



Investor Presentation

# BDO 2022 Results

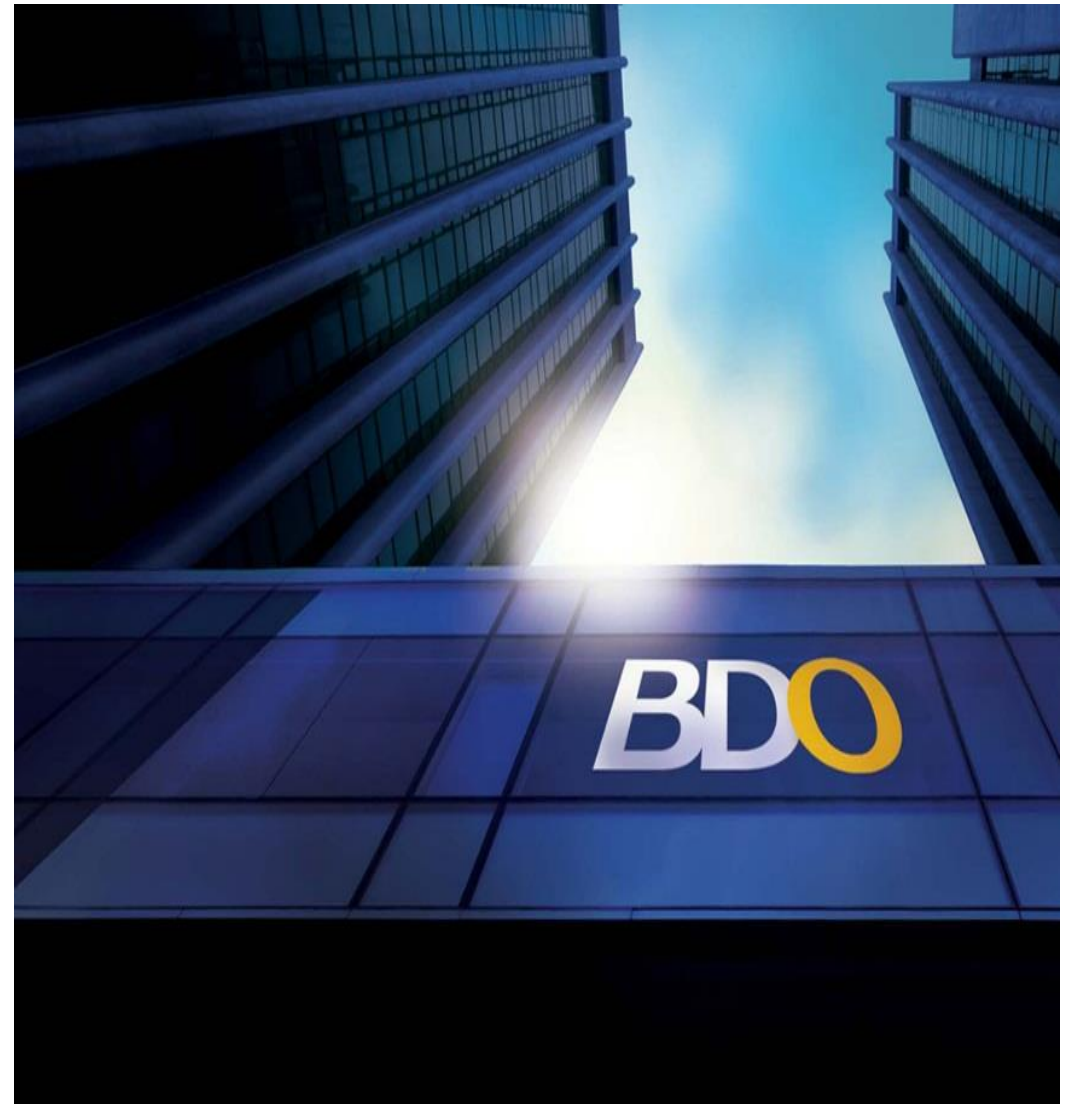
March 2023

# Presentation Outline

- I. Overview
- II. Financial Highlights
- III. Ownership, Board and Management
- IV. Sustainability
- V. Awards and Citations

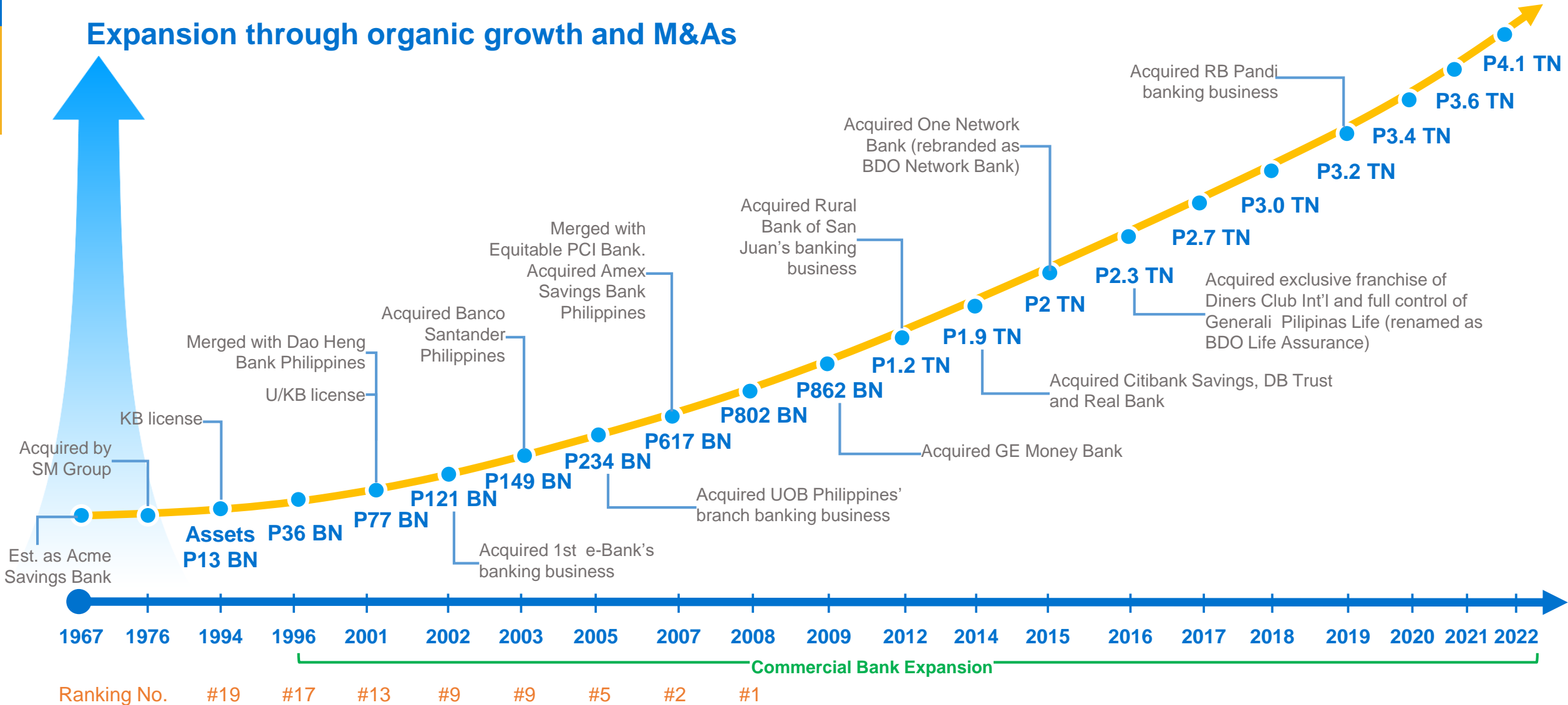
# About BDO

- BDO is a full-service universal bank which provides a wide range of corporate and retail banking services.
- Our services include traditional loan and deposit products, as well as treasury, trust banking, investment banking, private banking, rural banking, cash management, leasing and finance, remittance, insurance, retail cash cards and credit card services.
- We have one of the largest distribution networks, with more than 1,600 operating branches and over 4,600 ATMs nationwide.
- We also have branches in Hong Kong and Singapore as well as 14 other international offices in Asia, Europe, North America and the Middle East.
- Our groundbreaking services in the Philippines include weekend banking and extended banking hours which have been highly acclaimed by the general public
- BDO ranked as the largest bank in terms of total assets, loans, deposits, and trust funds under management based on published statements of condition as of 31 December 2022.



# Milestones

## Expansion through organic growth and M&As



# Full Service Bank

- Complete range of financial products and services

<b>Corporate &amp; Institutional Banking</b>	<b>Leasing &amp; Finance</b>	<b>Consumer Banking</b>	<b>Rural Banking</b>	<b>Branch Banking</b>	<b>Treasury Services</b>
<ul style="list-style-type: none"> <li>➤ Corporate and middle market lending</li> <li>➤ Trade finance</li> <li>➤ Specialized lending</li> <li>➤ Financial institutions</li> <li>➤ Cross-border financing</li> </ul>	<ul style="list-style-type: none"> <li>➤ Direct lease, sale and leaseback arrangements</li> <li>➤ Installment paper purchases</li> <li>➤ Receivable discounting and factoring</li> </ul>	<ul style="list-style-type: none"> <li>➤ Auto</li> <li>➤ Mortgage</li> <li>➤ Credit cards</li> <li>➤ Personal loans</li> <li>➤ Merchant payment processing</li> </ul>	<ul style="list-style-type: none"> <li>➤ Salary loans</li> <li>➤ MSME loans</li> <li>➤ Deposit products</li> <li>➤ Cash management</li> <li>➤ Remittances</li> </ul>	<ul style="list-style-type: none"> <li>➤ Deposit &amp; related products</li> <li>➤ Over-the-counter transactions</li> <li>➤ Cross-selling distribution platform</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fixed income dealership</li> <li>➤ Foreign exchange transactions</li> <li>➤ Portfolio management</li> <li>➤ Liquidity management</li> </ul>
<b>Trust Banking</b>	<b>Private Banking</b>	<b>Investment Banking</b>	<b>Stock Brokerage</b>	<b>Insurance</b>	<b>Transaction Banking</b>
<ul style="list-style-type: none"> <li>➤ Investment management</li> <li>➤ Unit investment trust funds</li> <li>➤ Living trusts</li> <li>➤ Retirement funds</li> <li>➤ Special trusts / custodianship</li> </ul>	<ul style="list-style-type: none"> <li>➤ Wealth advisory</li> <li>➤ Customized portfolio management</li> </ul>	<ul style="list-style-type: none"> <li>➤ Underwriting &amp; distribution of fixed income &amp; equity securities</li> <li>➤ Financial advisory</li> <li>➤ Project finance</li> <li>➤ Loan syndication</li> </ul>	<ul style="list-style-type: none"> <li>➤ Equities trading</li> <li>➤ Online stock trading</li> </ul>	<ul style="list-style-type: none"> <li>➤ Brokerage (property &amp; casualty)</li> <li>➤ Bancassurance (individual &amp; group life insurance)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Cash mgt</li> <li>➤ Electronic banking</li> <li>➤ ATMs</li> <li>➤ Prepaid cards</li> <li>➤ Merchant acquiring</li> <li>➤ Remittances</li> </ul>

# Business Franchise

Market-leading positions in almost all business lines



**#1**  
Customer  
Loans



**#1**  
Deposits



**#1**  
Assets Under  
Management



**#1**  
Remittances



**#1**  
Credit Cards<sup>1</sup>



Major Player in  
Cash  
Management<sup>3</sup>



**#1**  
Investment  
Banking<sup>4</sup>



**#1**  
Private  
Banking



**#1**  
Microfinance



**#1**  
Insurance  
Brokerage<sup>5</sup>



Leading Trade  
Services  
Provider<sup>2</sup>

Notes:

1 In terms of cardholder base, merchant acquiring gross billings, and credit card receivables

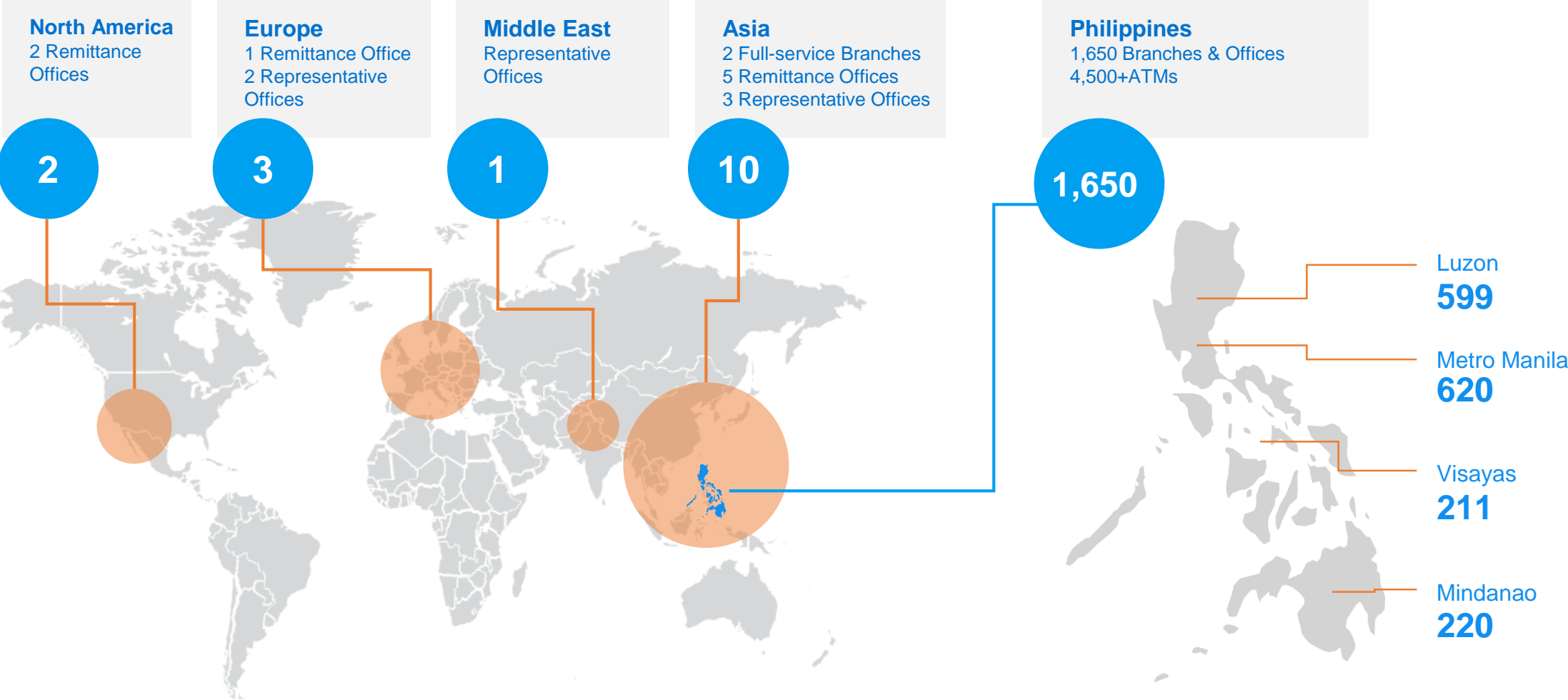
2 According to Asian Banking and Finance, Global Finance

3 According to Alpha South East Asia, Asian Banking and Finance, The Asset

4 In terms of debt and equity capital markets corporate issuances, excluding banks' stock rights offers

5 Among insurance brokers in terms of premiums produced and commissions earned

# Wide and Extensive Coverage in Key Areas



\* As of 31 December 2022

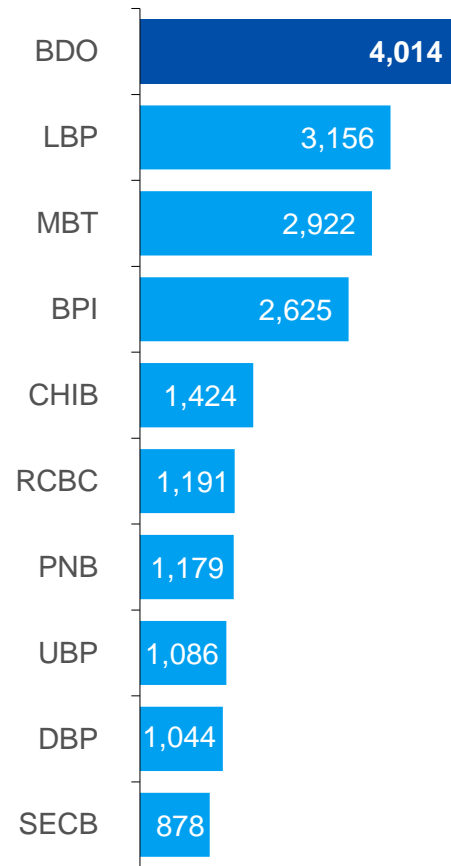
# Industry Ranking

## No. 1 among Philippine banks

### Total Assets

(PHP bn)

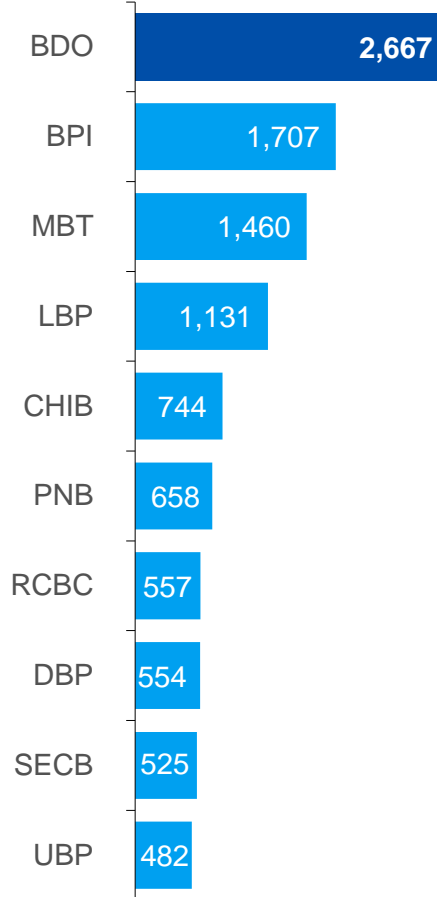
Market Share 18%



### Gross Customer Loans

(PHP bn)

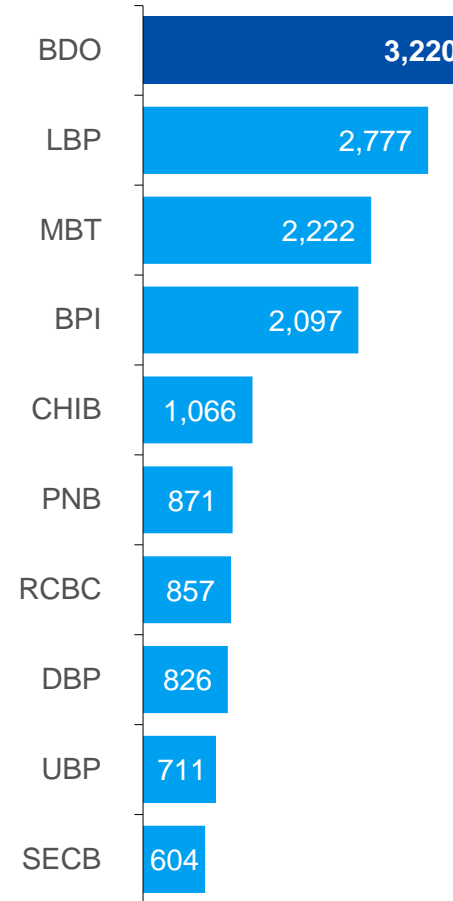
Market Share 22%



### Customer Deposits

(PHP bn)

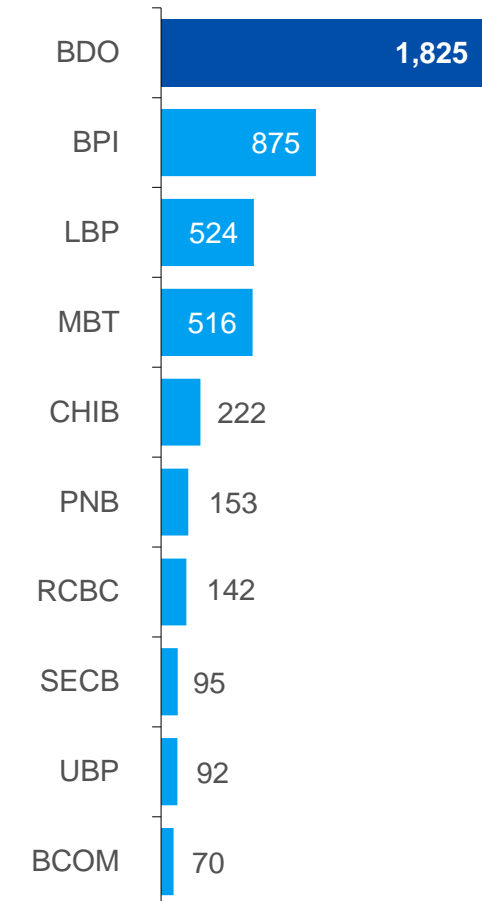
Market Share 19%



### Assets Under Management

(PHP bn)

Market Share 39%



Notes:

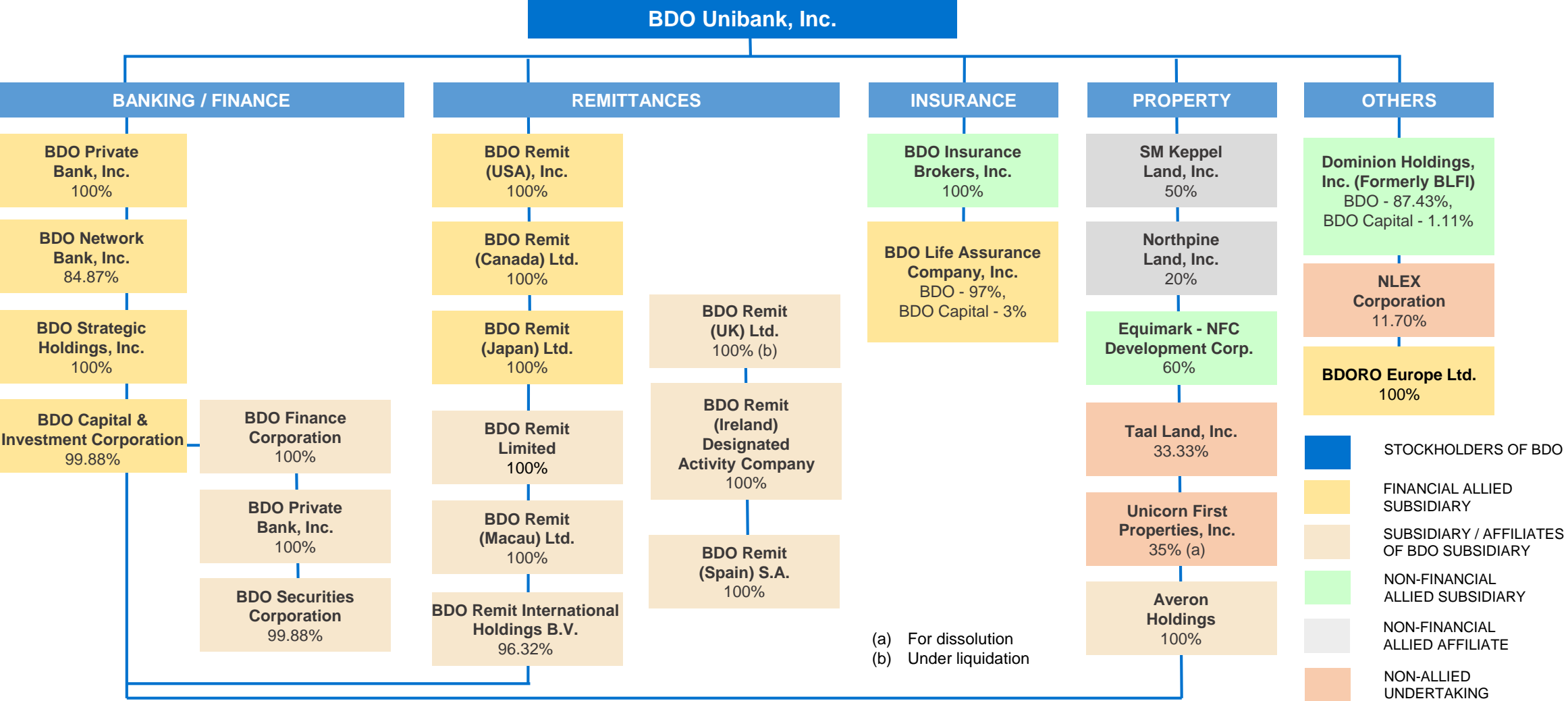
Ranking and market share based on compilation of consolidated published statements of condition (SOC) of U/KBs as of 31 December 2022.

\*Financials prepared by banks under BSP's SOC requirements differ slightly from reported financials under SEC guidelines due to certain differences in accounting rules followed by the two authorities.



# Organizational Structure

- With equity investments in allied and non-allied enterprises



# Credit Ratings

	Moody's	Fitch
	3-June-2022	13-Dec-2022
<b>Outlook</b>	Stable	Negative
<b>Bank Deposits (Foreign/Local)</b>		
Long Term	Baa2	BBB-
Short Term	P-2	F3
<b>Senior Unsecured debt (Foreign)</b>	Baa2	BBB-
<b>Other Short Term</b>	(P)P-2	
<b>BCA/Viability Rating</b>		
Baseline Credit Assessment (BCA)	baa2	
Adjusted BCA Rating	baa2	
Viability Rating		bb+
<b>Counterparty Risk Rating (CRR)* (Foreign/Local)</b>		
Long Term	Baa1	
Short Term	P-2	
<b>Counterparty Risk (CR) Assessment (Local)</b>		
Long Term	Baa1(cr)	
Short Term	P-2 (cr)	
<b>Government Support Rating</b>		bbb-
<i>Source: Moody's, Fitch</i>		

# Trading Fact Sheet

Stock Details	
Type	Common Shares
Stock Ticker	BDO
ISIN	PHY077751022
Exchange	Philippine Stock Exchange
Par Value	P10.00
Outstanding No. of Shares*	5,264,204,036
Foreign Ownership	Up to 40%

American Depositary Receipts (ADR) Program Details	
Type	Sponsored Level 1 ADR
ADR Ticker	BDOUY
ISIN	US05537Y3045
Ratio	1 ADR = 10 Ordinary Shares
Depository Bank	Deutsche Bank Trust Company Americas
Contact Details	
ADR Broker Helpline	
Tel (New York)	+ 1 212 250 9100
Tel (London)	+ 44 207 547 6500
Email	<a href="mailto:adr@db.com">adr@db.com</a>
ADR website	<a href="http://www.adr.db.com">www.adr.db.com</a>
Depository Bank's Local Custodian	Deutsche Bank AG, Manila

\*as of March 1, 2023

# Presentation Outline

I. Overview

▶ II. Financial Highlights

III. Ownership, Board and Management

IV. Sustainability

V. Awards and Citations

# 2022 P&L

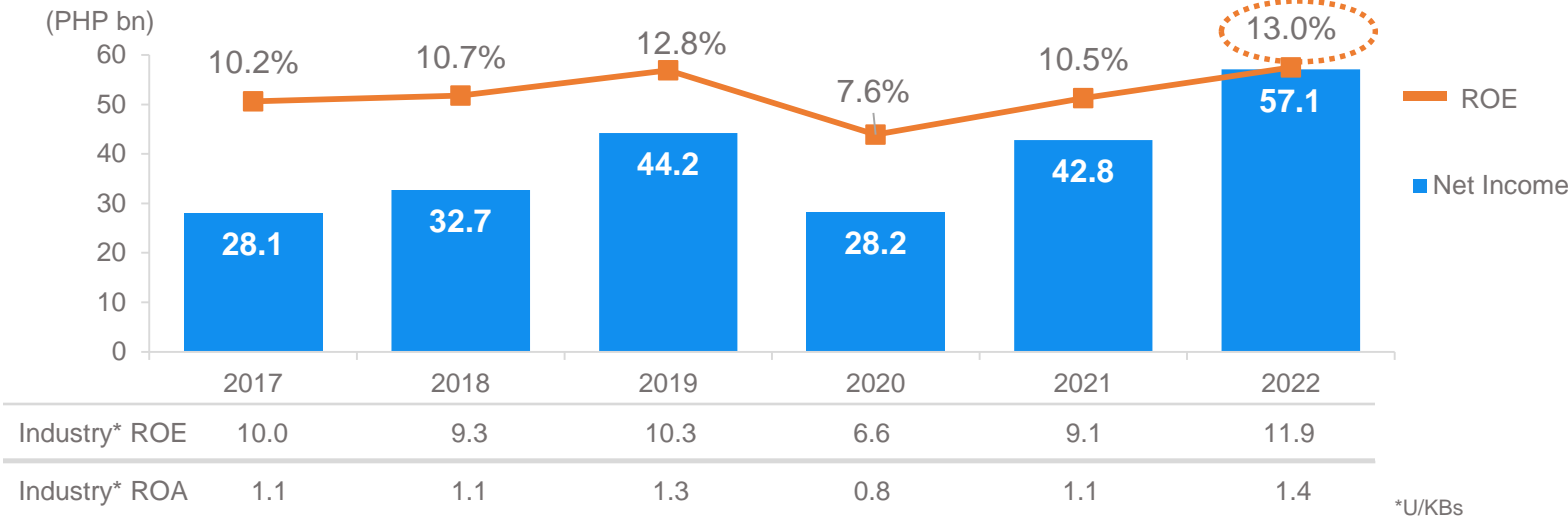
BDO Conso			
(PHP bn)	2022	2021	YoY%
Interest Income	169.1	144.9	17%
Interest Expense	19.8	13.5	47%
<b>Net Interest Income</b>	<b>149.2</b>	<b>131.3</b>	<b>14%</b>
<b>Non-interest Income</b>	<b>71.5</b>	<b>61.4</b>	<b>17%</b>
Fee Income	43.1	34.8	24%
Insurance Premiums	18.9	18.1	4%
Trading & FX	5.5	3.8	42%
Others	4.0	4.5	-11%
<b>Gross Operating Income</b>	<b>220.8</b>	<b>192.7</b>	<b>15%</b>
<b>Operating Expense</b>	<b>131.2</b>	<b>119.9</b>	<b>9%</b>
<b>Pre-Provision Operating Profit</b>	<b>89.6</b>	<b>72.8</b>	<b>23%</b>
Provisions	16.4	17.1	-4%
<b>Net Income Before Tax</b>	<b>73.2</b>	<b>55.8</b>	<b>31%</b>
Taxes	16.0	12.9	24%
<b>Net Income</b>	<b>57.1</b>	<b>42.8</b>	<b>33%</b>
<b>Return on Common Equity</b>	<b>13.0%</b>	<b>10.5%</b>	

# Balance Sheet

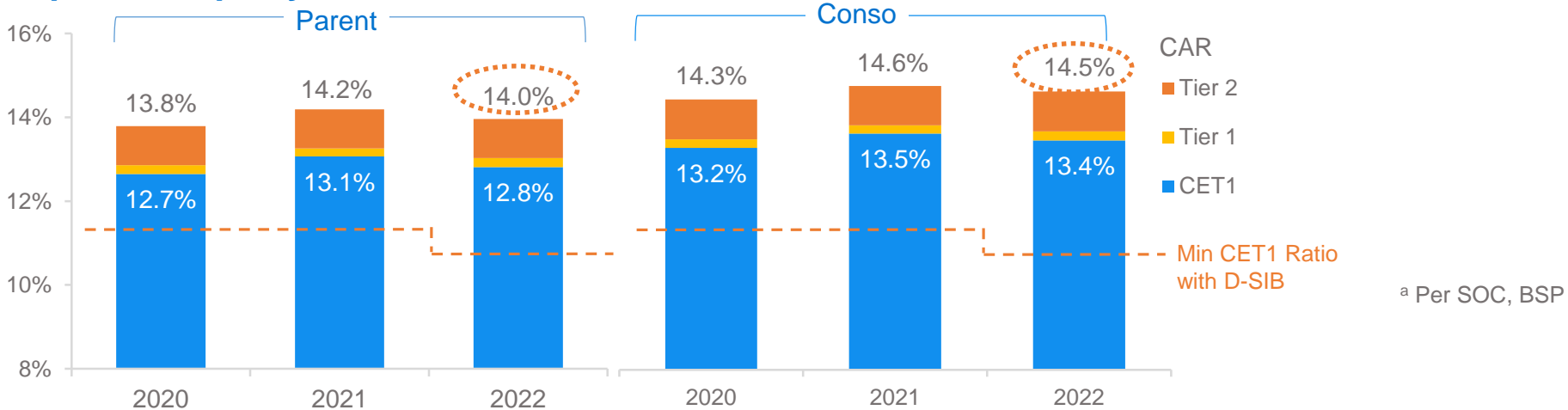
(PHP bn)	BDO Conso		
	2022	2021	YoY%
<b>Resources</b>			
Reserve Assets	669.5	551.9	21%
Investment Securities	722.8	616.3	17%
Gross Customer Loans	2,613.8	2,400.2	9%
Investment Properties	21.2	18.8	13%
Other Assets	47.9	36.6	31%
<b>Total Resources</b>	<b>4,074.7</b>	<b>3,623.7</b>	<b>12%</b>
<b>Liabilities</b>			
Deposits	3,220.9	2,820.9	14%
CASA	2,536.9	2,404.8	5%
Bills Payable/Sub-Debt	198.9	204.4	-3%
Insurance Contract Liabilities	64.4	65.3	-1%
Other Liabilities	129.1	108.5	19%
<b>Total Liabilities</b>	<b>3,613.3</b>	<b>3,199.2</b>	<b>13%</b>
<b>Total Capital</b>	<b>461.5</b>	<b>424.5</b>	<b>9%</b>
<b>Total Liabilities &amp; Capital</b>	<b>4,074.7</b>	<b>3,623.7</b>	<b>12%</b>

# Capital & Profitability

## Net Income & ROE



## Capital Adequacy Ratio<sup>a</sup>



# Income Statement

(PHP bn)	2017	2018*	2019*	2020	2021	2022
Interest Income	99.8	129.0	160.6	157.0	144.9	169.1
Interest Expense	18.0	30.7	40.7	23.3	13.5	19.8
<b>Net Interest Income</b>	<b>81.8</b>	<b>98.3</b>	<b>119.9</b>	<b>133.7</b>	<b>131.3</b>	<b>149.2</b>
<b>Non-interest Income</b>	<b>47.2</b>	<b>50.4</b>	<b>60.1</b>	<b>55.2</b>	<b>61.4</b>	<b>71.5</b>
Fee Income	28.9	30.7	35.3	28.6	34.8	43.1
Insurance Premiums	9.9	11.8	14.8	15.0	18.1	18.9
Trading & FX	3.9	2.9	5.2	7.3	3.8	5.5
Others	4.5	5.0	4.9	4.3	4.5	4.0
<b>Gross Operating Income</b>	<b>129.0</b>	<b>148.7</b>	<b>180.0</b>	<b>188.9</b>	<b>192.7</b>	<b>220.8</b>
<b>Operating Expenses</b>	<b>84.9</b>	<b>98.8</b>	<b>114.6</b>	<b>112.6</b>	<b>119.9</b>	<b>131.2</b>
<b>Pre-Provision Operating Profit</b>	<b>44.1</b>	<b>49.9</b>	<b>65.4</b>	<b>76.3</b>	<b>72.8</b>	<b>89.6</b>
Provisions	6.5	6.3	6.2	30.2	17.1	16.4
Income bef. Pre-Acquisition	37.6	43.6	59.2	46.0	55.8	73.2
<b>Pre-Acquisition Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxes	9.5	11.0	15.0	17.8	12.9	16.0
<b>Net Income</b>	<b>28.1</b>	<b>32.7</b>	<b>44.2</b>	<b>28.2</b>	<b>42.8</b>	<b>57.1</b>

Note: \* Restated 2018 and 2019 to align with 2020 AFS presentation of netting out BDO Life VUL-related policy reserves in trading line.



# Balance Sheet

(PHP bn)	2017	2018	2019	2020	2021	2022
<b>Resources</b>						
Reserve Assets	509.7	534.4	450.7	532.2	551.9	669.5
Investment Securities	332.9	385.2	435.9	508.8	616.3	722.8
Gross Customer Loans	1,754.9	2,020.1	2,208.1	2,263.7	2,400.2	2,613.8
Investment Properties	18.0	19.8	16.9	15.9	18.8	21.2
Other Assets	52.5	62.8	77.3	54.4	36.6	47.9
<b>Total Resources</b>	<b>2,668.1</b>	<b>3,022.2</b>	<b>3,188.9</b>	<b>3,374.9</b>	<b>3,623.7</b>	<b>4,074.7</b>
<b>Liabilities</b>						
Deposits	2,121.0	2,420.0	2,485.2	2,610.2	2,820.9	3,220.9
Bills Payable/Sub-debt	140.5	153.7	177.6	209.7	204.4	198.9
Insurance Contract Liab.	26.0	28.5	42.5	58.4	65.3	64.4
Other Liabilities	82.3	92.0	113.0	103.6	108.5	129.1
<b>Total Liabilities</b>	<b>2,369.8</b>	<b>2,694.1</b>	<b>2,818.3</b>	<b>2,981.9</b>	<b>3,199.2</b>	<b>3,613.3</b>
<b>Total Capital</b>	<b>298.3</b>	<b>328.1</b>	<b>370.6</b>	<b>393.0</b>	<b>424.5</b>	<b>461.5</b>
<b>Total Liabilities &amp; Capital</b>	<b>2,668.1</b>	<b>3,022.2</b>	<b>3,188.9</b>	<b>3,374.9</b>	<b>3,623.7</b>	<b>4,074.7</b>

# Financial Performance Indicators

	2017	2018	2019	2020	2021	2022
<b>Profitability</b>						
Return on Ave. Common Equity	10.2%	10.7%	12.8%	7.6%	10.5%	13.0%
Return on Average Assets	1.1%	1.1%	1.4%	0.9%	1.2%	1.5%
<b>Margins and Liquidity</b>						
Net Interest Margin (NIM)	3.5%	3.6%	4.2%	4.4%	4.0%	4.1%
Loan to Deposit Ratio	82.7%	83.5%	88.8%	86.7%	85.1%	81.2%
Liquid Assets to Total Assets	31.6%	30.4%	27.8%	30.8%	32.2%	34.2%
Liquidity Coverage Ratio (LCR)			108.4%	127.1%	145.4%	140.7%
<b>Cost Efficiency</b>						
Cost to Income Ratio	65.8%	66.4%	63.7%	59.6%	62.2%	59.4%
Cost to Assets Ratio	3.4%	3.5%	3.7%	3.4%	3.4%	3.4%
<b>Asset Quality</b>						
NPL Ratio	1.09% <sup>a</sup>	0.96% <sup>a</sup>	1.13% <sup>a</sup>	2.65% <sup>a</sup>	2.80% <sup>a</sup>	1.95% <sup>a</sup>
NPL Cover	149.6%	188.7% <sup>b</sup>	168.5% <sup>b</sup>	109.5% <sup>b</sup>	111.2% <sup>b</sup>	166.7% <sup>b</sup>
<b>Capital and Leverage<sup>c</sup></b>						
	<i>Basel III</i>					
CET1	12.9%	12.1%	12.6%	13.2%	13.5%	13.4%
Tier 1 Ratio	13.1%	12.3%	12.8%	13.4%	13.7%	13.6%
Capital Adequacy Ratio (CAR)	14.5%	13.7%	14.2%	14.3%	14.6%	14.5%
Basel III Leverage Ratio (BLR)			10.0%	10.2%	10.3%	9.8%

<sup>a</sup> Per BSP Circ. 941

<sup>b</sup> Per BSP Circ. 1011

<sup>c</sup> Per SOC, BSP

# Presentation Outline

- I. Overview
- II. Financial Highlights
- ▶ III. Ownership, Board and Management
- IV. Sustainability
- V. Awards and Citations

# Shareholder Structure

- Majority owned by the SM Group

As of 31 December 2022

Name	Nationality	Shareholdings	Percentage of Ownership
SM Investments Corp.	Filipino	2,101,116,778	39.91%
PCD Nominee	Foreign	1,085,628,663	20.62%
PCD Nominee	Filipino	1,481,294,273	28.14%
Multi-Realty Development Corporation	Filipino	339,468,276	6.45%
SM Prime Holdings	Filipino	108,029,274	2.05%
<b>Sub-Total, Top Shareholders</b>		<b>5,115,537,264</b>	<b>97.18%</b>
<b>Total Outstanding Shares*</b>		<b>5,264,126,605</b>	<b>100.00%</b>

Source: BDO Top 100 Shareholders

\*Number of shares outstanding subsequently increased to 5,264,204,036 as of March 1, 2023 due to the purchase of additional common shares by the Bank's eligible senior officers pursuant to the Bank's employee stock option/grant program.

# The SM Group

Harnessing synergies with the country's largest conglomerate



## Retail

Largest local retail chain with 3,512 stores nationwide (72 The SM Store, 1,611 specialty retail outlets, 65 SM Supermarkets, 54 SM Hyper-markets, 1 Mindpro, 215 Savemore, 82 WalterMart, and 1,412 Alfamart).

## Financial Services

Biggest domestic banking operations  
Interests in BDO and China Bank

## Property

- One of the leading property developers in South East Asia with strong presence in lifestyle mall operations and residential developments
- Dominant domestic mall developer/operator - 82 malls in the Philippines with GFA of 9.0 mn sqm (with 7 more malls in China).

## Access to SM's customer network

- Over 18,000 PHL tenants
- More than 9,500 suppliers
- 4.4 million average daily foot traffic (pre-pandemic, not including China)
- In-house business
- Home mortgage financing for SM property projects

## New business opportunity

- Goodwill from the SM franchise
- Joint product development

## SM expertise

- Middle market knowledge
- Expertise in retail market and real estate

## Branch locations

- Branches, ATMs in SM malls

# Board of Directors

- One of the strongest Board of Directors in the industry with extensive banking and finance, legal and business backgrounds
- Independent directors comprise 5 out of the 11-member Board

## Experienced Bankers

Eight directors have an average of 37 years of banking experience, including a former Partner and Head of Asia Financials Research at Goldman Sachs and former CIO in PPP Advisory Services at IFC

## Successful Entrepreneurs

Two directors are successful businesspersons who have made their mark in their respective fields

## Legal Expertise

One director has more than 40 years' experience in public and private legal practice

# Board of Directors

- With broad business and professional experience



**TERESITA T. SY**  
**CHAIRPERSON**

- First appointed to the Board in 1977
- Serves as Director in multiple subsidiaries of BDO
- Vice Chairperson of SMIC and Director of other SM Group companies, including Multi-Reality Dev. Corp.



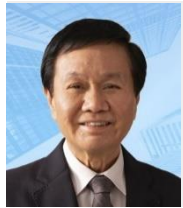
**JOSEFINA N. TAN**  
**NON-EXECUTIVE DIRECTOR**

- First appointed to the Board in 2007
- Former President of BDO Private Bank
- Former Director of EPCIB from 2005 to 2007
- Former Director of Banco de Oro from 2001 to 2005



**ESTELA PERLAS - BERNABE**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2022
- Former Senior Associate Justice of the Supreme Court of the Philippines
- With more than 40 years' experience in public and private legal practice



**JESUS A. JACINTO, JR.**  
**VICE CHAIRMAN**

- First appointed to the Board in 1996
- Chairman and President of BDO Insurance Brokers
- Chairman and President of Jaces Corp.
- President of Janil Realty, Inc. and JAJ Holdings
- MBA Columbia University



**WALTER C. WASSMER**  
**NON-EXECUTIVE DIRECTOR**

- First appointed to the Board in 2022
- Former head of BDO Institutional Banking Group
- Former Director of Dominion Holdings, BDO Finance Corporation, and BDO Capital & Investment Corporation
- Former Chairman and OIC of BDO Elite Savings Bank, Inc.



**VIPUL BHAGAT**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2022
- Independent board advisor of BDO Unibank & Independent advisor to BDO Risk Mgt. & Corp. Gov. Committees
- Former CIO in PPP Advisory Services Department at IFC in Washington, DC.



**NESTOR V. TAN**  
**PRESIDENT AND CEO**

- First appointed to the Board in 1998
- Former COO of the Financial Institution Services Group of BZW, the investment banking subsidiary of the Barclays Group
- Holds Directorships of numerous BDO subsidiaries
- MBA Wharton School



**DIOSCORO I. RAMOS**  
**LEAD INDEPENDENT DIRECTOR**

- First appointed to the Board in 2016 and appointed lead independent director in 2021
- CIO of RY&S Investments Ltd., Hong Kong since 2011
- Former Partner and Head of Asia Financials Research from 1994 to 2011 at Goldman Sachs



**VICENTE S. PEREZ, JR.**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2019
- Served as Secretary of the Department of Energy 2001-2005
- Chairman of Altenergy and Solar Pacific
- MBA Wharton School



**JONES M. CASTRO, JR.**  
**NON-EXECUTIVE DIRECTOR**

- First appointed to the Board in 2012
- Served as Head for South Asia and SEA at Wells Fargo Bank
- MBA Stanford University



**GEORGE T. BARCELON**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2019
- Currently Chairman of the Philippine Chamber of Commerce and Industry
- The visionary behind Integrated Computer Systems Inc., a Top 1000 company

# Senior Management Team

- With extensive professional banking expertise



**NESTOR V. TAN**

**President and CEO**

- With BDO since 1997
- Over 39 years of banking experience

## INTERMEDIATION



**CECILIA LUZ L. TAN**

**Lead Co-head of Business Lending**

- With BDO since 2014
- Over 40 years of banking experience



**JAIME C. YU**

**Head of Branch Banking**

- With BDO since 1997
- Over 37 years of banking experience



**GERARD LEE B. CO**

**Co-head of Business Lending**

- With BDO since 1993
- Over 29 years of banking experience



**DALMACIO D. MARTIN**

**Head of Treasury**

- With BDO since 2009
- Over 33 years of banking experience



**JEANETTE S. JAVELLANA**

**Co-head of Business Lending**

- With BDO since 2001
- Over 22 years of banking experience



**JESUS ANTONIO S. ITCHON**

**President of BDO Network Bank, Inc.**

- With BDO since Sep. 15, 2017
- Over 33 years of banking experience



**ROLANDO C. TANCHANCO**

**Head of Consumer Banking**

- With BDO since 2004
- Over 28 years banking experience

## SERVICES



**RAFAEL G. AYUSTE JR.**

**Head of Trust and Investments**

- With BDO since 2014
- Over 32 years of banking experience



**MARIA THERESA L. TAN**

**General Manager of BDO Insurance, Inc.**

- With BDO since 2009
- 25-year banking and insurance experience



**EDUARDO V. FRANCISCO**

**Head of Investment Banking**

- With BDO since 1999
- 33 years banking experience



**RENATO A. VERGEL DE DIOS**

**President & CEO of BDO Life Assurance Co. Inc.**

- With BDO since 2016
- Over 43 years of experience in insurance



**ALBERT S. YEO**

**President of BDO Private Bank, Inc.**

- With BDO since 2017
- Over 35 years banking experience



# Senior Management Team, continued

- With extensive professional banking expertise



**NESTOR V. TAN**  
**President and CEO**  
 > With BDO since 1997  
 > Over 39 years of banking experience

## CORPORATE SUPPORT




**LUCY CO DY**  
**Head of Comptrollership**  
 > With BDO since 1985  
 > Over 33 years of banking experience



**JOSEPH ALBERT L. GOTUACO**  
**Head of Central Operations Group**  
 > With BDO since 2019  
 > Over 32 years of banking experience



**EVELYN C. SALAGUBANG**  
**Head of Human Resources**  
 > With BDO since 2011  
 > Over 28 years experience in HR



**ALVIN C. GO**  
**Head of Legal Services**  
 > With BDO since 2013  
 > In the practice of law for 33 years



**LAZARO JEROME C. GUEVARRA**  
**Chief of Staff, Office of the President**  
 > With BDO since 2001  
 > Over 32 years of banking experience



**FEDERICO P. TANCONGO**  
**Head of Compliance and Legal Services**  
 > With BDO since 2005  
 > Over 27 years of banking experience



**FREDERIC MARK S. GOMEZ**  
**Head of Information Technology**  
 > With BDO since 2017  
 > Over 32 years financial services experience



**ESTRELLITA V. ONG**  
**Head of Internal Audit**  
 > With BDO since 2012  
 > Over 26 years experience in audit




**EVELYN L. VILLANUEVA**  
**Head of Risk Management**  
 > With BDO since 2002  
 > Over 33 years of banking experience



**LUIS S. REYES JR.**  
**Head of Investor Relations and Corporate Planning**  
 > With BDO since 2003  
 > Over 42 years of banking experience

# Presentation Outline

- I. Overview
- II. Financial Highlights
- III. Ownership, Board and Management
-  IV. Sustainability
- V. Awards and Citations

# 2021 Sustainability Report

## BDO Sustainability Philosophy

- We seek to achieve strategic resilience by incorporating sustainability in the way we do business.
- We aim to embed sustainability principles when making decisions, assessing relationships, and creating products.

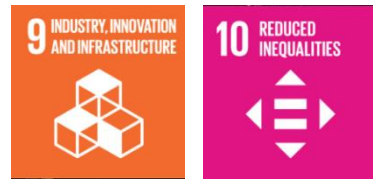
Fourth Sustainability Report outlining the Bank's ESG performance



Access the [2021 BDO Sustainability Report](http://www.bdo.com.ph) at [www.bdo.com.ph](http://www.bdo.com.ph).

# Translating Goals Into Actions

## United Nations Sustainable Development Goals



### Product Sustainability



#### Kabuhayan Loan

- Zero Collateral
- Affordable loans from PHP30k to PHP1M
- Over 50% MSMEs financed are women-owned

- **BDO Pay**
- **1,205 Biometrics-enabled ATMs** nationwide
- **BDO ESG Equity Fund** (The first ESG-themed Unit Investment Trust Fund)



### Sustainability Contribution to National Economic Goals

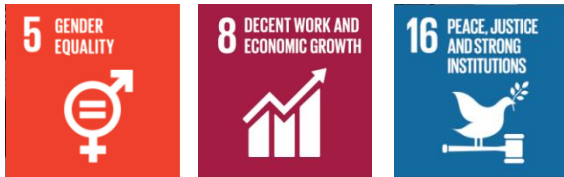
- **PHP548 bn in Sustainable Finance projects**
- **Financial Education Programs** for financial inclusion
- **BDO Network Bank** provides MSME financing and salary loans for public school teachers



As of 2021	Solar	Wind	Hydro	Biomass	Geothermal
Installed capacity (MW)	369	75	433	164	1,189

# Translating Goals Into Actions

## United Nations Sustainable Development Goals



### Human Capital Sustainability

- **38,873 employees** nationwide and abroad; **75% females** in the workforce
- **59% female** representation in **senior leadership**
- **48% employees** covered by **Collective Bargaining Agreement**



### Disaster Response Sustainability

<b>Relief Operations</b>	Served more than 49,000 calamity-stricken families
<b>Rural Health Units</b>	121 rehabilitated to benefit 6.5mn individuals
<b>COVID-19 Pandemic Response</b>	Served 16,750 families, 2,055 health workers and 1,800 vaccinees
<b>Tech-Voc Training Facility</b>	>140 students stand to benefit every year



### Governance-Based Sustainability

- **BDO's commitment to sustainability is fostered at the Board Level**
- **Asia's Top Sustainability Advocates** (2021 Asia Corporate Excellence & Sustainability (ACES) Awards)
- **PH's Top 20 publicly-listed companies scoring highest in corporate governance** (ASEAN Corporate Governance Scorecard) **Platinum Awardee for the 12th consecutive year** (The Asset's 2020 ESG Corporate Awards)



# Sustainable Finance Leader since 2010

The first local bank to establish (in 2010) the risk-based Social and Environmental Management System (SEMS) policy in the country in partnership with the IFC

**Green Bond** (USD150 million) in 2018:  
maiden issuance in the Philippines and East Asia Pacific

**ASEAN Sustainability Bond** (PHP52.7 billion) in 2022:  
largest issuance for any Philippine company

**Blue Bond** (USD100 million) in 2022:  
first commercial bank issuance in Southeast Asia

# Sustainable Finance Framework

## Objectives

- Achieve strategic resilience by incorporating sustainability in the way BDO conducts business
- Integrate environmental, social and governance (ESG) and sustainability principles in financial products and services
- Embed sustainability principles when making decisions, assessing relationships and creating products
- Align business operations with the SDGs
- Support the principles of the United Nations Global Compact
- Strengthen leadership in Responsible Finance locally, regionally, and globally

Access the [BDO Sustainable Finance Framework](http://www.bdo.com.ph) at [www.bdo.com.ph](http://www.bdo.com.ph).

## Use of Proceeds

The net proceeds of Green/Sustainability Bonds will finance or refinance eight (8) eligible green, blue, sustainability and social projects based on:

- ICMA Green Bond Principles
- ICMA Social Bond Principles,
- ICMA Sustainability Bond Principles
- ASEAN Green Bond Standards
- ASEAN Green, Social, Sustainability Bond Standards
- LMA, APLMA Green Loan Principles
- IFC Guidelines for Blue Finance

## Four Components

- Use of Proceeds
- Project Evaluation and Selection Process
- Management of Proceeds
- Reporting and External Review

## Environmental Project Category

- 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 Waste Water Management

## Blue Project Category

- Sustainable Water and Waste Water Management
- Offshore Renewable Energy

## Social Project Category

- Employment Generation
- Food Security

## Exclusion List

- Production or trade in weapons and munition<sup>3</sup>
- Online gaming and equivalent enterprises
- Hydroelectric plant with weir height >50m
- Illegal logging, illegal mining, illegal fishing, forced labor and child labor
- Production of tobacco products and palm oil
- Fossil-fuel power generation or transmission, and activities dedicated to support expansion of fossil fuel-based technologies

# Certified by Sustainalytics

## Green Bond Framework:

*“BDO’s Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles (2021), Social Bond Principles (2021), Green Loan Principles (2021) and the ASEAN Sustainability Bond Standards (2018).”*

## Blue Finance Framework:

The SPO also confirms alignment with the International Capital Market Association (ICMA) Green Bond Principles as well as the IFC’s recently released Blue Finance Guidelines.

\* A leading independent Environmental, Social and Governance (ESG) research and ratings provider

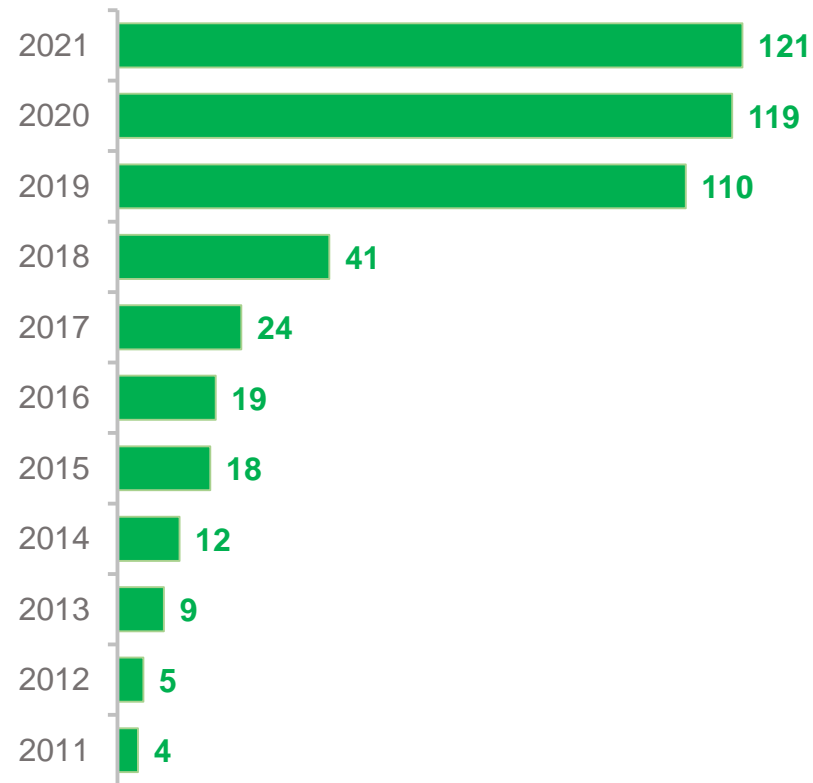


# Translating Goals Into Actions

The SEF program financed renewable energy, energy efficiency and green building projects

## BDO Sustainable Energy Finance

(Php bn)



**2,230 MW**

Total installed renewable energy capacity in megawatts



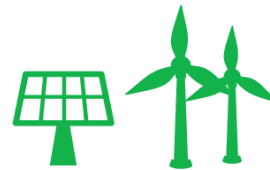
**4,266,687**

Tonnes Carbon dioxide avoided per year



**70,550,565**

Equivalent tree seedlings grown over 10 years



**PHP548 bn**

Total sustainable finance projects funded to date



**905,887**

Equivalent passenger vehicles taken off roads yearly



Renewable Energy projects funded to date

# Energy Transition Finance Statement



## FINANCING

 **Since 2019**  
No new coal-fired powerplant capacity

 **Sustainable Finance Program**  
More renewable energy projects

## DIVESTMENT

 **By 2033**  
Reduce coal exposure\* by 50%

 Coal exposure\* **does not exceed 2%** of loan portfolio  
\*Coal exposure refers to the term loans and does not include short-term working capital.

 **Risk Assessment and Due Diligence**  
Increased requirements for customers with coal and fossil fuel investments

## CAVEATS

 **In the event of an energy crisis**  
BDO may reconsider extending capital for coal projects, to support the country's social goals

## ENERGY TRANSITION SUPPORT

 **Expand Sustainable Finance**  
For renewable energy capacity and GHG avoidance

 **Provide access to capital**  
Support customer's transition to lower GHG emissions  
Support communities affected by the energy transition

## CLIMATE-RELATED DISCLOSURE AND TRANSPARENCY



TCFD


Report progress based on Task Force on Climate-related Financial Disclosures (recommendations)

## OVERALL GOAL/RESULT

 **Increased renewable energy capacity**  
**Decreased GHG emission**



# Presentation Outline

- I. Overview
- II. Financial Highlights
- III. Ownership, Board and Management
- IV. Sustainability
-  V. Awards and Citations

# Awards & Recognition

## Best Bank in the Philippines

**Alpha Southeast Asia**  
(2010-2016, 2018, 2020-2022)

**AsiaMoney**  
(2020)

**The Asian Banker**  
(2022)

**The Asset**  
(2011, 2013-2021)

**The Banker**  
(2021)

**Enterprise Asia**  
(2020-2021)

**FinanceAsia**  
(2010-2021)

**Forbes**  
(2021)

**Global Finance**  
(2014-2017, 2019-2021)

**International Banker**  
(2020)

**Reader's Digest**  
(2021)



# Awards & Recognition

## Sustainability and ESG

### Asian Banking & Finance

BDO Foundation, COVID Management Initiative of the Year – Philippines (2020-2021)

### The Asset

Platinum Award (2010-2021)

### Corporate Governance Asia

The Best of Asia awardee, Asian ESG Award (2005-2019, 2021)

Asian Excellence awardee (2011-2020)

Asia's Best CSR awardee (2020-2021)

Best Corporate Communications awardee (2014-2015, 2017-2021)

Best IR Company (Philippines) awardee (2011-2021)

### Enterprise Asia

BDO Foundation (Category: Health Promotion) Asia Responsible Enterprise Awards (2021)

### FinanceAsia

Best Investor Relations, Philippines (2020)

2nd in Best Corporate Governance (2020)

### Global Good Governance Awards (3G)

3G Championship Award in Transparency (2021)

3G Championship Award in Service Excellence (2021)

3G Excellence Award in Education & Literacy Programme (2021)

### MORS Group

Top Sustainability Advocates in Asia awardee (2021)



**BDO Unibank is a constituent of the FTSE4Good Index of FTSE Russell (2019-Present)** FTSE4Good

# Legal Disclaimer

This presentation and the information contained herein as well as the materials distributed herewith ("Presentation") are the sole and exclusive property of BDO Unibank, Inc. ("BDO") and shall only be used for the purpose intended herein. None of the information contained in this Presentation constitutes a solicitation, offer, opinion, or recommendation by BDO to buy or to sell any securities or financial instrument or to provide any investment service or investment advice. The information contained in this Presentation is based on carefully selected sources believed to be reliable but no representation or warranty as to its accuracy or completeness is made. All statements in this Presentation, other than statements of historical facts, that address activities, events, or developments that BDO expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements. BDO's actual results or developments may differ materially from those expressed or implied in these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, market shares, competition, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, cost estimates, and other risks and factors beyond our control. Your use of the Presentation shall be at your sole risk and you shall form your own conclusions as to the reliability of any information presented and as to any conclusions to be drawn therefrom. BDO shall not be directly or indirectly liable, in any way, for any inaccuracies, errors, or omissions in the Presentation, including but not limited to any quotes or financial data contained therein, nor for any damages resulting therefrom. Any opinion/data/forward-looking statements herein reflected may be subject to change by BDO without notice.

---

## Investor Relations & Corplan:

31/F BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City 1226, Philippines

Phone: (632) 8 840 7000 (loc. 6069)

Fax: (632) 8 878 4151

Email: [irandcorplan@bdo.com.ph](mailto:irandcorplan@bdo.com.ph)

Website: [www.bdo.com.ph](http://www.bdo.com.ph)

Facebook:

<https://m.facebook.com/BDOUnibank/>

YouTube:

<https://www.youtube.com/user/BDOPhilippines>

## Other Relevant Links:

[BDO 2021 Annual Report](#)

[BDO 2021 Annual Report Financial Supplements](#)

[BDO 2021 Audited Financial Statements](#)

[BDO First Quarter 2022](#)

[BDO Second Quarter 2022](#)

[BDO Third Quarter 2022](#)

[BDO 2022 Audited Financial Statements](#)



**Thank you.**  
**[www.bdo.com.ph](http://www.bdo.com.ph)**