

Investor Presentation

BDO 9M23 Results

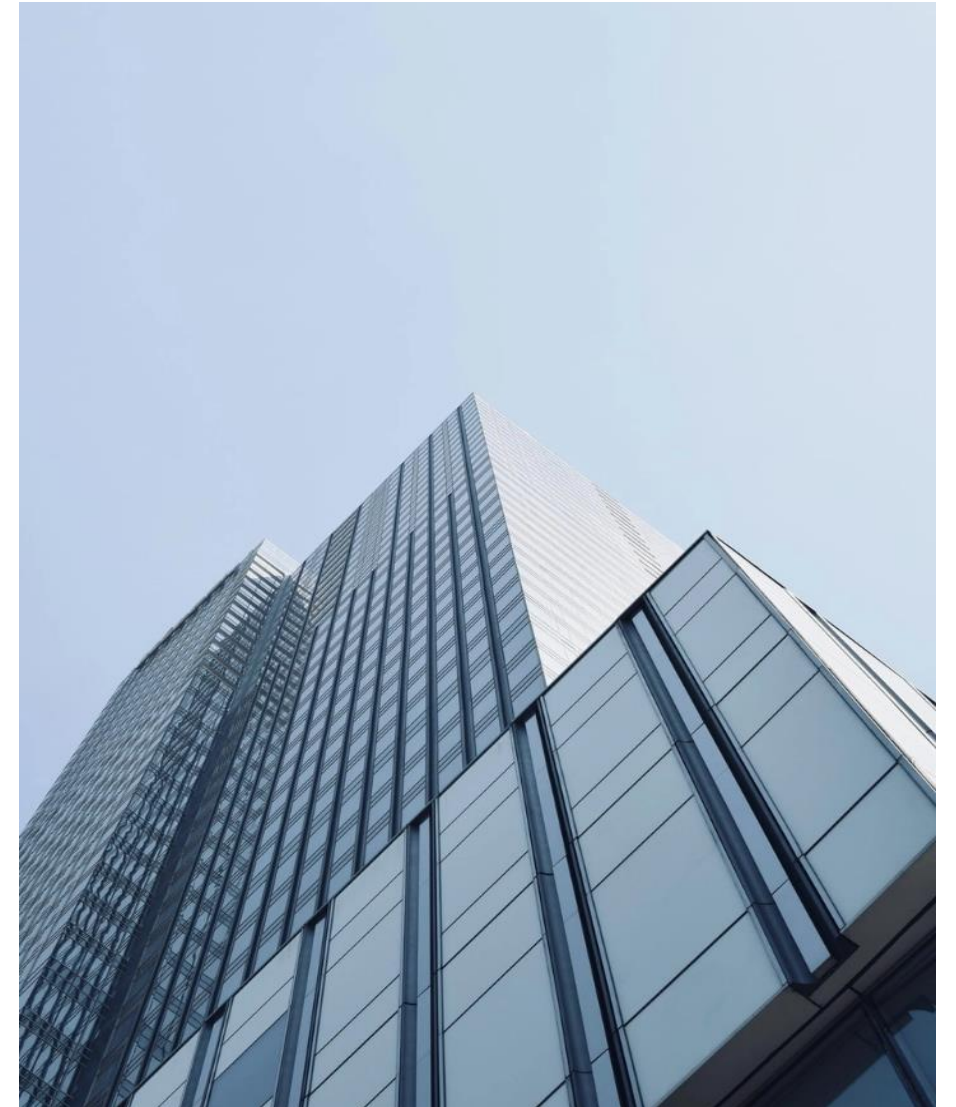
December 2023

Presentation Outline

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

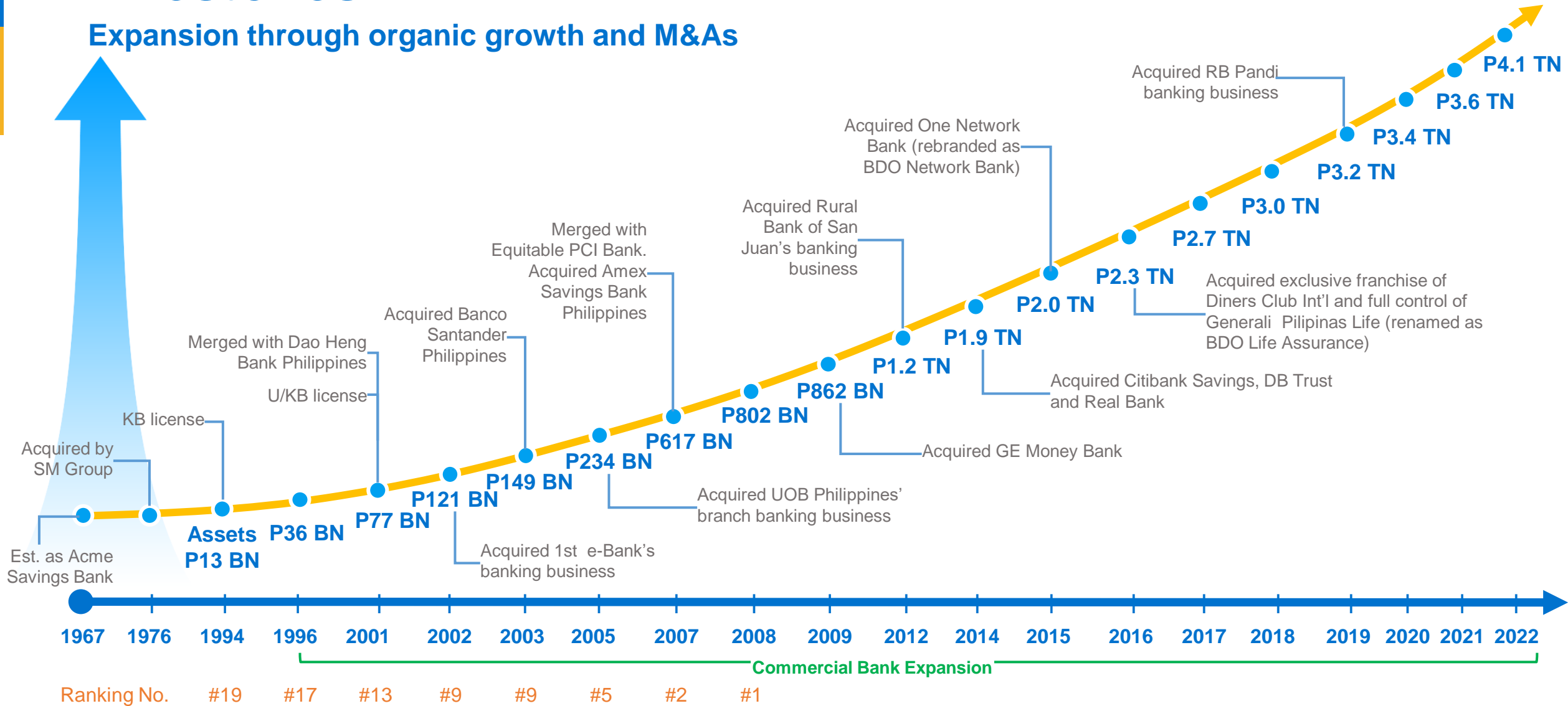
About BDO

- 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 and microfinance, cash management, leasing and finance, remittance, insurance, retail cash cards and credit card services, complemented by digital banking solutions to make banking easier, faster, and more secure for our clients.
- We have one of the largest distribution networks, with more than 1,700 operating branches and over 4,700 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 30 September 2023.



Milestones

Expansion through organic growth and M&As

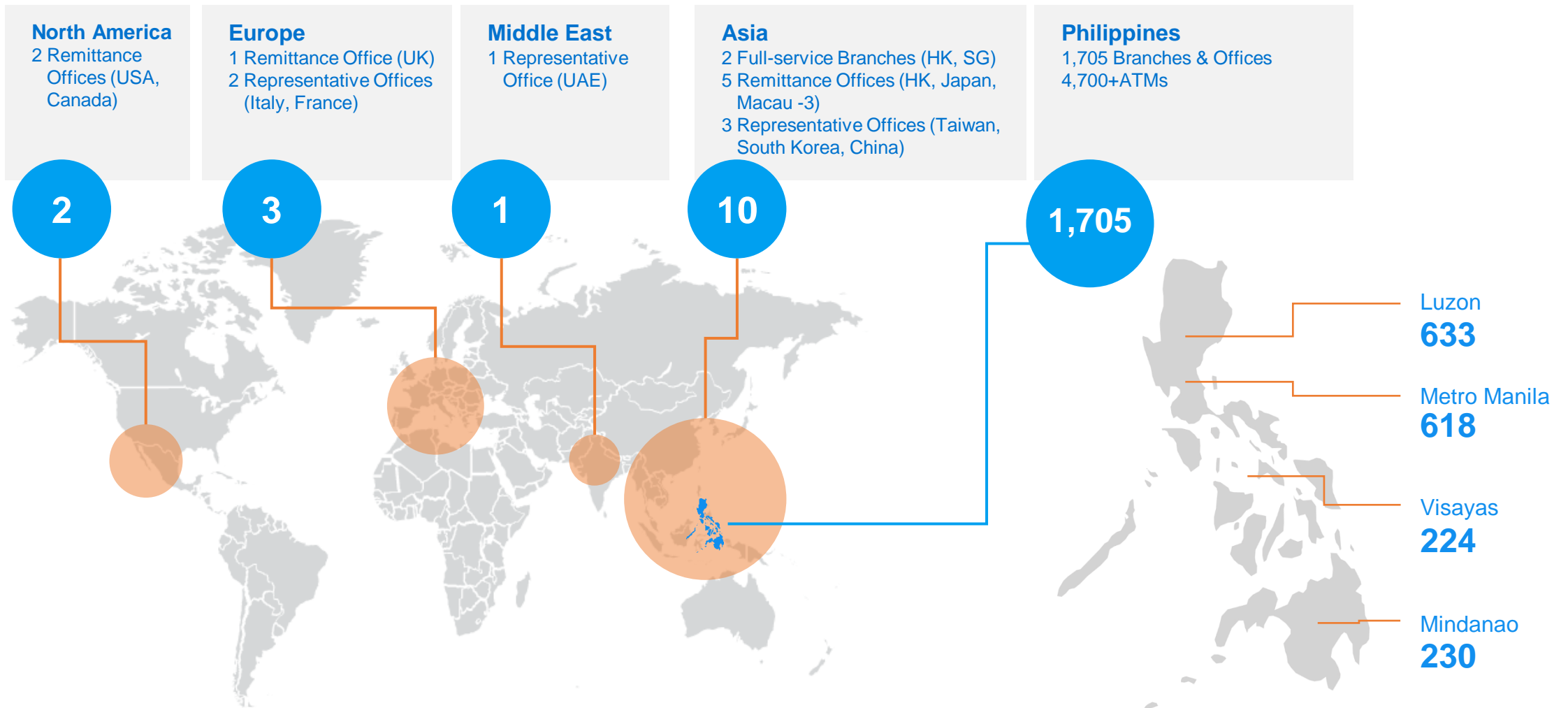


Full Service Bank

- Complete range of financial products and services

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

Wide and Extensive Coverage in Key Areas



* As of 30 September 2023

Business Franchise

Market-leading positions in almost all business lines



#1

Customer
Loans



#1

Deposits



#1

Assets Under
Management



#1

Remittances



#1

Credit Cards¹



Major Player in
Cash
Management³



#1

Investment
Banking⁴



#1

Private
Banking



#1

Life
Insurance⁵



#1

Insurance
Brokerage⁶



Leading Trade
Services
Provider²

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

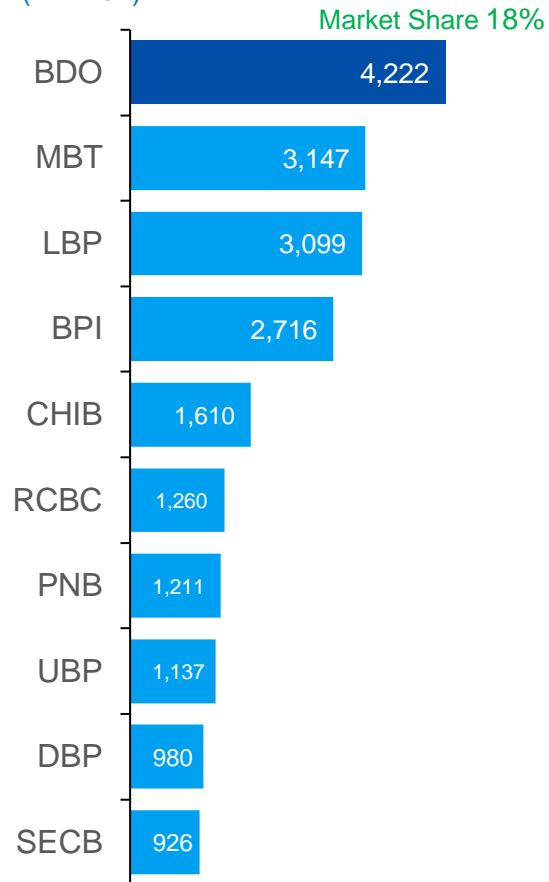
5 Among local life insurance companies in terms of traditional premium income

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

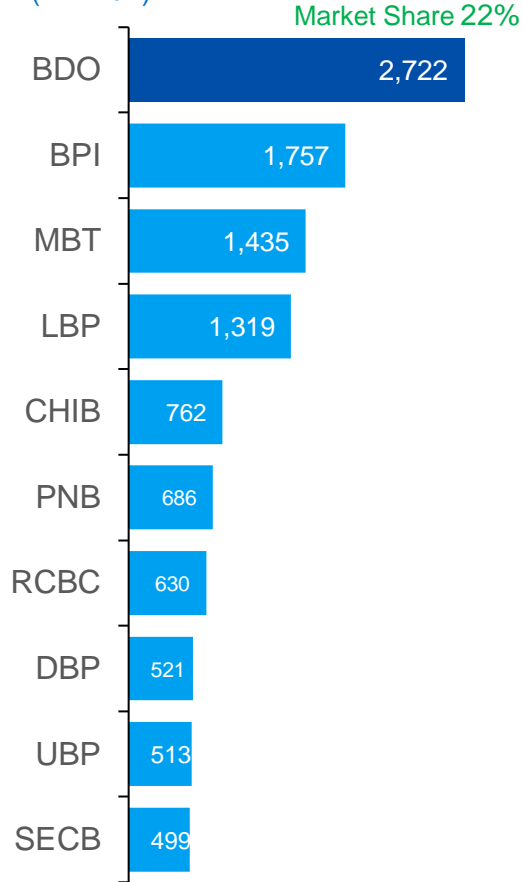
Industry Ranking

No. 1 among Philippine banks

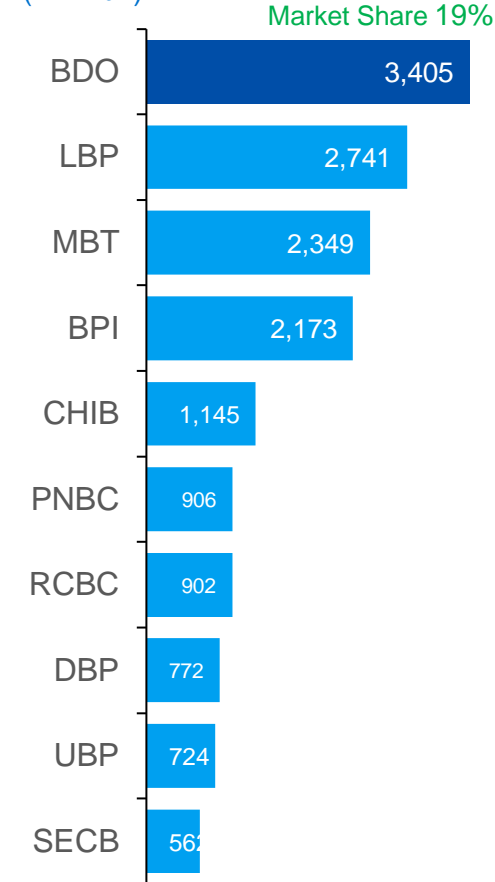
Total Assets
(PHP bn)



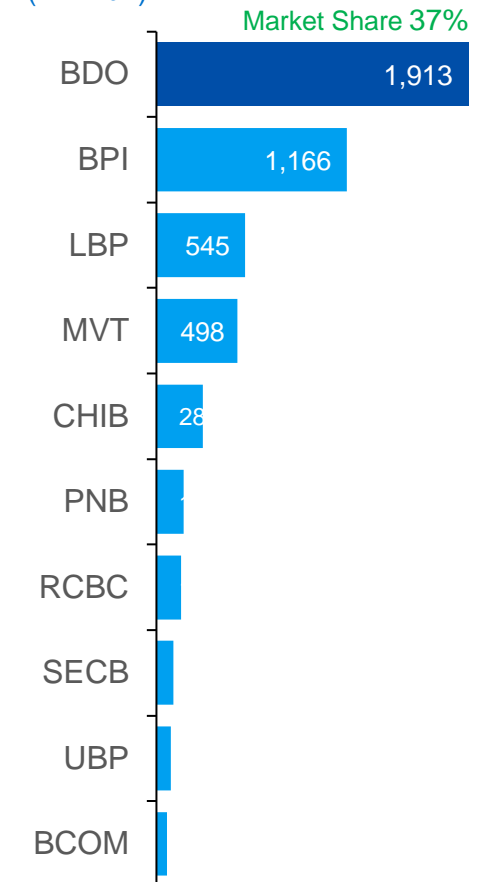
Gross Customer Loans
(PHP bn)



Customer Deposits
(PHP bn)



Assets Under Management
(PHP bn)



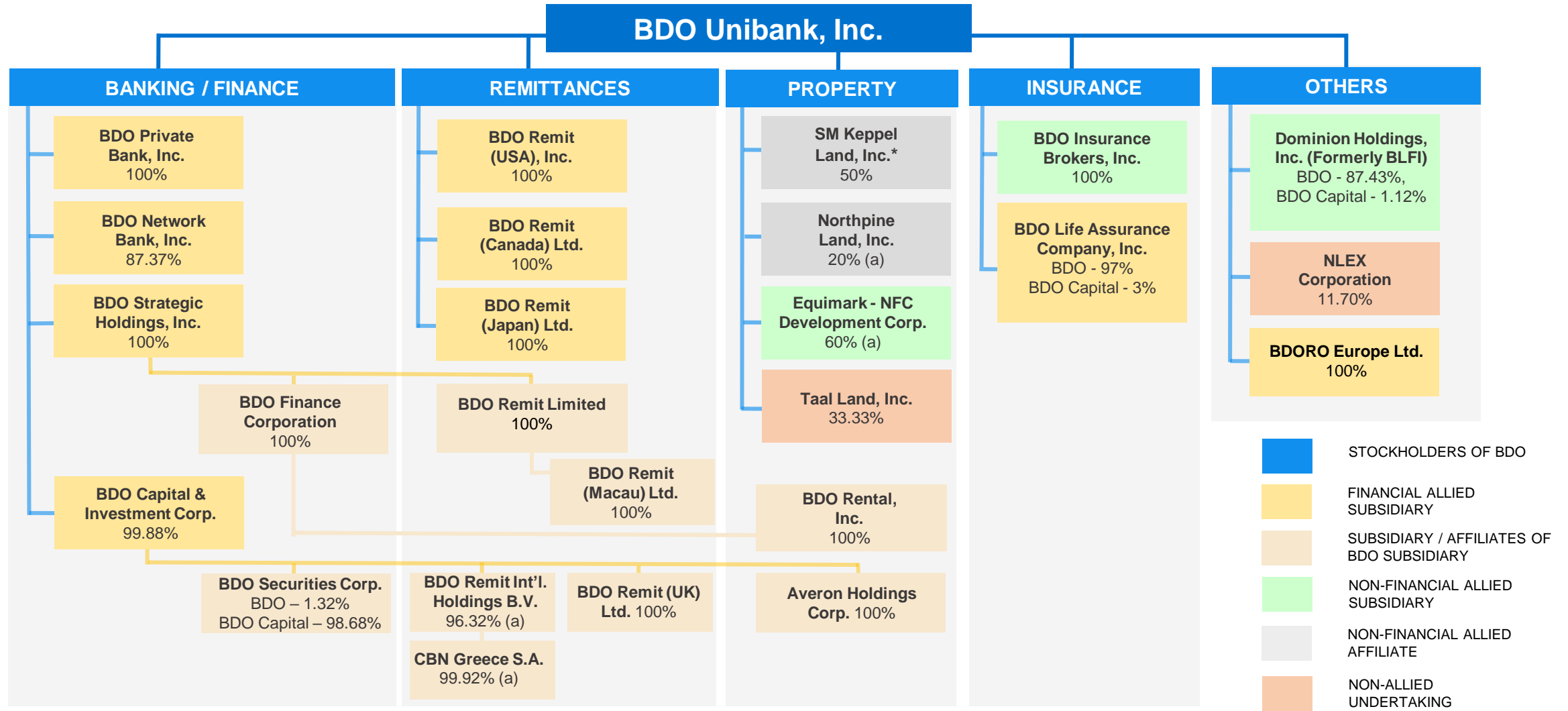
Notes:

Ranking and market share based on compilation of consolidated published statements of condition (SOC) of U/KBs as of 30 September 2023.

*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



*BDO to acquire full ownership of SM Keppel Land, Inc. subject to approval by BSP and PCC.

(a) For dissolution

as of 30 September 2023

Credit Ratings

	Moody's	Fitch
	31-Mar-2023	23-Nov-2023
Outlook	Stable	Stable
Bank Deposits/IDR (Foreign/Local)		
Long Term	Baa2	BBB-
Long Term xgs		BB+(xgs)
Short Term	P-2	F3
Short Term xgs		B(xgs)
Senior Unsecured debt (Foreign)	Baa2	
Other Short Term	(P)P-2	
BCA/Viability Rating		
Baseline Credit Assessment (BCA)	baa2	
Adjusted BCA Rating	baa2	
Viability Rating		bb+
Counterparty Risk Rating (CRR)* (Foreign/Local)		
Long Term	Baa1	
Short Term	P-2	
Counterparty Risk (CR) Assessment (Local)		
Long Term	Baa1(cr)	
Short Term	P-2 (cr)	
Government Support Rating		bbb-
"xgs" refers to Ex-Government Support Ratings		
Source: Moody's, Fitch		

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*	5,268,073,388 <small>as of 30 September 2023</small>
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
Depositary 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	adr@db.com
ADR website	www.adr.db.com
Depositary Bank's Local Custodian	Deutsche Bank AG, Manila

*Number of shares outstanding subsequently increased to 5,268,230,017 as of 10 November 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.

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9M23 P&L

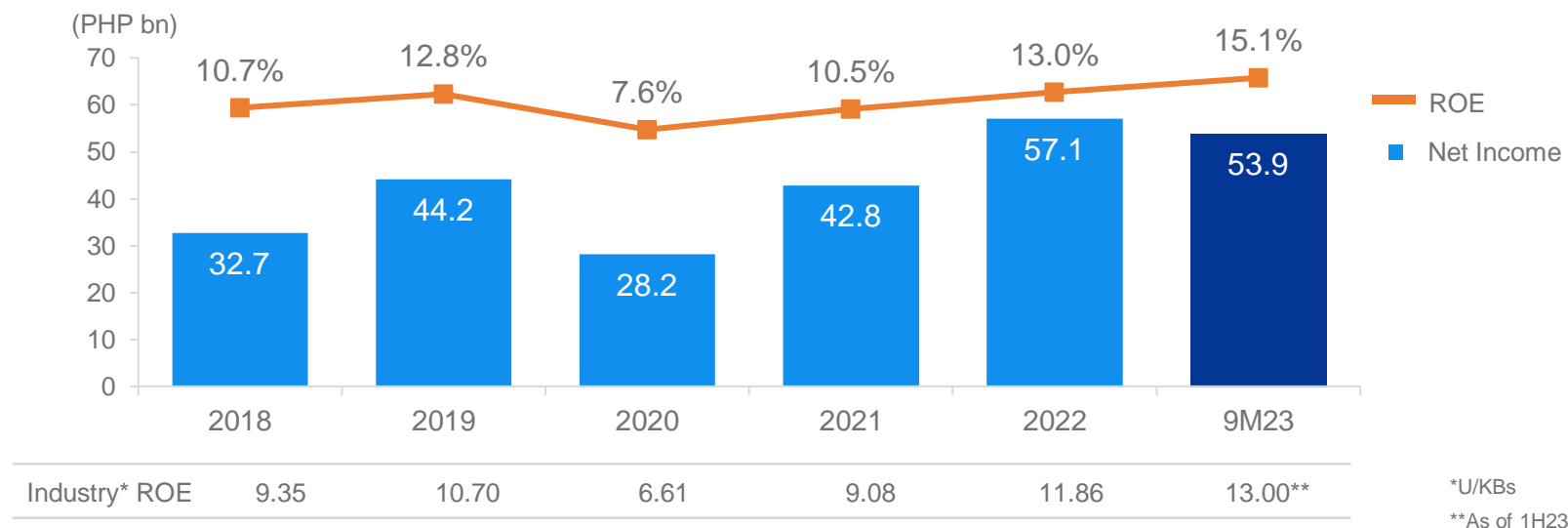
BDO Conso			
(PHP bn)	9M23	9M22	YoY%
Interest Income	175.1	119.7	46%
Interest Expense	37.7	11.6	226%
Net Interest Income	137.4	108.1	27%
Non-interest Income	57.8	53.2	9%
Fee Income	35.2	31.1	13%
Insurance Premiums	13.9	14.6	-5%
Trading & FX	5.0	4.2	18%
Others	3.8	3.2	17%
Gross Operating Income	195.3	161.3	21%
Operating Expense	114.7	98.1	17%
Pre-Provision Operating Profit	80.6	63.2	28%
Provisions	10.7	12.2	-12%
Net Income Before Tax	69.9	51.0	37%
Taxes	15.9	10.9	46%
Net Income	53.9	40.0	35%
Return on Common Equity	15.1%	12.4%	

Balance Sheet

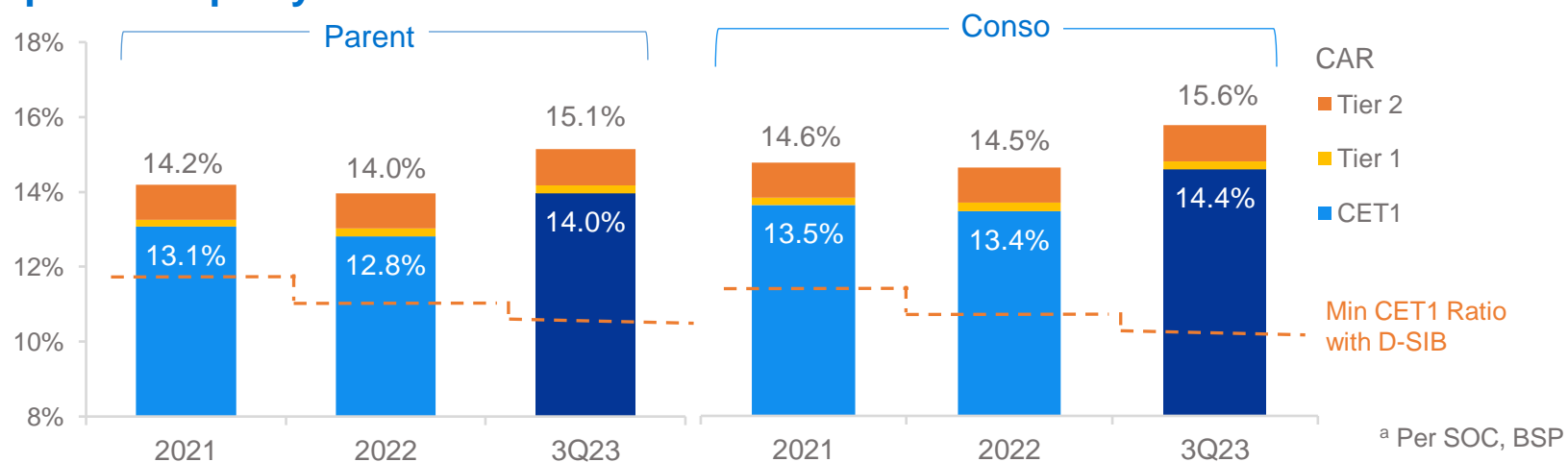
BDO Conso			
(PHP bn)	3Q23	3Q22	YoY%
Resources			
Liquid Assets	596.0	546.1	9%
Investment Securities	914.2	728.5	25%
Gross Customer Loans	2,720.4	2,531.0	7.5%
Investment Properties	21.1	20.9	1%
Other Assets	36.6	36.6	0%
Total Resources	4,288.3	3,863.0	11%
Liabilities			
Deposits	3,408.1	3,036.5	12%
CASA	2,463.9	2,499.7	-1%
Bills Payable/Sub-Debt	182.3	183.1	0%
Insurance Contract Liabilities	72.2	60.2	20%
Other Liabilities	123.1	138.7	-11%
Total Liabilities	3,785.6	3,418.4	11%
Total Capital	502.7	444.6	13%
Shareholders' Equity	494.3	437.5	13%
Total Liabilities & Capital	4,288.3	3,863.0	11%

Capital & Profitability

Net Income & ROE



Capital Adequacy Ratio^a



Income Statement

(PHP bn)	2018*	2019*	2020	2021	2022	9M23
Interest Income	129.0	160.6	157.0	144.9	169.1	175.1
Interest Expense	30.7	40.7	23.3	13.5	19.8	37.7
Net Interest Income	98.3	119.9	133.7	131.3	149.2	137.4
Non-interest Income	50.4	60.1	55.2	61.4	71.5	57.9
Fee Income	30.7	35.3	28.6	34.8	43.1	35.2
Insurance Premiums	11.8	14.8	15.0	18.1	18.9	13.9
Trading & FX	2.9	5.2	7.3	3.8	5.5	5.0
Others	5.0	4.9	4.3	4.5	4.0	3.8
Gross Operating Income	148.7	180.0	188.9	192.7	220.8	195.3
Operating Expenses	98.8	114.6	112.6	119.9	131.2	114.7
Pre-Provision Operating Profit	49.9	65.4	76.3	72.8	89.6	80.6
Provisions	6.3	6.2	30.2	17.1	16.4	10.7
Income bef. Pre-Acquisition	43.6	59.2	46.0	55.8	73.2	69.6
Pre-Acquisition Income	-	-	-	-	-	-
Taxes	11.0	15.0	17.8	12.9	16.0	15.9
Net Income	32.7	44.2	28.2	42.8	57.1	53.9

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)	2018	2019	2020	2021	2022	3Q23
Resources						
Liquid Assets	534.4	450.7	532.2	551.9	669.5	596.0
Investment Securities	385.2	435.9	508.8	616.3	722.8	914.2
Gross Customer Loans	2,020.1	2,208.1	2,263.7	2,400.2	2,613.8	2,720.4
Investment Properties	19.8	16.9	15.9	18.8	21.2	21.1
Other Assets	62.8	77.3	54.4	36.6	47.9	36.6
Total Resources	3,022.2	3,188.9	3,374.9	3,623.7	4,074.7	4,288.3
Liabilities						
Deposits	2,420.0	2,485.2	2,610.2	2,820.9	3,220.9	3,408.1
Bills Payable/Sub-debt	153.7	177.6	209.7	204.4	198.9	182.3
Insurance Contract Liab.	28.5	42.5	58.4	65.3	64.4	72.2
Other Liabilities	92.0	113.0	103.6	108.5	129.1	123.1
Total Liabilities	2,694.1	2,818.3	2,981.9	3,199.2	3,613.3	3,785.6
Total Capital	328.1	370.6	393.0	424.5	461.5	502.7
Total Liabilities & Capital	3,022.2	3,188.9	3,374.9	3,623.7	4,074.7	4,288.3

Financial Performance Indicators

	2018	2019	2020	2021	2022	9M23
Profitability						
Return on Ave. Common Equity	10.7%	12.8%	7.6%	10.5%	13.0%	15.1%
Return on Average Assets	1.1%	1.4%	0.9%	1.2%	1.5%	1.7%
Margins and Liquidity						
Net Interest Margin (NIM)	3.6%	4.2%	4.4%	4.0%	4.1%	4.7%
Loan to Deposit Ratio	83.5%	88.8%	86.7%	85.1%	81.2%	79.8%
Liquid Assets to Total Assets	30.4%	27.8%	30.8%	32.2%	34.2%	35.2%
Liquidity Coverage Ratio (LCR)		108.4%	127.1%	145.4%	140.7%	138.6%
Cost Efficiency						
Cost to Income Ratio	66.4%	63.7%	59.6%	62.2%	59.4%	58.7%
Cost to Assets Ratio	3.5%	3.7%	3.4%	3.4%	3.4%	3.7%
Asset Quality						
NPL Ratio	0.96% ^a	1.13% ^a	2.65% ^a	2.80% ^a	1.95% ^a	1.99% ^a
NPL Cover	188.7% ^b	168.5% ^b	109.5% ^b	111.2% ^b	166.7% ^b	175.8% ^b
Capital and Leverage^c			<i>Basel III</i>			
CET1	12.1%	12.6%	13.2%	13.5%	13.4%	14.4%
Tier 1 Ratio	12.3%	12.8%	13.4%	13.7%	13.6%	14.7%
Capital Adequacy Ratio (CAR)	13.7%	14.2%	14.3%	14.6%	14.5%	15.6%
Basel III Leverage Ratio (BLR)		10.0%	10.2%	10.3%	9.8%	10.1%

^a Per BSP Circ. 941

^b Per BSP Circ. 1011

^c Per SOC, BSP

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Shareholder Structure

- Majority owned by the SM Group

As of 30 September 2023

Name	Nationality	Shareholdings	Percentage of Ownership
SM Investments Corp.	Filipino	2,101,116,778	39.88%
PCD Nominee	Foreign	1,477,947,804	28.05%
PCD Nominee	Filipino	1,096,614,637	20.82%
Multi-Realty Development Corporation	Filipino	339,468,276	6.44%
SM Prime Holdings	Filipino	108,029,274	2.05%
Sub-Total, Top Shareholders		5,123,176,769	97.25%
Total Outstanding Shares*		5,268,073,388	100.00%

Source: BDO Top 100 Shareholders

*Number of shares outstanding subsequently increased to 5,268,230,017 as of 10 November 2023 due to the purchase of additional common shares by the Bank's eligible senior officers pursuant to the Banks employee stock option/grant program.

The SM Group

Harnessing synergies with the country's largest conglomerate



Retail

Largest local retail chain with 3,677 stores nationwide (73 The SM Store, 1,589 specialty retail outlets, 64 SM Supermarkets, 54 SM Hyper-markets, 1 Mindpro, 219 Savemore, 85 WalterMart, and 1,601 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 - 85 malls in the Philippines with GFA of 9.2 mn sqm (with 8 more malls in China).

Access to SM's customer network

- Over 20,000 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 6 out of the 11-member Board

Experienced Bankers

Seven directors have an average of 38 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 Entrepreneur












Two directors are successful businesspersons. One with diverse expertise in banking and finance, retail merchandising, mall and real estate development. And the other, a visionary of a company dedicated to providing effectual IT solutions to businesses and institutions.

Legal Expertise and Distinguished Public Service

Two directors with vast experience in public and private law practice and government service. One director is a former Supreme Court Associate Justice, and the other is a former Senate President, Chairperson of multiple Senate Committees and Secretary of Executive Departments.

Board of Directors

- With broad business and professional experience

	<p>TERESITA T. SY CHAIRPERSON</p> <ul style="list-style-type: none"> ➤ 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 		<p>WALTER C. WASSMER NON-EXECUTIVE DIRECTOR</p> <ul style="list-style-type: none"> ➤ 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. 		<p>VIPUL BHAGAT INDEPENDENT DIRECTOR</p> <ul style="list-style-type: none"> ➤ 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.
	<p>NESTOR V. TAN PRESIDENT AND CEO</p> <ul style="list-style-type: none"> ➤ First appointed to the Board in 1998 ➤ Former COO of the Financial Institution Services Group of BZW, the investment banking arm of the Barclays Group ➤ Holds Directorships at numerous BDO subsidiaries ➤ MBA Wharton School 		<p>DIOSCORO I. RAMOS LEAD INDEPENDENT DIRECTOR</p> <ul style="list-style-type: none"> ➤ 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 		<p>FRANKLIN M. DRILON INDEPENDENT DIRECTOR</p> <ul style="list-style-type: none"> ➤ Appointed to the Board in October 2023 ➤ Served as Senate President, Secretary of the Department of Justice and the Department of Labor and Employment ➤ Former Chairperson of the Senate Committee on Finance and Committee on Banks, Financial Institutions, and Currencies
	<p>JONES M. CASTRO, JR. NON-EXECUTIVE DIRECTOR</p> <ul style="list-style-type: none"> ➤ First appointed to the Board in 2012 ➤ Served as Head for South Asia and SEA at Wells Fargo Bank ➤ MBA Stanford University 		<p>GEORGE T. BARCELON INDEPENDENT DIRECTOR</p> <ul style="list-style-type: none"> ➤ 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 		<p>VICENTE S. PEREZ, JR. INDEPENDENT DIRECTOR</p> <ul style="list-style-type: none"> ➤ 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
	<p>JOSEFINA N. TAN NON-EXECUTIVE DIRECTOR</p> <ul style="list-style-type: none"> ➤ 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 		<p>ESTELA P. BERNABE INDEPENDENT DIRECTOR</p> <ul style="list-style-type: none"> ➤ 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 		

Senior Management Team

- With extensive professional banking expertise



NESTOR V. TAN

President and CEO

- With BDO since 1997
- Over 40 years of banking experience

INTERMEDIATION



CHARLES M. RODRIGUEZ

Head of Institutional Banking

- With BDO since September 2023
- Over 38 years of banking experience



DALMACIO D. MARTIN

Head of Treasury

- With BDO since 2009
- Over 34 years of banking experience



ROLANDO C. TANCHANCO

Head of Consumer Banking

- With BDO since 2004
- Over 29 years of banking experience



JESUS ANTONIO S. ITCHON

President of BDO Network Bank, Inc.

- With BDO since Sep. 15, 2017
- Over 35 years of banking experience



MA. CORAZON A. MALLILLIN

Head of Branch Banking

- With BDO since 2005
- Over 41 years of banking experience

SERVICES



RAFAEL G. AYUSTE JR.

Head of Trust and Investments

- With BDO since 2014
- Over 36 years of banking experience



MARIA THERESA L. TAN

General Manager of BDO Insurance, Inc.

- With BDO since 2009
- Over 25 years of banking and insurance experience



EDUARDO V. FRANCISCO

Head of Investment Banking

- With BDO since 1999
- Over 34 years of banking experience



RENATO A. VERGEL DE DIOS

President & CEO of BDO Life Assurance Co. Inc.

- With BDO since 2016
- Over 45 years of experience in insurance



CARLO B. NAZARENO

Head of Transaction Banking – Cash Management Services

- Over 25 years of banking experience



ALBERT S. YEO

President of BDO Private Bank, Inc.

- With BDO since 2017
- Over 36 years of banking experience



GENEVA T. GLORIA

Head of Transaction Banking – Remittance

- With BDO for over 20 years
- Over 30 years of banking experience

Senior Management Team, continued

- With extensive professional banking expertise



NESTOR V. TAN

President and CEO

- With BDO since 1997
- Over 40 years of banking experience

CORPORATE SUPPORT



LUCY CO DY

Head of Comptrollership

- With BDO since 1985
- Over 34 years of banking experience



JOSEPH ALBERT L. GOTUACO

Head of Central Operations Group

- With BDO since 2019
- Over 37 years of banking experience



EVELYN C. SALAGUBANG

Head of Human Resources

- With BDO since 2011
- Over 29 years of experience in HR



ALVIN C. GO

Head of Legal Services

- With BDO since 2013
- In the practice of law for 34 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 28 years of banking experience



FREDERIC MARK S. GOMEZ

Head of Information Technology

- With BDO since 2017
- Over 33 years of financial services experience



ESTRELLITA V. ONG

Head of Internal Audit

- With BDO since 2012
- Over 27 years of experience in audit



EVELYN L. VILLANUEVA

Head of Risk Management

- With BDO since 2002
- Over 40 years of banking experience




LUIS S. REYES JR.

Head of Investor Relations and Corporate Planning

- With BDO since 2003
- Over 43 years of banking experience

Presentation Outline

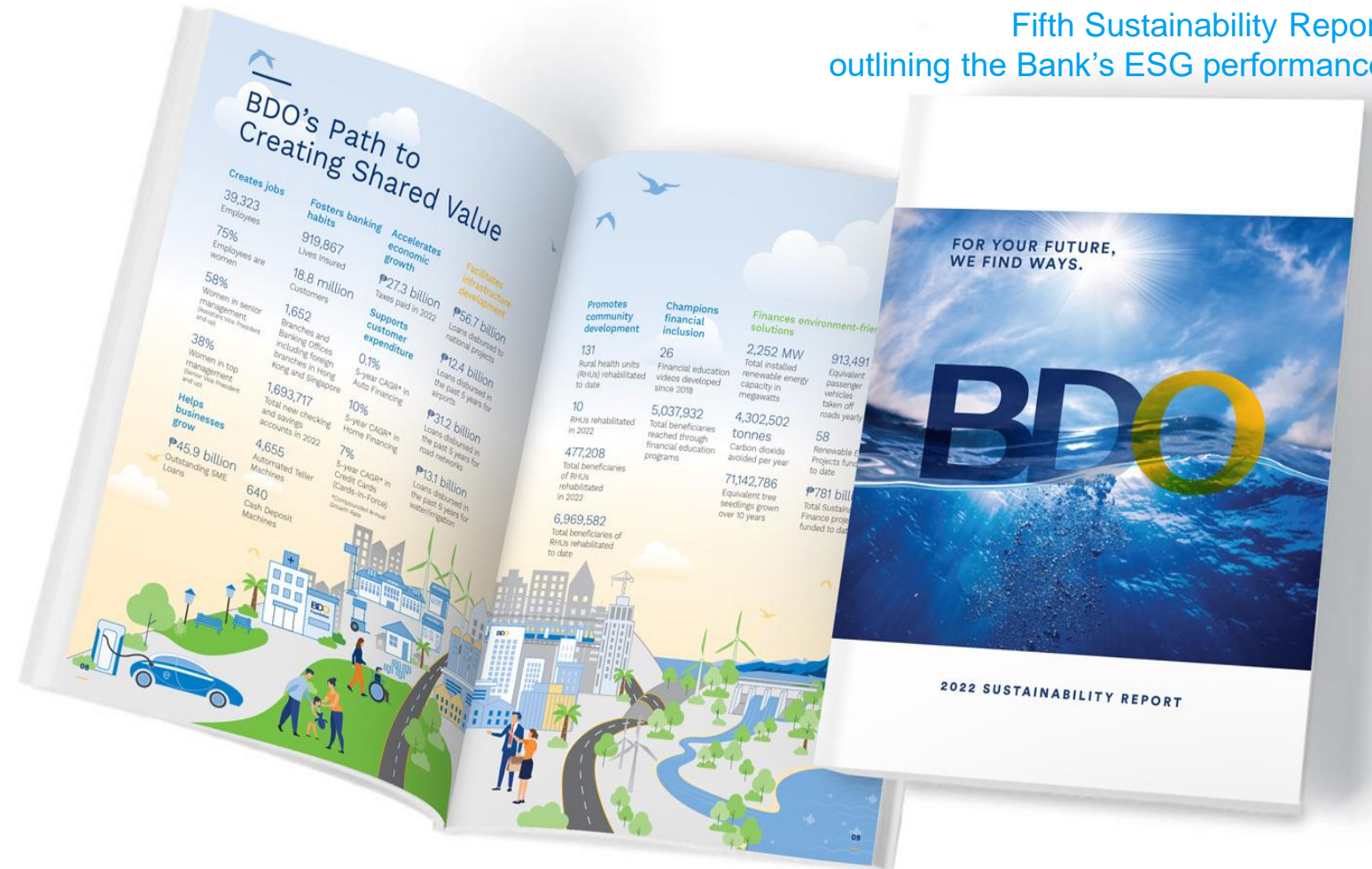
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2022 Sustainability Report

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.

Fifth Sustainability Report
outlining the Bank's ESG performance



Access the [2022 BDO Sustainability Report](https://www.bdo.com.ph/2022-sustainability-report) at www.bdo.com.ph.

Translating Goals Into Actions

United Nations Sustainable Development Goals



Product Sustainability



10,429

Partner Agents

90%

of Philippine
Municipalities
Covered

Teachers Loan

- Loan from PHP10k to PHP1M
- No co-maker required
- Free credit life insurance

Kabuhayan Loan

- Zero Collateral
- Affordable loans from PHP30k to PHP1M
- 65% MSMEs financed are women-owned

Kabayan Loan

- Multi-purpose loan
- Affordable loans from PHP30k to PHP300k



Kabalikat Plan

Personal accident
insurance for only
PHP500

BDO Trust and Investments Group

35 Financial
Literacy
Seminars

1,681 Participants

BDO ESG Equity Fund

The first ESG-themed Unit Investment Trust Fund

Translating Goals Into Actions

United Nations Sustainable Development Goals



Human Capital Sustainability

- **39,323 employees** nationwide and abroad; **75% females** in the workforce
- **58% female** representation in **senior management**
- **45% employees** covered by **Collective Bargaining Agreement**



Disaster Response Sustainability



Relief Operations

761,761 families provided with immediate relief operations

Rural Health Units

131 rehabilitated to benefit over 6.9mn Filipinos

School Buildings

124 classrooms built to date

Tech-Voc Training Facility

706 beneficiaries every year



Governance-Based Sustainability

BDO's commitment to sustainability is fostered at the Board Level



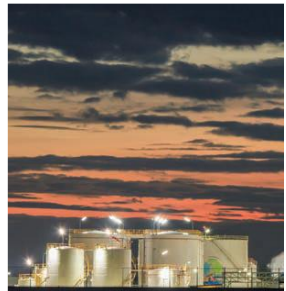
- **Asia's Top Sustainability Advocates** (*Asia Corporate Excellence & Sustainability Awards (ACES) 2022*)
- **PH's Top 20 publicly-listed companies** scoring highest in corporate governance (*ASEAN Corporate Governance Scorecard*)
- **Platinum Awardee for the 13th consecutive year** (*The Asset's ESG Corporate Awards 2022*)

Translating Goals Into Actions

United Nations Sustainable Development Goals



Sustainability Contribution to National Economic Goals



Biodiesel

60 ML/Y



Bioethanol

44.12 ML/Y



Biomass

164 MW



Geothermal

1,179 MW



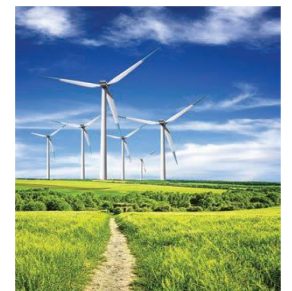
Hydro

433 MW



Solar

380 MW



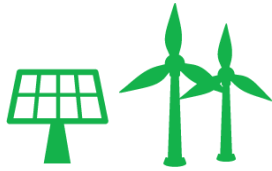
Wind

96 MW

Installed Capacity

Translating Goals Into Actions

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



PHP781 bn

Total sustainable
finance projects
funded to date



Renewable Energy
projects funded to date



71,142,786

Equivalent tree
seedlings grown over
10 years



2,252 MW

Total installed
renewable energy
capacity in megawatts



913,491

Equivalent passenger
vehicles taken off
roads yearly



4,302,502

Tonnes Carbon
dioxide avoided
per year

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.

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
- 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

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



Environmental & Social Risk Management System (ESRMS)

BDO has built on the SEMS Policy and developed it into a comprehensive ESRMS that will help identify, assess, and manage E&S risks associated with its lending, investments, and administrative operations

Fully incorporates the Bank's:

- ❖ key focus areas;
- ❖ key focus sectors with high probability of E&S risk;
- ❖ approach to lending, investments, and administrative operations, including its supply chain;
- ❖ enhanced due diligence, implementation, monitoring, and reporting

The ESRMS provides the Bank's risk appetite for key sectors, defining the nature and level of risk that BDO is willing to take in order to achieve its sustainability strategies

Environmental Responsibility and Social Equity

BDO will not finance any activity engaged in the following:



Any product or activity deemed illegal under host country laws



Gambling, casinos, and equivalent enterprises



Harmful or exploitative forms of forced labor/harmful child labor



Weapons and munitions



Online gaming and equivalent enterprises



Commercial logging operations for use in primary tropical moist forest



Alcoholic beverages (excluding beer and wine)



Radioactive materials. (This does not apply to the purchase of medical equipment).



Wood or other forestry products other than from sustainably managed forests



Tobacco



Unbonded asbestos fibers




Any business related to pornography and/or prostitution



Drift net fishing in the marine environment using nets in excess of 2.5 km. in length

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, 2020-2023)

AsiaMoney
(2020)

The Asian Banker
(2022)

The Asset
(2011, 2013-2021)

The Banker
(2021)

Enterprise Asia
(2020-2021)

FinanceAsia
(2010-2021, 2023)

Forbes
(2021)

Global Finance
(2014-2017, 2019-2022)

International Banker
(2020)

Reader's Digest
(2021)



Awards & Recognition

Sustainability and ESG

ASEAN Corporate Governance Scorecard (ACGS)

Four Golden Arrows awardee (2022)

Asia Corporate Excellence & Sustainability Awards (ACES)

Top Sustainability Advocates in Asia awardee (2021-2022)
Industry Champions of the Year awardee (2019, 2022)

The Asset

Platinum Award (2010-2022)



Corporate Governance Asia

The Best of Asia awardee, Asian ESG Award (2005-2019, 2021)
Asian Excellence awardee (2011-2022)
Asia's Best CSR awardee (2020-2023)
Best Corporate Communications awardee (2014-2015, 2017-2023)
Best IR Company (Philippines) awardee (2011-2023)
Best Environmental Responsibility Awardee (2023)

FinanceAsia

Best Investor Relations, Philippines (2020 – Gold, 2022 - Silver)
Best Corporate Governance (2020 – 2nd)

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



FTSE4Good

Awards & Recognition

Sustainability and ESG (con't)

International Association of Business Communicators (IABC) Philippines

Excellence Award for Communication Skills - BDO 2020 Sustainability Report (2022)

Asian Banking & Finance

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

Enterprise Asia

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

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)



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

Other Relevant Links:

[BDO 2022 Annual Report](#)

[BDO 2022 Annual Report Financial Supplements](#)

[BDO 2022 Audited Financial Statements](#)

[BDO First Quarter 2023](#)

[BDO Second Quarter 2023](#)

[BDO Third Quarter 2023](#)



Thank you.
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