability initiatives via The Wayfinder, the internal newsletter and call for volunteers via the eNewsgram emailer, employees were encouraged to get more involved in the Bank's sustainability efforts through volunteerism.

BDO seeks to inspire more organizations to adopt sustainability as a way of life. The Bank's executives and representatives from its Sustainability Office participated in various conferences, summits, and roundtable discussions as thought leaders in ESG and sustainability pioneer in the financial industry namely:

- Eco-Business' Unlocking capital for sustainability (UCFS) Philippine forum on "Mobilizing Climate Finance from the 4Ps – Public, Private, and Philanthropic Partnerships"
- UCFS Singapore summit on "Enabling an Equitable Transition"
- Asia Corporate Excellence & Sustainability (ACES) Summit in Kuala Lumpur, Malaysia
- Risk ASEAN forum "Integrating ESG into Business Models" in Bangkok, Thailand
- German-Philippine Chamber of Commerce and Industry's plenary session on "Sustainability Efforts of German and Philippine Companies"
- Risk ASEAN forum "Finding opportunities in uncertainty" in Bangkok, Thailand
- Asian Forum on Entrepreneurship for Society (AFES) "Moving to a Greener, Resilient Fintech"
- 2nd World Clean Energy Philippines Conference Expo 2023 "Facilitating a Just Energy Transition"
- Philippines Renewable Energy Summit "Financing Renewable Energy Projects in the Philippines"
- BusinessWorld's Economic Forum "The Digital Future: Accelerating Business and Sustainability"
- CNN PH's Women's Summit "Role of Gender Equality towards Economic Development
- Brand Finance ASEAN webinar "BDO's Approach to Sustainability"





Through these engagements, BDO was able to further advocate its Energy Transition Finance Statement and its sustainability plans, initiatives, and desired impact as reflected in its Sustainability Report.

Sustainability Engagements and Partnerships

Eco-Business Unlocking Capital for Sustainability (Singapore)

Transition Finance



At the Unlocking Capital for Sustainability (UCFS) 2023 Forum held in Singapore, Atty. Federico Tancongco, Senior Vice President and Chief Compliance Officer of BDO Unibank said that BDO will support its customers' transition to reduced carbon emissions by providing access to capital so they may invest in innovative technologies or adapt their business to renewable energy alternatives. BDO will also provide access to capital to communities negatively affected by the transition to low carbon.

"We are not talking about a future with climate crisis. We are in a climate crisis."

Federico P. Tancongco
Senior Vice President and
Chief Compliance Officer

Eco-Business Unlocking Capital for Sustainability (Philippines)

Climate Finance

BDO was part of the plenary, Mobilising climate finance for the Philippines – the role of the 4Ps. The panel discussed how we can create capital while addressing underlying impediments to decarbonising the Philippine economy and the reforms to be implemented in capital markets to ensure that long-term socioeconomic and ecological progress is fully reflected in pricing.

The panel convened decision-makers to discuss the ways that equity and justice can be embedded into the country's transition to a greener and more resilient economy through public, private, and philanthropic partnerships.

Asia Transition Finance Study Group

Transition Finance

BDO is a member of The Asian Transition Finance (ATF) Study Group, a private-led initiative whose core participants are banks with operations in Asia. The ATF Study Group was set up in recognition of the important role that transition finance (TF) will play in helping Asian economies address challenges as they move toward net-zero emissions. Its goal is to create practical recommendations to supplement existing frameworks, including global standards and taxonomies, when financial institutions (FIs) consider and assess TF cases, as well as to understand challenges and explore potential enablers to transition finance.

In 2023, the ATF published its Annual Report 2023 which describes certain advancements in the seven support measures. The Study Group mentions more granular enablers are needed to accelerate transition finance and that making progress in these would merit a coherent collaboration among all stakeholders, especially public authorities, TF receivers, and FIs.

The Study Group will continue with more focus on collaboration with public authorities and TF receivers to deliver FI's views on enablers that supported by experiences as TF practitioners, as well as on peer learnings to bring deeper understanding and practical knowledge about various transition finance guidelines, countries' policies including national taxonomies, and the development of TFFs by FIs.

The Asia Transition Finance Annual Report 2023 is available here: https://www.bdo.com.ph/sites/default/files/Final_ATFSG_Annual_Report_2023.pdf

Brand Finance

Sustainability Brand Value

BDO Unibank has been recognized as the 27th most valuable ASEAN brand and the 9th most valuable brand within the region's banking sector. Closer to home, the Bank ranked second overall among the top 10 Strongest and top 10 Most Valuable brands in the country. BDO ranked as the Most Valuable Brand in the Philippine banking sector, with a 49% increase in brand value at US$2.2 billion from 2022 figures. BDO's Sustainability brand value ranked third in the country and was valued at US$175 million. This represents 8% of the Bank's overall brand value, as an indicator of consumer preference for brands most committed to sustainability.

In Brand Finance's first-ever ASEAN Webinar held in October 2023, Marla Garin-Alvarez shared BDO's pursuit of finding the right solutions for its customers by actively catering and anticipating their unique needs and living up to the Bank's We Find Ways philosophy.

International Finance Corporation Pilot Testing for the Alliance for Green Commercial Banks

Transition Finance, Green Finance for M/SMEs

The Alliance for Green Commercial Banks is led by the International Finance Corporation (IFC) as its Secretariat, with the Hong Kong Monetary Institute Authority (HKMA) Alliance Asia Chapter, and currently supported by five cornerstone member banks (Citi, Credit Agricole, Bank of China, and Standard Chartered Bank). BDO Unibank partnered with the IFC for a pilot test of the Alliance's membership framework, which aims to "support commercial banks become green finance leaders and accelerate the green transformation of the banking and finance industry."





In 2023, BDO and IFC successfully completed three workshops for 285 senior- and mid-level management on the topics of Green Finance for M/SMEs, and Transition Finance. With the IFC providing its top experts on the topics, the capacity-building activities provide valuable insights on how the Bank can evolve its sustainable finance offerings. It also supports BDO's 3Es Approach to capacity-building to Educate, Equip, and Embed sustainability principles in everything that the Bank does.

CNN Philippines

Women Empowerment



The Philippines has made progress in promoting gender equality and women's economic empowerment, but more work is needed in opportunities and support for women. While more women are able to pay for major purchases and women-owned micro, small, and medium enterprises (MSMEs) are on the rise, they continue to face significant challenges in accessing financing, technologies, and markets that will allow them to invest in and venture into entrepreneurship.

At the CNN Philippines' #EmbraceEquity Women's Summit, BDO Vice President and Head of Sustainability Office Marla Garin-Alvarez shared insights on how women consumers and entrepreneurs drive the growth of MSMEs in the Philippines.

While women are represented in the workforce and leadership in most industries and companies, there is still a gap in terms of wealth accumulation from the work they do. Women need both financial services and non-financial services such as financial literacy in banking, investments, inheritance, and property ownership to help them build wealth.

BDO recognizes that greater collaboration between the government, financial institutions, and the private sector should be established to create a more enabling environment for women consumers and entrepreneurs. This includes providing access to finance, mentoring, training, and networking opportunities that will help women consumers be more financially independent and women entrepreneurs to start or to scale their businesses. This supports BDO's financial inclusion goals, specific to empowering women as consumers and entrepreneurs.

"We need to ensure that women are able to explore opportunities for them to contribute to the economy. We are proud that we support women as consumers and as entrepreneurs through products and services offered by BDO."

Marla Garin-Alvarez
Vice President and Head, Sustainability Office

A.S.P.N. Ano Sa Palagay N'yo?

Climate and Sustainability



In partnership with the Net 25 Network's Ano Sa Palagay N'yo? (What do you think?) talk show, BDO co-designed a series of episodes that talk about Climate Change and Sustainability in layman's terms on television. The episodes included discussions with various expert guests on the impact of climate change in the Philippines, the initiatives of the private sector, the efforts of the government, and the role of finance in addressing issues.

HARIBON Foundation

Green Finance



BDO and the HARIBON Foundation for the Conservation of Natural Resources Inc. formed a partnership to reforest protected areas and empower grassroots communities in 2023. Apart from enjoying more affordable loan rates, clients who avail of BDO's special financing program for Electric Vehicles and Hybrid Electric Vehicles, and even regular vehicles will also get to promote a greener environment through BDO's Adopt-A-Tree Program. With the Adopt-A-Tree program, BDO donated one native tree seedling to the HARIBON Foundation's Forests for Life movement for every successful reserved BDO car loan application until August 31, 2023. Each seedling donated to the Forest for Life movement also provides training and additional income to HARIBON partner farmers and rural communities who contribute to maintaining reforestation areas. Applications were submitted at BDO branches or online via the BDO website. Adopt-A-Tree customers have the option to participate in tree planting activities at tree planting sites. HARIBON monitors the sites to ensure the survival of the trees planted.

"Given the increasing environmental challenges that the world is currently facing, it's a crucial time to take action and get more involved in conservation and sustainability efforts no matter how small or big it is."

Bremel Peter R. Guiao
First Vice President
Consumer Banking Group Auto Loan Head

Smart Recycle

Responsible Waste Management



BDO recognizes the importance of working with its supply chain in its environmental and social programs. Prior to the launch of the second phase of the Waste Busterrr program, the Bank extended its capability-building to its contracted service providers that deploy housekeeping personnel in BDO facilities nationwide.

In partnership with Smart Recycle, the Bank's vendor recycling partner, BDO completed two trainings for 12 vendors. The training was conducted both in person and online for vendors in other parts of the country, to enable the Bank's housekeeping partners to adopt waste recycling in their operations.

GRI Content Index



BDO Unibank, Inc. has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI Standard	Disclosure		Page Number(s), Direct Answer, URLs, or Reason for omission
GRI 1: Foundation 2021			
General Disclosures			
GRI 2: General Disclosures 2021	The organization and its reporting practices		
	2-1	Organizational details	2, 4-5
	2-2	Entities included in the organization's sustainability reporting	2
	2-3	Reporting period, frequency and contact point	2, 130
	2-4	Restatements of information	No restatements of information for the reporting period
	2-5	External assurance	No external assurance
	Activities and workers		
	2-6	Activities, value chain and other business relationships	4-5, 8-9, 18-62, 64-103, 105-121
	2-7	Employees	8-9, 82-88, 122-127
	2-8	Workers who are not employees	80
	Governance		
	2-9	Governance structure and composition	65-74
	2-10	Nomination and selection of the highest governance body	67, 82
	2-11	Chair of the highest governance body	70
	2-12	Role of the highest governance body in overseeing the management of impacts	71-74
	2-13	Delegation of responsibility for managing impacts	12-13, 68-69, 71-72
	2-14	Role of the highest governance body in sustainability reporting	12-13, 68-69, 71
	2-15	Conflicts of interest	72
	2-16	Communication of critical concerns	68
	2-17	Collective knowledge of the highest governance body	70
	2-18	Evaluation of the performance of the highest governance body	69
	2-19	Remuneration policies	See 2023 BDO Annual Report, page 29
	2-20	Process to determine remuneration	72
	2-21	Annual total compensation ratio	We do not disclose this matter due to confidentiality constraints which only allows for disclosure of consolidated compensation of the top five Officers with the highest compensation.
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	6-7
	2-23	Policy commitments	8-11, 18-26
	2-24	Embedding policy commitments	12-16, 122-127
	2-25	Processes to remediate negative impacts	99-102
	2-26	Mechanisms for seeking advice and raising concerns	101
	2-27	Compliance with laws and regulations	We do not disclose this matter due to confidentiality constraints.
	2-28	Membership associations	128
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	16, 116-121
	2-30	Collective bargaining agreements	80

Material Topics

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
GRI 3: Material Topics 2021	**Disclosures on material topics**		
	3-1	Process to determine material topics	13-15
	3-2	List of material topics	14-15
Data Security and Customer Privacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	99-103
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	101
Employee Health & Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	82-88
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	83-84
	403-2	Hazard identification, risk assessment, and incident investigation	83-84
	403-3	Occupational health services	83-84
	403-4	Worker participation, consultation, and communication on occupational health and safety	83-84
	403-5	Worker training on occupational health and safety	83-84, 80
	403-6	Promotion of worker health	83-84, 80
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	83-84
	403-8	Workers covered by an occupational health and safety management system	83-84
	403-9	Work-related injuries	90
	403-10	Work-related ill health	90
Customer Welfare			
GRI 3: Material Topics 2021	3-3	Management of material topics	78-79, 100-102
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	78-79, 100-102
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance concerning the health and safety impacts of products and services reported.
Systemic Risk Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-26, 65, 73-79
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	64
	201-2	Financial implications and other risks and opportunities due to climate change	18-26
	201-3	Defined benefit plan obligations and other retirement plans	We do not disclose this matter due to confidentiality constraints and competitive information issues related to talent acquisition.
	201-4	Financial assistance received from government	No financial assistance received from the government
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	75-76
	205-2	Communication and training about anti-corruption policies and procedures	74-77
	205-3	Confirmed incidents of corruption and actions taken	75
GRI 207: Tax 2019	207-1	Approach to tax	77-78
	207-2	Tax governance, control, and risk management	77-78
	207-3	Stakeholder engagement and management of concerns related to tax	77-78
	207-4	Country-by-country reporting	78
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Information Unavailable. Information on suppliers at significant risk for incidents of child labor was not provided to the Bank during the reporting period. The Bank will engage closely with suppliers for this information in 2024.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Information Unavailable. Information on suppliers at significant risk on forced and compulsory labor was not provided to the Bank during the reporting period. The Bank will engage closely with suppliers for this information in 2024.

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
Business Ethics			
GRI 3: Material Topics 2021	3-3	Management of material topics	12-16, 18-26, 74-77, 99-102
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	6-7
	2-23	Policy commitments	8-11, 18-26
	2-24	Embedding policy commitments	12-16, 122-127
	2-25	Processes to remediate negative impacts	99-102
	2-26	Mechanisms for seeking advice and raising concerns	101
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75
Labor Practice			
GRI 3: Material Topics 2021	3-3	Management of material topics	82-88
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	80
	202-2	Proportion of senior management hired from the local community	80
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	80-81
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We do not disclose this matter due to confidentiality constraints and competitive information issues related to talent acquisition.
	401-3	Parental leave	80
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	The Bank follows the minimum notice period of one (1) month for operational changes legally mandated by the Department of Labor and Employment.
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	80-81
	404-2	Programs for upgrading employee skills and transition assistance programs	80, 85-86
	404-3	Percentage of employees receiving regular performance and career development reviews	81
Diversity & Inclusion			
GRI 3: Material Topics 2021	3-3	Management of material topics	66-68, 82
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	66-68, 80-81
	405-2	Ratio of basic salary and remuneration of women to men	80
Access & Affordability			
GRI 3: Material Topics 2021	3-3	Management of material topics	17-62, 63-103, 104-121
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	48-62
Physical Impact of Climate Change			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-26
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	18-26
Financing Sustainable Development			
GRI 3: Material Topics 2021	3-3	Management of material topics	26-34, 110-111
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	8-9, 122-127
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8-9, 30-34, 106, 110-111
Selling Practices and Product Labeling, Product Design and Lifecycle Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	91-92, 99-102
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	91-92, 102
	417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance during the reporting period covered
	417-3	Incidents of non-compliance concerning marketing communications	No incidents of non-compliance during the reporting period covered
Management of Legal and Regulatory Environment			
GRI 3: Material Topics 2021	3-3	Management of material topics	73-79, 99-102

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	75-76
	205-2	Communication and training about anti-corruption policies and procedures	74-77
	205-3	Confirmed incidents of corruption and actions taken	75
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75
GRI 207: Tax 2019	207-1	Approach to tax	77-78
	207-2	Tax governance, control, and risk management	77-78
	207-3	Stakeholder engagement and management of concerns related to tax	77-78
	207-4	Country-by-country reporting	78
GRI 415: Public Policy 2016	415-1	Political contributions	75
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	101
Direct Economic Value Generated			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-26, 65, 73-79
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	64
	201-2	Financial implications and other risks and opportunities due to climate change	18-26
	201-3	Defined benefit plan obligations and other retirement plans	We do not disclose this matter due to confidentiality constraints and competitive information issues related to talent acquisition.
	201-4	Financial assistance received from government	No financial assistance received from the government
Executive Responsibility in ESG			
GRI 3: Material Topics 2021	3-3	Management of material topics	12-13, 71-72
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	12-13, 71-72
	2-14	Role of the highest governance body in sustainability reporting	12-13, 71-72
Human Rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	26-34, 105-121
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8-9, 30-34, 106, 110-111
	203-2	Significant indirect economic impacts	8-9, 48, 53, 57-58, 62
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Information Unavailable. Information on security personnel trained in human rights policies or procedures were not provided to the Bank during the reporting period. The Bank will engage closely with Security Personnel providers for this information in 2024.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples' rights during the reporting period.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	105-116
	413-2	Operations with significant actual and potential negative impacts on local communities	No significant actual and potential negative impacts during the reporting period covered
Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	103
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	103
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	103
	308-2	Negative environmental impacts in the supply chain and actions taken	Information Unavailable. BDO did not have sufficient data collection systems in place to collect the relevant data during the reporting period.

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Zero incidents of discrimination and corrective actions taken during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information Unavailable. BDO did not have sufficient data collection systems in place to collect the relevant data during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	103
	414-2	Negative social impacts in the supply chain and actions taken	103
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	91-97
GRI 301: Materials 2016	301-1	Materials used by weight or volume	91-92
	301-2	Recycled input materials used	93-95
	301-3	Reclaimed products and their packaging materials	91-96
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	91-96
	306-2	Management of significant waste-related impacts	91-96
	306-3	Waste generated	97
	306-4	Waste diverted from disposal	97
	306-5	Waste directed to disposal	97
Water and Wastewater			
GRI 3: Material Topics 2021	3-3	Management of material topics	91
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	91
	303-2	Management of water discharge-related impacts	91
	303-3	Water withdrawal	97
	303-4	Water discharge	97
	303-5	Water consumption	97
Energy Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	88-91
GRI 302: Energy 2016	302-1	Energy consumption within the organization	97
	302-2	Energy consumption outside of the organization	97
	302-3	Energy intensity	97
	302-4	Reduction of energy consumption	89-91
	302-5	Reductions in energy requirements of products and services	89-91
GHG Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	88-98
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	97-98
	305-2	Energy indirect (Scope 2) GHG emissions	97-98
	305-3	Other indirect (Scope 3) GHG emissions	97-98
	305-4	GHG emissions intensity	97-98
	305-5	Reduction of GHG emissions	88-98
	305-6	Emissions of ozone-depleting substances (ODS)	98
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	98

Supporting the UN Sustainable Development Goals

Product Sustainability Strategy

Mainstreaming Sustainable Banking		
Target		**Section, page**
1.3	Implement social protection systems	• Sustainable Finance ○ Supporting Evolving Consumer Preferences: Consumer Banking - Auto Loan, Home Loan, SME Loan, Personal Loan, Cards Issuing, *page 35-37* ○ Investments - Financial wellness by turning savers to investors: BDO Trust and investments, *page 38* ○ Insurance - Leaving a lasting legacy for future generations: BDO Life, *page 44* - De-risking business and individual activities: BDO Insure, *page 47* • Financial Services Reach and Value ○ Establishing frontline client relationships: BDO Branch Banking, *page 48* ○ Ensuring availability of cash: BDO Cash Services, *page 50* - BDO and the Cash Service Alliance, *page 51* ○ Facilitating transactions through digital banking: BDO Digital, *page 51* - Facilitating access and inclusion: BDO Digital (BDO Online, BDO Pay, BDO Pay Account, BDO Checkout), *page 48-52* - Cash Agad Agency Banking, *page 53* - Cash Management, *page 54* - Leasing for increased resilience: BDO Finance, *page 56* • Building relationships with Overseas Filipinos and families ○ Widening customer reach, *page 60* ○ Increasing access to financial services through partnerships, *page 60* ○ Moving past challenges in a changing market, *page 61*
1.4	Equal rights to ownership, basic services, technology and economic resources	
4.6	Universal literacy and numeracy	
5.7	Equal rights to economic resources, property ownership and financial services	
8.2	Diversify, innovate and upgrade for economic productivity	
8.3	Promote policies to support job creation and growing enterprises	
8.10	Universal access to banking, insurance and financial services	
9.3	Increase the access of small-scale industrial and other enterprises to financial services and markets	
9.b	Support domestic technology development and industrial diversification	
10.2	Promote universal social, economic and political inclusion	
10.c	Reduce transaction costs for migrant remittances	
11.1	Safe and affordable housing	
11.2	Affordable and sustainable transport systems	
12.5	Substantially reduce waste generation	
12.8	Promote universal understanding of sustainable lifestyles	
17.3	Mobilize additional financial resources for developing countries from multiple sources (remittances)	

Pursuing Partnerships for Impact		
15.A	Increase financial resources to conserve and sustainably use ecosystem and biodiversity	• Sustainability Engagements and Partnerships ○ HARIBON Foundation, Green Finance, *page 121*

Sustainability Contribution Strategy

Mainstreaming Sustainable Banking		
Target		**Section, page**
1.a	Mobilize resources to implement policies to end poverty	• Managing Climate Change and Other Environmental and Social Risks and Opportunities, *page 18* ○ Identifying climate-related Risks, *page 18* ○ Key Focus Areas, *page 20* • E&S Risk Assessment, *page 24* • Sustainable Finance ○ Financial Instruments for Sustainability - Blue Bond Impact Report, *page 27* - ASEAN Sustainability Bond Impact Report, *page 27* ○ Lending - Pioneering sustainable energy financing: BDO Institutional Banking, *page 28* - Economic, Environment, and Social Impact, *page 30* ■ Green Finance, *page 31* ■ Social Finance, *page 31* ■ Coal Exposure, *page 31* - BDO Sustainable Energy Finance Projects, *page 32* ○ Investments - Managing Wealth for Future Generations: BDO Private Bank, *page 40* - Investing in ESG: BDO Treasury, *page 41* ○ Underwriting - Financing Sustainability through the Capital Markets: BDO Capital, *page 42* ○ Financial Services Reach and Value - Serving the Unbanked: BDO Network Bank, *page 57* - Building relationships with Overseas Filipinos and families, *page 59* • Empowering Women as Consumers and Entrepreneurs ○ Individual loans availed by women, page 62 ○ Individual insurance availed by women, *page 62*
1.4	Equal rights to ownership, basic services, technology and economic resources	
1.5, 11.5, 13.1	Build resilience to environmental, economic and social disasters	
2.1	Universal access to safe and nutritious food	
2.2	Double the agricultural productivity and incomes of small-scale food producers	
4.4	Increase the number of youth and adults with relevant skills for employment, decent jobs and entrepreneurship	
4.6	Ensure universal literacy and numeracy	
4.7	Ensure education for sustainable development and global citizenship	
5.7	Equal rights to economic resources, property ownership and financial services	
6.1	Achieve universal and equitable access to safe and affordable drinking water for all	
6.3	Improve water quality, wastewater treatment and safe reuse	
6.4	Increase water-use efficiency and ensure freshwater supplies	
6.7	Expand water and sanitation support to developing countries	
7.1	Ensure universal access to affordable, reliable and modern energy services	
7.2	Increase global percentage of renewable energy	
7.3	Double the improvement in energy efficiency	
7.4	Expand infrastructure and upgrade technology for supplying modern and sustainable energy services	
8.2	Diversify, innovate and upgrade for economic productivity	

8.3	Promote policies that support decent job creation, entrepreneurship, creativity and innovation, and formalization and growth of MSMEs, including through access to financial services	
8.10	Universal access to banking, insurance and financial services	
9.1	Develop sustainable, resilient and inclusive infrastructure	
9.3	Increase access to financial services and markets	
9.8	Universal access to information and communications technology	
10.2	Promote universal social, economic and political inclusion	
11.1	Safe and affordable housing	
11.2	Affordable and sustainable transport systems	
12.5	Substantially reduce waste generation	
13.3	Build knowledge and capacity to meet climate change	
14.1	Reduce marine pollution	
14.4	Sustainable fishing	
14.9	Support small scale fishers	
17.1	Strengthen domestic resource mobilization to improve domestic capacity for tax and other revenue collection	

Strengthening Business Resilience		
4.6	Universal literacy and numeracy	• Environmental Impact ○ Energy and Emissions, *page 88* ○ Water Consumption, Discharge, and Effluents, *page 90* ○ Materials and Waste - Managing internal consumption, *page 92* - Circularity in operations, *page 93* - Partnership with BDO Foundation, *page 94* ○ Case Study: Waste Busterrr: Reduce, Reuse, Recycle, *page 94* ○ Case Story: X-Trash Challenge, *page 96* - BDO Resource Consumption, *page 97* - Breakdown of BDO Emissions for Scope 1, 2, 3, *page 98*
4.a	Build and upgrade inclusive and safe schools	
6.3	Improve water quality, wastewater treatment and safe reuse	
6.4	Increase water-use efficiency and ensure freshwater supplies	
7.2	Increase global percentage of renewable energy	
7.3	Double the improvement in energy efficiency	
8.2	Diversify, innovate and upgrade for economic productivity	
9.1	Develop sustainable, resilient and inclusive infrastructure	
12.5	Substantially reduce waste generation	

Pursuing Partnerships for Impact		
5.7	Equal rights to economic resources, property ownership and financial services	• Stakeholder Communication Campaign, *page 116* • Sustainability Engagements and Partnerships ○ Brand Finance: Sustainability Brand Value, *page 117* ○ CNN Philippines: Women Empowerment, *page 119* ○ A.S.P.N. Ano Sa Palagay N'yo?: Climate and Sustainability, *page 119* ○ Smart Recycle: Responsible Waste Management, *page 120*
7.2	Increase global percentage of renewable energy	
7.3	Double the improvement in energy efficiency	
8.2	Diversify, innovate and upgrade for economic productivity	
13.3	Build knowledge and capacity to meet climate change	

Human Capital Sustainability Strategy

Strengthening Business Resilience		
Target		**Section, page**
1.3	Implement social protection systems	• Employee Profile ○ Employee Count, New Hires, Leave Availments, Training and Development, Skills Upgrade, Employee Functions, Gender Diversity by location, level, age group, Occupational Health and Safety, *page 80-81* • Human Capital Development ○ A human-centered culture and organization: BDO Human Resources, *page 82* ○ Driving Equal Opportunity Employment - Labor Relations, *page 83* - Promoting Employee Health and Well-being, *page 83* - Sustaining a Safe Work Environment, *page 84* ○ Nurturing Learning and Development, - Sustainability Capacity-building, *page 84* ○ Capability-Building in Environmental, Social, and Governance (ESG) and Sustainability - Business Upskilling, *page 85* - Driving Talent Development, *page 86* ○ Improving the Employee Experience through Digital Transformation, *page 86* ○ Performing to Sustainability Commitments, *page 87* ○ Employee Volunteer Program, *page 87*
1.4	Equal rights to ownership, basic services, technology and economic resources	
3.4	Reduce mortality from non-communicable diseases and promote mental health	
3.8	Achieve universal health coverage	
4.4	Increase the number of youth and adults with relevant skills for financial success	
4.6	Universal literacy and numeracy	
4.7	Ensure education for sustainable development and global citizenship	
8.3	Promote policies to support job creation and growing enterprises	
8.5	Achieve full and productive employment and decent work for all	
8.8	Protect labor rights and promote safe working environments	
10.2	Promote universal social, economic and political inclusion	
10.4	Adopt fiscal and social policies that promote equality	
14.1	Reduce marine pollution	
15.2	Restore degraded forests and substantially increase afforestation and reforestation	
Pursuing Partnerships for Impact		
4.7	Ensure education for sustainable development and global citizenship	○ Promoting Sustainability Mindset Through Employee Volunteerism, *page 113*
17.16	Enhance the global partnership for sustainable development	

Disaster Response Strategy

Strengthening Business Resilience		
Target		**Section, page**
1.5, 11.5, 13.1	Build resilience to environmental, economic and social disasters	• Sustaining a Safe Work Environment, *page 83*
Pursuing Partnerships for Impact		
1.4	Equal rights to ownership, basic services, technology and economic resources	• Scaling and Mainstreaming Financial Inclusion: BDO Foundation, *page 83* ○ Partnerships with Government Agencies - Online Financial Education Course, *page 105* - Recognitions for Fisherfolk Program, *page 107* ○ Private Sector and LGU Partnerships, *page 108* - Training Program for MSMEs and Persons with Disabilities, *page 109* ○ Disaster Response ○ Increasing adaptation of communities: Rehabilitating RHUs and building classrooms map, *page 109* ○ Rehabilitation of Rural Health Units, *page 110* ○ Construction of a Blood Center, *page 110* ○ Construction of School Buildings, *page 110* ○ Relief Operations, *page 111* ○ A Vegetable Garden for Food Security, *page 111* ○ Christmas Gift-Giving Program, *page 112* - Gift giving and relief operations map, *page 113* - Employee Volunteer Program Map, *page 113*
1.5, 11.5, 13.1	Build resilience to environmental, economic and social disasters	
2.3	Double the productivity and incomes of small-scale food producers	
3.1	Reduce maternal mortality	
3.2	End preventable deaths under 5 years of age	
3.3	Fight communicable diseases	
3.4	Reduce mortality from non-communicable diseases and promote mental health	
4.3	Equal access to affordable technical, vocational and higher education	
4.4	Increase the number of people with relevant skills for financial success	
4.6	Universal literacy and numeracy	
4.a	Build and upgrade inclusive and safe schools	
9.3	Increase access to financial services and markets	
10.2	Promote universal social, economic and political inclusion	
14.1	Reduce marine pollution	
15.2	Restore degraded forests and substantially increase afforestation and reforestation	
16.6	Develop effective, accountable and transparent institutions	
17.16	Enhance the global partnership for sustainable development	

Governance-based Sustainability Strategy

Strengthening Business Resilience		
Target		**Section, page**

5.5	Ensure full participation in leadership and decision-making	• Economic Impact, *page 64*
		• Good Governance to Create a Sustainable Future, *page 65*
		• Our Board of Directors and Governance Structure
		  ○ Board Composition, Screening of Directors, Board Diversity, Selection and Appointment of Senior Executive Management, Review of Bank's Mission, Vision, and Strategic Plans, Sustainability Initiatives, *page 66-68*
		• Improving Board Effectiveness
		  ○ Board Performance, Continuing Education for Directors, Chairperson of the Board, Independent and Non-Executive Directors' Meeting, Board Committees, The Board of Directors, *page 69-73*
		• Independent Control Functions
		  ○ Compliance, *page 73*
		  ○ Internal Audit, *page 74*
		  ○ Compliance with the SEC Code of Corporate Governance, *page 74*
		• Corporate Policies and Practices
		  ○ BDO Code of Conduct and Business Ethics, *page 74*
		  ○ Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities, *page 75*
		  ○ Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, *page 75*
		  ○ Anti-Money Laundering, Counter-Terrorist Financing, and Proliferation Financing (AML Risk Assessment, AML Training, Anti-Online Sexual Abuse and Exploitation of Children, *page 76-77*
		  ○ Tax Governance (including Country-by-country reporting), *page 77*
		  ○ Building Trust on Technology (Data Privacy and Protection, Cybersecurity), *page 78-79*
		• Consumer Protection Practices
		  ○ Board and Management Oversight on Customer Concerns, Enforcement and Monitoring of the Customer Assistance Management System (CAMS), Customer Experience Philosophy, Process for Handling of Customer Concerns, Training for Customer Assistance, Listening to Customers Needs, Customer Contact Center, *page 99-102*
		• Supply Chain and Approach to Procurement, *page 102*
		  ○ Vendor Engagement, *page 103*

16.2	Protect children from abuse, exploitation, trafficking and violence	
16.3	Promote the rule of law and ensure equal access to justice	
16.4	Combat organized crime and illicit financial and arms flows	
16.5	Substantially reduce corruption and bribery	
16.6	Develop effective, accountable and transparent institutions	
16.7	Ensure responsive, inclusive and representative decision-making	
17.1	Mobilize resources to improve domestic revenue collection	
17.16	Enhance the global partnership for sustainable development	

Memberships in Associations

ACI Philippines the Financial Markets Association Inc.

Association of Bank Compliance Officers, Inc.

Association of Bank Remittance Officers, Inc.

Association of Credit Executives in the Tourism Industry Inc.

Association of Philippine Correspondent Bank Officers, Inc.

Australian - New Zealand Chamber of Commerce Phils., Inc.

Bank Marketing Association of the Phils.

Bank Security Management Association of the Philippines Incorporated

Bankers Association of the Philippines

Bankers Institute of the Philippines, Inc.

British Chamber of Commerce of the Philippines, Inc.

Clearing Officers Club, Inc.

Credit Card Association of the Philippines, Inc.

Dutch Chamber of Commerce in the Philippines, Inc.

Employers Confederation of the Phils.

Financial Executives Institute of the Philippines

French Chamber of Commerce in the Philippines - Le Club Inc.

Fund Managers Association of the Phils., Inc. (FMAP)

German-Philippine Chamber of Commerce & Industry Inc.

Information Systems Audit and Control Association, Inc. (ISACA)

Institute of Internal Auditors Philippines, Inc.

International Monetary Conference

IT & Business Process Association of the Philippines, Inc.

Italian Chamber of Commerce in the Philippines, Inc.

Japanese Chamber of Commerce and Industry of Cebu, Inc.

Korean Chamber of Commerce Philippines (KCCP) Inc.

Makati Business Club, Inc.

Malaysia Chamber of Commerce and Industries Philippines, Inc.

Management Association of the Philippines

Money Market Association of the Philippines, Inc. (MART)

National Association of Securities Broker Salesmen, Inc.

Nordic Chamber of Commerce of the Philippines, Inc.

People Management Association of the Philippines, Inc.

Philippine Association of National Advertisers, Inc.

Philippine Association of Stock Transfer and Registry Agencies, Inc.

Philippine Chamber of Commerce & Industry, Inc.

Philippine Payments Management, Inc.

Singapore Philippines Association Inc.

Spanish Chamber of Commerce in the Philippines

The American Chamber of Commerce of the Philippines, Inc. (AMCHAM Philippines)

The Canadian Chamber of Commerce of the Philippines, Inc.

The Japanese Association Manila Inc.

The Japanese Chamber of Commerce and Industry of the Philippines, Inc.

The Philippines-Japan Society, Inc.

Trust Officers Association of the Philippines, Inc.

Sustainability and ESG Awards and Recognition

Platinum Award
(2010–2023)
The Asset ESG Corporate Awards 2022

Top Sustainability Advocates in Asia
(2021–2023)
Asia Corporate Excellence & Sustainability Awards (ACES) 2023

ESG Category – Bronze Award
Qorus Reinvention Awards APAC 2023

Financial Inclusion Initiative of the Year – Philippines
Asian Banking & Finance Retail Banking Awards 2023

Philippines Domestic Health & Wellness Bank of the Year
Philippines Domestic Sustainable Finance Initiative of the Year
Asian Banking & Wholesale Banking Awards 2023

Social Empowerment Category – BDO Foundation
(Financial Education Program for Fisherfolk in the Philippines)
13th Asia Responsible Enterprise Awards (AREA)

BDO Unibank, Asian Excellence awardee
(2011–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

Best Investor Relations Company (Philippines) awardee
(2011–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

Best Corporate Communications awardee
(2014–2015, 2017–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

Asia's Best CSR awardee
(2020–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

3G Best Corporate Governance Framework Award, BDO Unibank
3G Social Empowerment Award, BDO Foundation
Global Good Governance Awards 2023

Four Golden Arrows
ASEAN Corporate Governance Scorecard (ACGS)
2023 Golden Arrow Awards

Best Advance in Sustainability Practices
Retail Banker International Asia Trailblazer Awards 2023

Telecom Acquisition Deal of the Year
(Frontier Towers Associates Philippines PHP50 billion Debt Facilities; Sole lender: BDO Unibank)
The Asset Triple A Sustainable Infrastructure Awards 2023

Asset Management Company of the Year, Philippines (BDO Trust)
(2018–2023)
The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF and Asset Servicing Providers 2023

BDO Capital & Investment Corporation

Project Finance House of the Year
(2015, 2017–2021, 2023)
The Asset Triple A Sustainable Infrastructure Awards 2023

Green Project of the Year
(Sole issue manager for Arthaland Corporation's PHP3 billion Green Bond)
The Asset Triple A Sustainable Infrastructure Awards 2023

Telecom Acquisition Deal of the Year
(Mandated lead arranger for Frontier Towers Associates Philippines' PHP50 billion Debt Facilities)
The Asset Triple A Sustainable Infrastructure Awards 2023

Best Corporate and Institutional Adviser – Domestic
(2006–2023)
The Asset Triple A Sustainable Finance Awards 2024

Best Loan Adviser – Domestic
(2015–2023)
The Asset Triple A Sustainable Finance Awards 2024

Best Equity Deal
(Joint issue manager, joint lead underwriter, and bookrunner for ACEN Corporation's PHP25 billion Preferred Shares)
The Asset Triple A Sustainable Finance Awards 2024

Best Corporate Bond
(Joint issue manager, joint lead underwriter, and joint bookrunner for SM Prime Holdings, Inc.'s PHP33 billion Bonds)
The Asset Triple A Sustainable Finance Awards 2024

Best Acquisition Financing
(Joint issue manager, joint lead underwriter, and joint bookrunner for Aboitiz Equity Ventures Inc.'s PHP17.45 billion Bonds)
The Asset Triple A Sustainable Finance Awards 2024

Best Gender Equality Bond
(Joint mandated lead arranger and bookrunner for ASA Philippines Foundation, Inc.'s PHP5 billion Corporate Notes)
The Asset Triple A Sustainable Finance Awards 2024

Best Sustainability-Linked Loan – Storage and Packaging
(Mandated lead arranger and bookrunner for Goodpack's USD790 million Sustainability Linked Loan)
The Asset Triple A Sustainable Finance Awards 2024

Contact Information 2-3

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The 2023 Sustainability Report can be viewed and downloaded online at www.bdo.com.ph/sustainability-report.

The 2023 Annual Report and the Financial Supplements can be viewed and downloaded online at www.bdo.com.ph/annual-report.

BDO Unibank is regulated by the Bangko Sentral ng Pilipinas. https://www.bsp.gov.ph

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