



# SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City  
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## Company Information

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**Company Name:** DOMINION HOLDINGS, INC.

**Industry Classification:** J66110

**Company Type:** Stock Corporation

## Document Information

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# COVER SHEET

S.E.C. Registration Number

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(Company's Full Name)

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(Business address: No. Street City / Town / Province)

COSME S. TRINIDAD JR.
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Contact Person

(632) 8888-0000 Local 35761
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Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

SEC Form 17-A
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FORM TYPE

Any date in April
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Annual Meeting

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Secondary License Type, If Applicable

C	G	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total

Amount of Borrowings

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Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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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: **December 31, 2024**
2. SEC Identification Number: **97869** 3. BIR Tax Identification No.: **000-486-050-000**
4. Exact name of issuer as specified in its charter: **DOMINION HOLDINGS, INC.**
5. **Metro Manila, Philippines**  (SEC Use Only)  
Province, Country or other jurisdiction of Industry Classification Code:  
incorporation or organization
7. BDO Corporate Center Ortigas, **No. 12 ADB Avenue,**  
**Ortigas Center, Mandaluyong City, Metro Manila Philippines**  
Address of principal office
8. **(632) 8888-0000**  
Issuer's telephone number, including area code
9. **BDO Leasing and Finance, Inc.**  
Former name, former address, and former fiscal year, if changed since last report.

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

**Subscribed and Outstanding**

<b>Title of Each Class</b>	<b>No. of Shares</b>	<b>Amount in Pesos</b>
<b>Common</b>	<b>2,162,475,312</b>	<b>Php 2,162,475,312.00</b>
<b>Total</b>	<b>2,162,475,312</b>	<b>Php 2,162,475,312.00</b>

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

Yes ☒ No ☐

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

**The Philippine Stock Exchange, Inc.**

**Common Shares only**

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 ☒ 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: **Php 396,382,376.00**



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## SIGNATURES

## ANNEXES

Statement of Management's Responsibility for Financial Statements (SMR)  
Audited Financial Statements and Independent Auditor's Report (as of December 31, 2024)  
Supplementary Schedules  
Sustainability Report

## **PART I - BUSINESS & GENERAL INFORMATION**

### **ITEM 1. BUSINESS**

**DOMINION HOLDINGS, INC.** (DHI or the Company), formerly BDO Leasing and Finance, Inc., is a domestic corporation incorporated in 1981. Its shares were listed in the Philippine Stock Exchange (PSE) on January 6, 1997.

The Company's principal office is located at 39th Floor, BDO Corporate Center Ortigas, 12 ADB Avenue, Ortigas Center, Mandaluyong City.

On January 31, 2020, the Board of Directors (BOD) approved the amendment of the Company's primary and secondary purpose from operating as a leasing and financing entity, which provides direct leases, sale and leaseback arrangements and real estate leases to operate as a listed holding company that invests in, purchases, acquires or owns, holds, uses, sells, assigns, transfers mortgage, pledges, exchanges, or disposes real and personal property of every kind. On July 21, 2020, the stockholders approved the amendments.

On March 01, 2022, the Company's BOD approved the amendment of the Company's name to Dominion Holdings, Inc. in line with the conversion of the Company into a holding company. This was subsequently approved by the stockholders on April 20, 2022.

On July 18, 2022, the Securities and Exchange Commission (SEC) approved the amendments of the Company's Article of Incorporation's first and second articles, effectively approving the conversion of the Company into a holding company and its new name, Dominion Holdings, Inc.

The Company is a subsidiary of BDO Unibank, Inc. (BDO Unibank or Parent Company), a universal bank incorporated and doing business in the Philippines. BDO Unibank offers a wide range of banking services such as traditional loan and deposit products, as well as treasury, remittance, trade services, credit card services, trust and others. As a subsidiary of BDO Unibank, Bangko Sentral ng Pilipinas (BSP) has the authority to examine the Company, when examining the Bank, as it is majority-owned by the Bank. With the SEC's approval, however, of the Company's conversion to a Holding Company, regulations of the BSP pertaining to other non-bank financial institutions are no longer applicable to the Company.


The Company's objective and primary purpose is to hold/own real estate properties, securities/shares of stocks, and other assets of other companies, and engage in investment and business activities involving these assets. As an investment holding company, DHI will have more flexibility in pursuing business opportunities which will enhance shareholder value for all shareholders.

#### ***Related Party Transactions***

The Company has established policies and procedures on related party transactions (RPTs) in accordance with BSP and SEC regulations. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arm's-length terms, identification and prevention of potential or actual conflicts of interest, adoption of materiality thresholds, internal limits for individual and aggregate exposures, whistle-blowing mechanisms, and restitution of losses and other remedies for abusive RPTs. The RPT Committee reviews and endorses to the Board for final approval all material RPTs. The Related Party Transactions policy ensures that every related party transaction is conducted in a

manner that will protect the Company from any potential conflict of interest. The policy also covers the proper review, approval, ratification and disclosure of transactions between the Company and any of its related parties in compliance with legal and regulatory requirements. The policy also requires that any member of the RPT Committee who has a potential interest in any related party transaction shall abstain from the discussion and endorsement of the related transaction. Likewise, any member of the Board who has interest in the transaction must abstain from the deliberation and approval of such related party transaction. Related party transactions, whose value may exceed 10% of the Company's total assets, require review of an external independent party to evaluate the fairness of its terms and conditions and approval of 2/3 vote of the Board, with at least a majority of the independent directors voting affirmatively. The full version of the Related Party Transactions Policy is published in our corporate website at <https://www.bdo.com.ph/sites/default/files/pdf/DHI-Revised-Related-Party-Transactions-Policy-1.pdf>

As of December 31, 2024, the Company has no existing or expiring patents, copyrights, licenses, franchises, concessions, and royalty agreements. As of even date, the Company remains the licensee from BDO Unibank of the following trademark of the Company's former corporate name registered with the Philippine Intellectual Property Office:

Trademark	Validity of Registration
	February 2024 to May 2034

## **ITEM 2. PROPERTIES**

With the discontinuance of its operations as a leasing and finance company, DHI pre-terminated all its lease contracts for its head office premises and all branch offices with BDO Unibank. Further, the Company has sold on an arm's length basis its facilities, office furniture, fixtures and equipment to BDO Finance Corporation.

## **ITEM 3. LEGAL PROCEEDINGS**

The Company is party to various legal proceedings which arise in the ordinary course of its past operations as a leasing and financing company. No such legal proceedings, either individually or in the aggregate, are expected to have a material adverse effect on the Company or its consolidated financial condition.

## **ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

There were no matters submitted to the vote of stockholders of the Company during the fourth quarter of the calendar year covered by this report.

# **PART II - OPERATIONAL AND FINANCIAL INFORMATION**

## **ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

The principal market for the Company's common equity is the PSE. At its meeting held on October 26, 2022, the Board of Directors of the Company approved the change of the Company's stock symbol in the PSE from "BLFI" to "DHI" in view of the Company's change in corporate name.

The market prices of the Company's shares are as follows:

2024	High	Low	2020	High	Low
1 <sup>st</sup> quarter	No trading		January 24, 2020 <i>(Last trading date until resumption of trading in 2024)</i>	3.35	3.00
2 <sup>nd</sup> quarter	No trading				
3 <sup>rd</sup> quarter August 20, 2024 <i>(Resumption of Trading)</i>	4.50	1.57			
4 <sup>th</sup> quarter	1.90	1.40			
2019	High	Low	2018	High	Low
1 <sup>st</sup> quarter	2.29	2.22	1 <sup>st</sup> quarter	3.21	2.23
2 <sup>nd</sup> quarter	2.42	2.32	2 <sup>nd</sup> quarter	2.84	2.83
3 <sup>rd</sup> quarter	2.02	2.00	3 <sup>rd</sup> quarter	2.58	2.57
4 <sup>th</sup> quarter	2.02	1.84	4 <sup>th</sup> quarter	2.20	2.19

As of January 24, 2020 and December 27, 2024, the closing price of the Company's shares was at P3.16 and P1.60, respectively.

On February 13, 2020, the SEC Markets and Securities Regulation Department (MSRD) issued an Order of Suspension against DHI, suspending its Registration Statement (and Permit to Sell primary securities), in light of the Share Purchase Agreement dated 24 January 2020 entered into by BDO Unibank to sell its controlling stake in DHI to third parties and the subsequent amendment of DHI's primary business to a holding company. The SEC ruled that DHI's Registration Statement as a leasing and financing company was no longer true and accurate, and required the filing of an Amended Registration Statement. The SEC furnished the PSE a copy of the Order, and on this basis, the PSE imposed a trading suspension of DHI on February 14, 2020.

On April 17, 2024, an Amended Registration Statement was filed with the SEC by DHI to reflect the changes in its primary and secondary purposes, transitioning from a leasing and financing entity to a listed holding company and in compliance with the Order.

On July 1, 2024 the SEC issued an order lifting the Order of Suspension imposed on DHI. The SEC found DHI to be compliant with the Order, having submitted an Amended Registration Statement as directed by the MSRD. Subsequently, effective August 20, 2024, the PSE lifted the trading suspension of DHI after filing the required Comprehensive Corporate Disclosure.

The total number of stockholders of the Company as of December 31, 2024 is one thousand ninety-one (1,091). Common shares outstanding in turn, totaled 2,162,475,312.

The total treasury shares of the Company as of December 31, 2024 is 62,693,718 shares.

In 2024, the Company's Board of Directors declared cash dividends in the amount of P1.50 per share, paid to all stockholders of record as of April 30, 2024 on May 10, 2024.

## **Holders**

The Company's common stockholders, with their respective shareholdings as of December 31, 2024 are as follows:

<b><u>Name</u></b>	<b><u>No. of Shares Held</u></b>	<b><u>% to Total</u></b>
BDO Unibank, Inc. <sup>1</sup>	1,914,711,807	88.542597%
Various Stockholders (Public)	247,763,505	11.457403%
	<b><u>2,162,475,312</u></b>	<b><u>100.000000%</u></b>

Includes shares of affiliate, BDO Capital & Investment Corporation. Number of shares reflects both direct and indirect shareholdings

The top 20 stockholders of the Company as of December 31, 2024, are as follows:

<b><i>Name of Stockholders</i></b>	<b><i>Securities</i></b>	<b><i>Shares Held</i></b>	<b><i>Total Outstanding</i></b>
BDO Unibank, Inc./Banco De Oro Unibank Inc.*	Common	1,914,711,807	88.542597%
PCD Nominee Corporation (Filipino)	Common	247,957,346	11.143%
PCI Leasing & Finance, Inc.	Common	62,693,705	2.817%
Samuel Uy Chua	Common	21,000,000	0.944%
Equitable Computer Services, Inc. A/C Cequit11	Common	12,320,000	0.554%
Marylen Castro Mateo	Common	3,795,000	0.171%
Jesselen Castro Verzosa	Common	3,795,000	0.171%
Samuel Uy Chua	Common	3,011,150	0.135%
Constantino Chua	Common	2,497,200	0.112%
Equitable Computer Services, Inc.	Common	2,070,200	0.093%
Mercury Group of Companies, Inc.	Common	1,089,165	0.049%
Constantino Chua &/or Willington Chua &/or George W. Chua	Common	1,020,000	0.046%
Nardo R. Leviste	Common	759,000	0.034%
PCD Nominee Corporation (Foreign)	Common	657,961	0.030%
Willington/Constantino Chua	Common	584,430	0.026%
Willington Chua	Common	508,530	0.023%
Pablo Son Keng Po	Common	455,400	0.02%
Wilson Go	Common	438,625	0.02%
Lim Chin Ben	Common	425,040	0.019%
Sysmart Corporation	Common	358,835	0.016%
Abacus Capital & Investment Corp.	Common	303,000	0.014%

\*Includes shares of affiliate, BDO Capital & Investment Corporation. Number of shares reflects both direct and indirect shareholdings.

## Dividends

In 2024, the Company's Board of Directors approved the declaration of cash dividends amounting to P3,243,712,968 (P1.50 per share) to all stockholders of record as of April 30, 2024, and was paid on May 10, 2024. No dividends were declared in 2023.

The payment of dividends entails prior board approval of the amount, record and payment dates as recommended by Management based on the PSE, and SEC rules on declaration of cash dividends. Upon Board approval, necessary disclosures are made in compliance with regulatory requirements. Dividends are paid within 30 days from date of declaration.

Dividends may only be declared from the Company's surplus profits, after making necessary provisions for reserves required by law or regulation. The Company ensures that it remains financially capable of sustaining operations after the dividend declaration and payout.

## Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There were no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

## **ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

### **2024 Compared to 2023**

In 2024, the Company reported a net income of Php202.1 million, primarily driven by interest earnings from time deposits and debt securities. This represents a 27% decline compared to the Php277.3 million recorded at the end of 2023. The decrease in earnings is attributed to the reduced cash available for investment, following the declaration of Php3.2 billion in cash dividends in May 2024, as compared to no dividends declared in 2023.

The substantial dividend distribution resulted in a lower asset base for the Company, and reduced the amount of investible funds.

Total liabilities stood at Php10.8 Million. However, Stockholder's Equity declined proportionally, dropping from Php6.4 billion to Php3.3 billion, resulting from the dividend payout.

The Company's five (5) key performance indicators are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current Ratio	308.72 : 1	599.06 : 1
Quick asset ratio	308.74 : 1	599.06 : 1
Debt to Equity Ratio	0.00 : 1	0.00 : 1
Net Profit Margin	75.12%	80.67%
Return on Equity	4.17%	4.45%

The Current Ratio (computed as current assets divided by current liabilities) and Quick Asset Ratio (quick asset divided by current liabilities) decreased from last year's 599.06:1. Debt to equity

ratio, computed as total liabilities divided by total equity remained at 0.00:1.

Net Profit Margin, computed as net income over gross revenue, declined from 80.67% to 75.12%. Return on Equity, which is net income over average equity, declined slightly to 4.17% in 2024 from 4.45% in 2023. The decline in profitability and equity performance underscores the impact of the substantial dividend payout and lower interest rates in 2024. Despite these challenges, the Company maintains strong liquidity, as reflected in its high current and quick assets ratios.

## 2023 Compared to 2022

In 2023, the Company registered a net income of P277.3 Million mainly derived from interest earnings on time deposits and debt securities. The shift of the investment portfolio from unit investment trust fund in 2022 to time deposits and debt securities resulted in the significant increase in net income from P69.3 Million recorded in 2022.

As of December 31, 2023, total assets grew by 4.7% to P6.4 Billion of which P3.9 Billion is invested in time deposits and P2.3 Billion is invested in debt securities. The balance mainly pertains to creditable withholding taxes of P127.4 Million.

Total liabilities amounted to P13.2 Million.

Stockholders' equity rose from P6.1 Billion in 2022 to P6.4 Billion in 2023 as earnings from investments are plowed back to the Company.

The Company's five (5) key performance indicators are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current Ratio	599.06 : 1	378.58 : 1
Quick asset ratio	599.06 : 1	378.58 : 1
Debt to Equity Ratio	0.00 : 1	0.00 : 1
Net Profit Margin	80.67%	54.61%
Return on Equity	4.45%	1.15%

The Current Ratio (computed as current assets divided by current liabilities) and Quick Asset Ratio (quick asset divided by current liabilities) increased from last year's 378.58:1. Debt to equity ratio (computed as total liabilities divided by total equity) remained at zero for two years, as the Company remains debt-free. Net Profit Margin (computed as net income over gross revenue) rose to 80.67%. Return on Equity (net income over average equity) increased to 4.45% in 2023.

## 2022 Compared to 2021

In 2022, the Company's gross income amounted to P126.8 million, an increase of P69.7 million or 122.12% from last year's P57.1 million. The company redeemed its investment in Unit Investment Trust Fund (UITF) of P5.9 billion during the last quarter of 2022, thereby realizing a gain on redemption of UITF amounting to P62.6 million. The proceeds of the investment were placed in higher yielding short-term time deposits which resulted in additional interest earning of P63.2 million. After considering total expenses of P32.4 million, the company registered a net income of P69.3 million, an increase of P59% from P43.5 million in 2021.



As of December 31, 2022, total assets remained at P6.1 billion, of which P6.0 billion was placed in short-term time deposits.

Accounts Payables and Other Liabilities amounted to P16.1 million.

Stockholders' equity stood at P6.1 billion.

The Company's five (5) key performance indicators are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current Ratio	378.58 : 1	738.0 : 1
Quick asset ratio	378.58 : 1	738.0 : 1
Debt to Equity Ratio	0.00 : 1	0.00 : 1
Net Profit Margin	54.61%	76.25%
Return on Equity	1.15%	0.73%

The Current Ratio (computed as current assets divided by current liabilities) and Quick Asset Ratio (quick asset divided by current liabilities) decreased from last year's 738.0:1. Debt to equity ratio, computed as total liabilities divided by total equity. Net Profit Margin which is computed as net income over gross revenue rose to 54.61%. Return on Equity, which is net income over average equity, increased to 1.15% in 2022.

#### ***Policy on Revenue Recognition – Other Income***

Income that are one off are recognized as Other Income. These are recognized as they are earned.

#### ***Key Variable and Other Qualitative and Quantitative Factors***

With approvals from its Board of Directors and stockholders, Dominion Holdings, Inc. (formerly BDO Leasing and Finance, Inc.) already voluntarily surrendered its secondary license as a financing company to the SEC.

On July 21, 2022, the SEC released its approval dated July 18, 2022 of the change in corporate name of BDO Leasing and Finance Inc. to "Dominion Holdings, Inc.", the change in the Company's primary and secondary purposes from a leasing and financing company to that of a holding company, and the corresponding amendments to the Company's Articles of Incorporation and By-laws.

As an investment holding company, Dominion Holdings, Inc. will have more flexibility in pursuing business opportunities which will enhance shareholder value for all shareholders.

None of the following are present:

- known trends, events or uncertainties that will have any material impact on the Company's liquidity;
- events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation;



- c. material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period;
- d. material commitments for capital expenditures during the year;
- e. known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- f. significant elements of income or loss that did not arise from the Company's continuing operations; and
- g. seasonal aspects that had a material effect on the financial condition or results of operations.

### ***Internal and External Sources of Liquidity***

From January to September 2020, the Company relied on revenue from operations and lines from creditor banks for its source of liquidity.

The sale of substantially all assets of the Company was used to pay-off or retire all credit obligations. The residual cash was placed in unit investment trust funds (UITFs) until its redemption in October 2022. The proceeds from the redemption of the UITFs was placed in short-term time deposits and debt securities.

### **ITEM 7. FINANCIAL STATEMENTS**

The financial statements of the Company included in the 2024 Annual Report to Stockholders are incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules are filed as part of this Form.

### ***INFORMATION ON INDEPENDENT ACCOUNTANT***

#### **Information on Independent Accountant and Other Related Matters**

##### **(1) External Audit Fees and Services**

##### **(a) Audit and Audit-Related Fees**

The aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by the external auditor were P0.131 million and P0.127 million for the year 2024 and 2023, respectively. These fees cover services rendered by the external auditor for audit of the financial statements and other services in connection with statutory and regulatory filings for fiscal years 2024 and 2023.

##### **(b) Tax fees and other fees**

Other fees amounting P0.05 million were paid to the auditing firm of Punongbayan & Araullo, CPAs (P&A) for the years 2024 and 2023.

For details, please refer to Supplementary Schedule of External Auditor Fee-Related Information, which presents the two-year comparative summary of audit and non-audit fees for the fiscal years 2024 and 2023, in compliance with SEC Memorandum Circular

(MC) No. 18, Series of 2024.

- (c) The Board Audit Committee (BAC) has the oversight responsibility over the audit function and activities of Internal and External auditors. It provides assurance that (a) financial disclosures made by the management as presented in the Internal Auditor's report reasonably reflect the financial condition; the results of operation; and the plans and long-term commitments; and (b) internal controls are operating as intended and whether modifications are necessary.

The BAC has the responsibility to select and recommend to the Board the External Auditors. It reviews the audit coverage of the External Auditors and deliberates on their audit report prior to endorsement to the Board for approval. It reports to the Board audit-related matters requiring the Board's action.

**ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES**

In 2024 and 2023, the auditing firm of P&A has been appointed as the Company's Independent Public Accountant. There was no event in the past where P&A and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope and procedures.

**PART III - CONTROL AND COMPENSATION INFORMATION**

**ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

**1. Directors and Corporate Officers**

The Board of Directors of the Company (the "**Board**") is empowered to direct, manage and supervise, under its collective responsibility, the affairs of the Company. 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.

Below is the list of the incumbent members of the Board and all persons nominated to be part of the Board, and the corporate officers and their business experience during the past five (5) years:

**ATTY. ELMER B. SERRANO**

Chairman  
57 years old, Filipino

Atty. Serrano was elected as Chairman of the Board of Directors of the Company on 20 April 2022.

Atty. Serrano is a practicing lawyer specializing in corporate law and is the Managing Partner of the law firm SERRANO LAW. Atty. Serrano has been awarded "Asia Best Lawyer" by the International Financial Law Review (IFLR) and "Leading Lawyer-Highly Regarded" by IFLR 1000. After consistently being ranked as a "Leading Individual", Atty. Serrano was also inducted to the Legal 500's "Hall of Fame" as among the lawyers who received constant praise from clients for continued excellence.

Atty. Serrano is also the Corporate Secretary of public companies, such as, SM Investments Corporation, Atlas Consolidated Mining and Development Corporation, Premium Leisure Corp., 2GO Group, Inc., and DFNN Inc. He is also the Corporate Information Officer of BDO Unibank, Inc. and serves as the corporate secretary of the bank's subsidiaries and affiliates. Mr. Serrano also sits as a director of several public companies. He is an Independent Director of EEI Corporation, Philippine Telegraph and Telephone Corporation and Benguet Corporation. He is also a director of 2GO Group, Inc.

Atty. Serrano is also counsel to financial industry institutions such as the Bankers Association of the Philippines, the Philippine Payments Management, Inc. and the PDS Group of Companies.

Atty. Serrano is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippines in 2001. Mr. Serrano holds a Juris Doctor degree from the Ateneo de Manila University and a BS Legal Management degree from the same university.

### **JOHN EMMANUEL M. LIZARES**

Director & President

61 years old, Filipino

Mr. Lizares was elected to the Board of Directors of the Company on August 1, 2023. He is concurrently the President/Director of BDO Finance Corporation and BDO Rental, Inc. He is Senior Vice President and was previously the Unit Head of Institutional Banking Group-Commercial Banking East C since July 2016. He has more than 30 years of experience in credit lending. He holds a Bachelor of Science degree in Business Economics from the University of the Philippines. Prior to joining BDO in July 2001, Mr. Lizares was with the Retail Banking of Far East Bank & Trust Company.

### **LUIS S. REYES, JR.**

Director & Treasurer

67 years old, Filipino

Mr. Reyes was first elected to the Board of Directors of the Company on April 18, 2012, and was appointed as Treasurer on April 23, 2014. He is concurrently the Executive Vice President for Investor Relations and Corporate Planning of BDO Unibank, Inc. He is also the Treasurer of BDO Finance Corporation, Director and Treasurer of BDO Rental, Inc., Director of BDO Strategic Holdings, Inc. and BDORO Europe Ltd., and Chairman of Nashville Holdings, Inc. Before joining BDO, Mr. Reyes was a First Vice President of Far East Bank & Trust Company, Trust Banking Group. He holds a Bachelor of Science degree in Business Economics from the University of the Philippines.

### **LAZARO JEROME C. GUEVARRA**

Director

58 years old, Filipino

Mr. Guevarra was elected to the Board of Directors of the Company on April 20, 2022. He is concurrently Executive Vice President of BDO Unibank. He is the Chief of Staff for the Office of the President and concurrently the Head for the Governance Group, administratively overseeing the Legal Services & Corporate Secretary, Compliance, Internal Audit, and Information & Cyber Security Office. He 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 and Reinsurance Brokers, Inc.; Director of BDO Strategic Holdings, Inc., BDORO Europe Ltd., Averon Holdings Corporation, and Nashville Holdings, Inc.; Trustee of BDO Foundation; 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-three (33) years of experience in banking, mergers & acquisitions.

**MELANIE S. BELEN**

Director

64 years old, Filipino

Ms. Belen was elected to the Board of Directors of the Company on April 20, 2022. She is currently Senior Vice President / Head of Credit Risk Operations & Asset Recovery Management of BDO Unibank, Inc. She is concurrently President/Director of BDO Strategic Holdings, Inc. and Ivory Homes, Inc. She is also Director of Taal Land, Inc. and Chairperson/Director Equimark-NFC Development Corporation. Before joining BDO, she was a Country Vice President of Scholastic Inc. (Grolier International), and Chief Financial Consultant of Healthy Options. Ms. Belen is a Certified Public Accountant (CPA) and holds a Bachelor of Science degree in Commerce from the University of Sto. Tomas, and a Master's degree in Business Management from the Asian Institute of Management.

**GENEVA T. GLORIA**

Director

60 years old, Filipino

Ms. Gloria was elected to the Board of Directors of the Company on April 20, 2022. She holds the position of Senior Vice President & Head of BDO Remittance-Transaction Banking Group of BDO Unibank, Inc. She also assumes directorships in the following subsidiaries: BDO Network Bank, 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 almost 30 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. Ms. Gloria has been supporting various government projects for the Overseas Filipino Market. In 2014, Ms. Gloria and her team launched a grassroots marketing campaign across the country, alongside financial literacy programs for clients overseas. The project has then expanded into community marketing efforts in remote areas through the combined networks of BDO and BDO Network Bank. Ms. Gloria led the two institutions into maximizing both of the banks' reach & accessibility – successfully reaching the underserved & unserved markets & fulfilling the bank's commitment to financial inclusion. Through Ms. Gloria, the Bank's synergy with SM has also evolved into making the latter an avenue for the Overseas Filipino market to enjoy exclusive offers made especially for them. Ms. Gloria received her Bachelor of Science degree in Business Administration from the University of the Philippines.

**REBECCA S. TORRES**

Director  
72 years old, Filipino

Ms. Torres was elected to the Board of Directors of the Company on July 13, 2022. She is an incumbent Consultant of BDO Unibank and Director of BDO Rental, Inc. She is concurrently the Treasurer of BDO Life Assurance Company, Inc. and BDO Insurance and Reinsurance Brokers, Inc. She was formerly Senior Vice President & Chief Compliance Officer of BDO Unibank, Inc. and Assistant Corporate Secretary of BDO Leasing and Finance, Inc., BDO Private Bank, Inc., BDO Rental, Inc., Armstrong Securities, Inc., and Equimark-NFC Development Corp. She likewise served as Assistant Corporate Secretary and Trustee of BDO Foundation, Inc. She was the Corporate Secretary of PCIB Securities, Inc., BDO Strategic Holdings Inc., and the Sign of the Anvil, Inc. She was formerly the Chief of Staff of the President involved in project management for the bank's merger activities. She was a Director and currently an Adviser to the Board of the Association of Bank Compliance Officers of the Philippines. She is a CPA and a graduate of St. Theresa's College, Quezon City with a degree of Bachelor of Science Major in Accounting and she has completed the Advanced Bank Management Program of the AIM.

**LUIS MA. G. URANZA**  
Lead Independent Director  
66 years old, Filipino

Atty. Uranza was elected as Independent Director of the Company on April 20, 2022. He is concurrently an Independent Director of BDO Private Bank, BDO Finance Corporation and BDO Capital & Investment Corporation. He has previously served as the Corporate Secretary of various banks, financial institutions, and listed companies. His professional experience in the field of litigation is also extensive due to his engagement as trial counsel in notable civil, criminal and administrative cases.

Atty. Uranza is currently the Rehabilitation Receiver, appointed by the Securities and Exchange Commission, to oversee the financial recovery of Victorias Milling Co., Inc. which is one of the major sugar millers and refiners in the country whose shares are listed and traded in the Philippine Stock Exchange. Atty. Uranza has also been given similar appointments by the commercial courts of Makati City and the City of Cagayan de Oro to oversee the financial rehabilitation of several other companies.

In the course of his law practice, Atty. Uranza gained proficiency in oil and gas exploration laws and regulations as a result of his membership in the Board of Directors of PNOC-Exploration Corporation which is a government owned and controlled corporation created for the primary purpose of exploring and developing the fossil fuel and natural gas resources of the country. Moreover, the Philippine Government (through its various agencies) has also engaged the professional services of Atty. Uranza as: (a) Special Legal Counsel of the Presidential Commission on Good Government, (b) Legal Consultant to the Special Presidential Task Force created by Executive Order No. 156 to investigate the tax credit scam at the Department of Finance, and (c) Legal Consultant to the Office of the General Manager of the Manila International Airport Authority.

Atty. Uranza is a member of the Philippine Bar who has been engaged in the practice of law for more than forty (40) years. He earned both his academic degrees in business (B.S.B.A.) and in law (L.I.B.) from the University of the Philippines.

**ISMAEL G. ESTELA, JR.**

Independent Director

68 years old, Filipino

Mr. Estela was elected as Independent Director of the Company on April 20, 2022. He is presently an Independent Trustee of BDO Foundation, Inc., and Independent Director of BDO Finance Corporation and Top Bank Philippines, Inc. He serves as Chairman of the Board of Directors of Blue Plate Exalt Foods Corp. He was formerly Senior Vice President and Corporate Governance Officer of BDO Unibank, Inc., assigned to Corporate Compliance and Legal Services & Internal Audit Group, and held various directorship positions in BDO Group: BDO Remit (Canada) Ltd., BDO Remit (Japan) Ltd., BDORO Europe Ltd., and Express Padala International, Inc. He was also Head of Transaction Banking doing cash management, electronic banking, and remittance services. He is a Certified Public Accountant ("CPA") and holds a Bachelor of Science degree in Accounting from the University of San Carlos.

**JOSEPH JASON M. NATIVIDAD**

Corporate Secretary

52 years old, Filipino

Atty. Natividad was appointed Corporate Secretary of the Company on May 31, 2010. He concurrently holds the position of Corporate Secretary of BDO Network Bank Inc., the DSV/Agility Group of Companies in the Philippines, and serves as a member of the Board of Directors and Corporate Secretary of Gaia South, Inc. He is also the Assistant Corporate Secretary of BDO Insurance and Reinsurance Brokers, Inc. Atty. Natividad is a Director, Corporate Treasurer and Corporate Secretary of Luster and Gray. He served as Assistant Corporate Secretary of Equitable PCI Bank from September 2006 to June 2007, prior to its merger with Banco de Oro; BDO Capital & Investment Corporation, BDO Securities Corporation, and BDO Rental, Inc. He is also Board Secretary of the Private Education Retirement Annuity Association (PERAA), a retirement fund administrator of private schools. Atty. Natividad is currently a Partner of the Factoran & Natividad Law Offices. He has been in law practice for more than 25 years, mainly in the fields of corporate law and environmental law. He has a Bachelor's degree in Management, major in Legal Management, from the Ateneo de Manila University, and obtained his Juris Doctor degree from the Ateneo de Manila University School of Law.

**MA. CECILIA S. SANTOS**

Assistant Corporate Secretary

59 years old, Filipino

Atty. Santos was appointed as Assistant Corporate Secretary and Alternate Corporate Information Officer of the Company since October 1, 2015. She is concurrently the First Vice President and Alternate Corporate Information Officer of BDO Unibank. She is the Corporate Secretary of BDO Finance Corporation, BDO Foundation, Inc. BDO Strategic Holdings, Inc., BDO Rental, Inc., Averon Holdings Corporation, Nashville Holdings, Inc., Ivory Homes, Inc., and Equimark-NFC Development Corporation. Further, she is also the Assistant Corporate Secretary of BDO Private Bank, Inc. and BDO Network Bank, Inc. She was formerly the Corporate Secretary of Armstrong Securities, Inc., BDO Nomura Securities, Inc., and Director and Corporate Secretary of PCI Insurance Brokers, Inc., PCI Management Consultants, Inc., PCI Travel Corporation, The Executive Banclounge, Inc., and The Sign of the Anvil, Inc.

In addition, she is currently assigned at BDO Unibank Legal Services and Corporate Secretary



Group as Head of two (2) Teams, to wit: IP/Legal Support Team providing legal assistance to BDO Unibank's Support Groups and Subsidiaries and in managing the BDO Group's Intellectual Property (BDO and BDO-related trademarks and domain names), and Corporate Secretariat Team providing corporate secretariat services to BDO Unibank and its Subsidiaries. In 2017, 2018, 2019, and 2020, she was featured in the World Trademark Review 300 as among the World's Top 300 Leading Trademark Professionals. In 2023, she was included in the GC Powerlist Philippines 2023–Legal 500. She holds a Bachelor of Arts degree major in Economics from University of Sto. Tomas and finished law at San Beda College of Law (Dean's Lister).

**COSME S. TRINIDAD, JR.**

Compliance and Corporate Governance Officer

60 years old, Filipino

Mr. Trinidad was appointed as Compliance and Corporate Governance Officer of the Company on February 1, 2024. He is concurrently the Risk and Compliance Officer, Data Protection Officer, Corporate Governance and Information Security Officer of BDO Finance Corp. and BDO Rental, Inc. He is First Vice President and was the Team Head of Institutional Banking Group-Commercial Banking Central Luzon since August 2020. He was formerly Unit Head of Marketing-Luzon in BDO Leasing and Finance, Inc. for 8 years. He joined BDO Risk Management Group in 2008 handling credit policy and portfolio review. He holds a Masters Degree in Business Administration from De La Salle University and graduated Magna Cum Laude with a degree in Bachelor of Science in Fisheries, major in Business Management from the University of the Philippines.

***Board and Senior Management Performance***

The 2023 Board and key officers evaluation, conducted in the year 2024, was facilitated by Good Governance Advocates and Practitioners of the Philippines (GGAPP). All Board members were asked to complete evaluation forms which utilized the scaled (Likert) method and (open) comments box. The 2023 performance evaluation of the Board in terms of board responsibilities, composition, conduct, interaction and communication, administration and process, strategic board meeting session, and board oversight of risks were rated strong. Skills deemed essential for Directors such as corporate governance, strategic planning and business strategy, risk management, legal and compliance, and sustainability, were deemed exhibited in the current Board. The Directors rated the Board Committees high in terms of their understanding of their respective roles and effectiveness in performing their functions. The results further indicate that the Chairperson and President demonstrated strong leadership in their respective roles. Majority of the Directors considered themselves sufficiently trained in 2023.

The 2024 Board and key officers effectiveness evaluation will be spearheaded by the Corporate Governance Committee, using an approved set of questionnaires. The performance evaluation process begins with sending out customized Board Evaluation Questionnaires to each director. They are required to complete the questionnaire which explains the rationale and objectives of the performance evaluation. Based on the replies from each respondent, the ratings and responses are tabulated and consolidated. The Corporate Governance Officer prepares the overall report and presents this to the Corporate Governance Committee for discussion and endorsement to the Board, including the recommended actions and focus areas to improve effectiveness, if any.

***Significant Employee***

There is no person, other than the senior executive officers above, who is expected by the

Company to make significant contributions to the Company.

### ***Family Relationships***

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated or chosen by the Registrant to become directors or executive officers.

### ***Involvement of Directors and Executive Officers in Certain Legal Proceedings***

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

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

- i. bankruptcy petition by or against any business of which such director or senior executive was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time;
- ii. a conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign;
- iii. 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;
- iv. being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC 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 Company 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 the Company to attract, motivate and retain high-performing executives necessary to maintain its leadership position in the industry. To be competitive in the marketplace, the Company 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 the Company:



**(1) President and four most highly compensated executive officers**

<b>in millions of pesos</b>	<b>Year</b>	<b>Annual Compensation</b>	<b>Other Compensation</b>
President and four most highly compensated executive officers	2025 (estimate)	none*	none*
	2024	none*	none*
	2023	none*	none*
	2022	none*	none*

\* Except for the Corporate Secretary, all the other officers namely President, Treasurer, Compliance Officer, and Assistant Corporate Secretary are seconded from BDO Unibank and BDO Finance Corp. and receives their compensation directly from these companies. The Corporate Secretary in turn, is an external counsel retained by BDO Unibank, which directly pays for his compensation.

There are no actions to be taken with regard to election, any compensatory plan, contract, or arrangement, bonus or profit-sharing, change in pension/ retirement plan, granting of or extension of any options, warrants or rights to purchase any securities.

**(2) Compensation of directors and officers as a group**

<b>In Million Pesos</b>	<b>Year</b>	<b>Annual Compensation</b>	<b>Other Compensation</b>
All other officers and directors	2025 (estimate)	2.19	none
	2024	2.19	none
	2023	2.18	none
	2022	2.93	none

**B. Compensation of Directors**

Each director is entitled to receive *per diem* allowance for attending board and committee meetings. As provided by law, the total compensation of directors shall not exceed 10% of the net income before income tax of the Company for the preceding year.

Each member of the Board of Directors received the following amounts as Directors for the year 2024:

<b>Name of Director</b>	<b>Amount</b>
1. Elmer B. Serrano	P 500,000.00
2. John Emmanuel M. Lizares	0.00
3. Melanie S. Belen	0.00
4. Ismael G. Estela, Jr.	596,666.66
5. Geneva T. Gloria	0.00
6. Lazaro Jerome C. Guevarra	0.00
7. Rebecca S. Torres	500,000.00
8. Luis R. Reyes, Jr.	0.00
9. Luis Ma. G. Uianza	596,666.66
<b>Total</b>	<b>P 2,193,333.32</b>

Above-mentioned amounts include total fees and *per diems* received by the Directors for their attendance in meetings of the Board. Executives of BDO Unibank and DHI did not receive any directors' fees nor per diems as directors of the Company.

There is no distinction on the fee for a committee chairman and member. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus, or other forms of emoluments.

The Company may grant to the directors any compensation other than *per diem* upon approval of the shareholders representing at least a majority of the outstanding capital stock.

**C. Outstanding warrants or options held by the Company's CEO, executive officers, and all officers and directors as a group.**

There are no outstanding warrants or options held by the Company's President, officers, and all directors as a group.

**D. Any repricing of warrants or options held by such officers or directors in the last completed fiscal year, as well as the basis for each such repricing.**

There are no outstanding warrants or options held by the Company's President, officers, and all directors as a group.

**ITEM 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT**

**Security Ownership of Certain Record/Beneficial Owners**

As of December 31, 2024, the following are known to the Company to be directly or indirectly the record and/or beneficial owners of more than 5% of the Company's voting securities:

Title of class	Name, address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent
Common	BDO Unibank, Inc. together with its wholly-owned subsidiary BDO Capital & Investment Corporation BDO Corporate Center, 7899 Makati Avenue, Makati City/ <b>Parent Company</b>	Record and beneficial (affiliate and majority stockholder)	Filipino	1,914,711,807	88.54%
Common	PCD Nominee Corp. ("PCD") / 29th Floor BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226 <b>PCD has no relationship with the Issuer except as stockholder. PCD, being a nominee</b>	Various stockholders No stockholder owns more than 5% of the Company's voting securities through PCD	Filipino	247,957,346	11.143%
			Non-Filipino	657,961	0.030%

<i>corporation, only holds legal title, not beneficial ownership of the lodged shares.</i>			
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The persons authorized to vote the shares of BDO Unibank, Inc. ("BDO Unibank") are Ms. Teresita T. Sy and Mr. Nestor V. Tan.

As of December 31, 2024, the following stockholders own more than 5% of BDO Unibank:

Title of Class	Name, address of Record Owner and relationship with BDO Unibank	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent
Common and Preferred	<b>SM Investments Corporation</b> 10th Floor, One E-com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City / Parent Company	Sy Family (Substantial stockholders)	Filipino	2,292,936,778	38.93%
Common	<b>PCD Nominee Corp. (Foreign)</b> 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/ Various stockholders	Various stockholders	Foreign	1,503,461,766	25.52%
Common and Preferred	<b>Sybase Equity Investments Corporation (SEIC) *</b> 10 <sup>th</sup> Floor L.V. Locsin Building 6752 Ayala Avenue, Makati City/ Stockholder	Various stockholders	Filipino	752,392,350	12.77%
Common	<b>PCD Nominee Corp. (Filipino) *</b> 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/ Various stockholders	Various corporate stockholders	Filipino	744,227,432	12.77%
Common	<b>Multi-Realty Development Corporation (MRDC)</b> 10 <sup>th</sup> Floor L.V. Locsin Building 6752 Ayala Avenue, Makati City/ Stockholder	SM Investments Corp. (Subsidiary)	Filipino	349,815,643	5.94%
<b>TOTAL (COMMON &amp; PREFERRED)</b>				<b>5,642,833,969</b>	<b>95.79</b>

\* Inclusive of PCD-lodged shares

### **Security Ownership of Management**

As of December 31, 2024, the total number of shares owned by the directors and management of the Company as a group is 24,520 common shares, which is equivalent to 0.0011339% of the total

outstanding common shares of the Company. The Company's directors and officers own the following Common Shares:

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Position</b>	<b>Citizenship</b>	<b>No. of Shares</b>	<b>Percentage</b>
Common	Elmer B. Serrano	Chairman	Filipino	100 (D)	0.0000046%
Common	John Emmanuel M. Lizares	Director & President	Filipino	100 (D)	0.0000046%
Common	Luis S. Reyes Jr.	Director, Treasurer	Filipino	100 (D)	0.0000046%
Common	Luis Ma. G. Uranza	Lead Independent Director	Filipino	100 (D)	0.0000046%
Common	Ismael G. Estela Jr.	Independent Director	Filipino	100 (D)	0.0000046%
Common	Lazaro Jerome C. Guevara	Director	Filipino	100 (D)	0.0000046%
Common	Geneva T. Gloria	Director	Filipino	100 (D)	0.0000046%
Common	Melanie S. Belen	Director	Filipino	100 (D)	0.0000046%
Common	Rebecca S. Torres	Director	Filipino	950 (D)	0.0000439%
Common	Cosme S. Trinidad Jr.	Compliance and Corporate Governance Officer	Filipino	22,770 (D)	0.0010530%
	<b>Total</b>			<b>24,520</b>	<b>0.0011339%</b>

Directors and officers of the Company are required to report to the Company any acquisition or disposition of the Company's shares within three (3) business days from the date of the transaction. As prescribed by the Disclosure Rules of the PSE, the Company shall disclose to the PSE any acquisition or disposition of its shares by its directors and officers within five (5) trading days from the transaction. Under Section 23 of the Securities Regulation Code ("**SRC**"), the Company shall likewise disclose to SEC within ten (10) days after the close of each calendar month thereafter, if there has been a change in such ownership of shares by directors and officers at the close of the calendar month and such changes in his ownership as have occurred during such calendar month.

## **ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The Company has adopted a comprehensive and extensive policy for its related party transactions in compliance with the regulatory requirements of not only the SEC, but also of the BSP, the Company being majority-owned by a bank. Pursuant to the SEC MC No. 10, series of 2019 (Rules on Material Related Party Transactions for Publicly-Listed Companies), the Company adopted a **Material Related Party Transactions Policy** on October 2019, which was revised last May 2024 to reflect the change in name of Company to its current name. A copy of the Policy is available in the Company's website.

Related Parties broadly refer to the following: Directors, Officers, Stockholders, Related Interest (DOSRI) as defined under regulations, Subsidiaries, Affiliates and Other Related Parties acting for themselves, as representatives or agents for others, or as guarantors, sureties, endorsers, mortgagors, pledgors, assignors, or in any capacity in which (i) they become obligated or may be obligated to the Company to pay or its equivalent or by any means whatsoever or (ii) there is a transfer of resources, services or obligations between the Company and the Related Party. In

considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

In the ordinary course of business, the Company enters into transactions with BDO Unibank and other affiliates. These transactions are made substantially on the same terms as with 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. Single and aggregated material related party transactions follow strict approval process. The Company's Related Party Transactions Committee composed of independent and non-executive directors, reviews and scrutinizes the terms and conditions of covered transactions to ensure that these are made on an arms-length basis, that no preferential treatment is accorded, and they are negotiated as a regular business transaction in accordance with regulations. These transactions are then elevated to the Company's Board of Directors for confirmation and approval. Directors and officers who have interest in the transactions abstain from participating in the discussion. The details of the deliberations are included in the minutes of the Board and Board Committee meetings. Approved related party transactions are then properly tagged for monitoring and reporting of exposures.

The Company's related parties are BDO Unibank, BDO TIG and BDO Finance Corporation (BDOFC) as described below.

The summary of the Company's significant transactions with its related parties in 2024, 2023, and 2022 are as follows:

	Notes	Amount of Transaction		
		2024	2023	2022
<b>Stockholders</b>				
Cash dividends declared and paid	9.4	P 3,243,712,968	P -	P -
<b>Ultimate parent company (BDO Unibank)</b>				
Interest income on short-term placements and investments	(a)	64,611,907	77,869,196	63,241,061
Trust fees	(d)	5,005,480	3,591,034	-
Service fees	(b)	570,196	360,250	302,100
Interest income on savings and demand deposits	(a)	16,424	9,385	4,969
UITF redemption	(c)	-	6,021,053,236	5,927,789,668
UITF placement	(c)	-	6,020,004,237	-
Realized fair value gains	(c)	-	1,048,999	62,625,034
	Notes	Amount of Transaction		
		2024	2023	2022
<b>Related party under common Ownership (BDOFC)</b>				
Management fees	(e)	504,000	336,000	-
<b>Others</b>				
Director's fees	(f)	2,193,333	2,182,222	2,933,333

Below is the summary of the outstanding balances with each related party as of December 31, 2024 and 2023.

		Outstanding Balance	
	Note	2024	2023
Ultimate parent company			
(BDO Unibank)			
Savings and demand deposits	(a)	P 2,582,770	P 1,488,858
Short-term placements	(a)	-	6,300,000
Accrued interest receivables			
on short-term placements	(a)	-	7,245

- (a) The Company maintains savings and demand deposit and short-term placement accounts with BDO Unibank. As of December 31, 2024 and 2023, savings and demand deposit and short-term placements accounts maintained with BDO Unibank are included under Cash and Cash Equivalents and Money Market Placement account in the statements of financial position (see Note 6). The savings and demand deposits generally earn interest at annual rate of 0.06% in 2024, 2023 and 2022 and short-term placements earn interest at an effective rate of nil in 2024, 5.75% in 2023 and 4.75% in 2022. Interest income earned on these deposits is reported as Interests and discounts account in the statements of income.
- (b) The Company entered into an agreement with BDO Unibank on stock transfer services. Service fees paid by the Company to BDO Unibank are shown as part of Other Expenses account under Operating Costs and Expenses in the statements of income. There were no outstanding receivable and payable on these transactions as of December 31, 2024 and 2023.
- (c) In 2021, the Company purchased UITF amounting to P70,000,000 from BDO TIG and recognized unrealized fair value gain of P54,997,429 presented under Income in the 2021 statement of income. In 2022, the Company redeemed all its remaining UITF resulting in realized fair value gains amounting to P62,625,034. In April 2023, the Company purchased and redeemed UITF amounting to P6,020,004,237 which resulted to a realized fair value gains amounted to P1,048,999. Realized fair value gains are presented under Income in the 2023 and 2022 statements of income (see Note 7). There was no similar transaction in 2024.
- (d) In April 2023, the Company entered into an investment management agreement with BDO TIG for services related to the Company's fund management. Fees paid by the Company to BDO-TIG is reported as Trust Fees account under Operating Costs and Expenses in the 2024 and 2023 statements of income. There were no outstanding payable on these transactions as of December 31, 2024 and 2023.
- (e) In May 2023, the Company entered into a service level agreement with BDOFC wherein BDOFC will charge the Company for certain management services that the former provides to the latter. Management fees paid by the Company to BDOFC are shown as part of Other Expenses account under Operating Costs and Expenses in the 2024 and 2023 statements of income. There was no outstanding payable arising from this transaction in 2024 and 2023.

- (f) The Company recognized Director's fees amounting to P2,193,333, P2,182,222, and P2,933,333, in 2024, 2023, and 2022, respectively, and is presented under Operating Costs and Expenses account in the statements of income. There was no outstanding payable arising from these transactions as of December 31, 2024 and 2023.

## **PART IV - CORPORATE GOVERNANCE**

### **ITEM 13. CORPORATE GOVERNANCE**

#### **Corporate Governance**

Corporate governance in DHI is about effective oversight, strict compliance with regulations, and sustainable value creation to promote the best interest of its various stakeholders. Dominion Holdings, 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. DHI's good market reputation has been built on the solid foundation of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

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

This report describes the highlights of our corporate governance practices throughout the financial year ended December 31, 2024.

#### **Governance Structure**

##### **Board of Directors**

Responsibility for good governance lies with the Board. It is responsible for providing effective leadership and overall direction to foster the long-term success of the Company. It oversees the business affairs of the Company, 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 Company's corporate mission and vision and ensures their continuous alignment with the Company'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, Chief Executive Officer (**CEO**), and senior management officers. It considers sustainability issues related to the environment, social, and governance factors as part of its sustainable company practices.

##### **Board Composition**

The Board is composed of eleven (11) members with two (2) vacancies. It is led by a Non-Executive Chairperson with two (2) Independent Directors, four (4) Non-Executive Directors, and two (2)



Executive Directors who are the President and Treasurer.

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 Company comprise 64% (7 of 11) of the Board. With four (4) of 11 Board seats occupied by independent directors, the Company goes beyond the 1/3 minimum requirement of the Securities and Exchange Commission. Independent Directors chair four (4) of six (6) board-level committees, namely Board Audit, Corporate Governance, Related Party Transactions, and Nominations. 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.

### **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 Company'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 Company 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., ICD List of Members) in selecting the pool of candidates for the new members of the Board. The Nominations Committee recommends the most suitable candidate to the Board for appointment or election as director.

For reelection of incumbent directors, the Nominations Committee also considers the results of the most recent annual evaluation of the performance of the Board 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**

The Company adopted the Board Diversity Policy of its parent bank BDO Unibank, Inc. that sets out approaches to promote diversity in the membership of the Board of Directors and 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 Company. 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 Company's annual stockholders' meeting. The Committee 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 strategic planning and business strategy, investment management, accounting and finance, legal and compliance entrepreneurship, asset management, taxation, human resource management, sustainability, risk management and corporate governance.

Considering the growth, complexity and scope of the Company'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 including the heads of units who exercise control functions i.e. Chief Compliance Officer. Fit and proper standards are applied in the selection of key officers and utmost consideration is given to their integrity, technical expertise, and relevant experience.

### **Review of Company's Mission, Vision, and Strategic Plans**

The Board, being the highest governance body, is responsible for approving and updating the Company's mission, vision, objectives and strategies on a continuing basis and in overseeing management's implementation thereof, taking into account the Company'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 Company, keeps up with material changes in the Company's business and regulatory environment and ensures that the Company has beneficial influence on the economy. The Board similarly oversees the implementation of policies governing major areas of the Company's operations and holds special meetings to discuss strategic matters and critical concerns.

During the year, the Board approved, reviewed, and oversaw the Company's financial budget and capital funding, business targets and strategies, and the release of the 2023 audited financial statements which were disclosed to the public on February 29, 2024, 60 days from year end, following the SEC Code of Corporate Governance for Publicly Listed Companies' recommendation of within 90 days from year-end. Its oversight functions include the review of operational and financial performance of senior management and works of the various committees in accordance with their Terms of Reference.

### **Sustainability Initiatives**

The Board also oversaw matters related to sustainability. As a subsidiary of BDO Unibank, Inc., the Company takes part in the Bank's Environmental and Social Risk Management System (ESRMS) which provides guidance to identify, assess, and manage E&S risks and opportunities associated with the Company's operations.

### **Improving Board Effectiveness**

## **Board Performance**

The 2023 Board Evaluation was facilitated by Good Governance Advocates and Practitioners of the Philippines (GGAPP). All Board members were asked to complete evaluation forms which utilized the scaled (Likert) method and (open) comments box. Below are the highlights of the Board evaluation results:

### **A. Board Composition**

1. The Board is composed of directors who individually add value and contribute relevant knowledge, independent judgment, industry experience, and diversity of perspective to the formulation of sound corporate strategies and policies to foster the long-term success of the Company;
2. The Board has a sufficient mix of individuals with diverse qualifications, backgrounds, experience, and skills to contribute independent perspectives, challenge traditional assumptions, as well as facilitate discussion and objective decision-making;
3. The size of the Board is appropriate for the size and business of the Company; and
4. The Board is composed of a majority of non-executive directors.

### **B. Board Efficiency and Performance**

The Board feels that it sufficiently performs its general duties and responsibilities in a manner that is aligned with corporate governance best practices. The Company's Board is guided by the necessary supporting policies, such as a Manual on Corporate Governance and Code of Conduct and Business Ethics.

### **C. Board Meetings and Participation**

Meetings are regular and frequent enough that the Board is able to perform its duties and functions. The Company's Board meetings are purposeful, and materials are provided to directors in a timely fashion - which gives them more time to prepare, as well as formulate strategies relating to the matters tabled to be taken up.

### **D. Board Committee Assessment**

Each committee is composed of an adequate number of directors that ensures meaningful discussions on the respective committees' objectives. The composition, functions and responsibilities of the committees are contained in publicly-available committee charters, and are firmly established and upheld. Said charters, along with governance related policies and programs are reviewed periodically and updated as needed.

### **E. Individual Director Self-Rating**

Directors believe that:

1. They conduct themselves in a manner characterized by transparency, accountability, integrity, and fairness, and are fully aware that the office of a director is one of trust and confidence;
2. In the performance of their duties and responsibilities as directors, they consider the long-term success of the Company, its sustained competitiveness and profitability, its best interest and those of its various stakeholders;
3. They willingly offer alternative viewpoints during discussions to reflect their own professional expertise and opinions; and

4. They bring fully to the Board an objective and independent position, not afraid to take an unpopular position consistent with what they believe is in the best interests of the Company.

#### **F. Key Officer Ratings**

1. **Chairman of the Board** – The Company's Board is headed by a competent and qualified Chairman, who enjoys the full trust and confidence of its members.
2. **President/Chief Executive Officer** – Management is led by a competent and qualified President/ CEO, who leads the Company toward the attainment of its vision and mission and strategic objectives, conducts himself with utmost honesty and integrity in the discharge of his duties, devotes the necessary time and effort in managing the day-to-day affairs of the Company, and acts in the best interests of the Company and its various stakeholders.
3. **Compliance Officer** – Directors believe that the Chief Compliance Officer effectively monitors, reviews, and evaluates the compliance and accuracy of all documentary submissions of the Company, its directors and corporate officers with the relevant laws, provisions, and requirements of the Manual on Corporate Governance and regulatory agencies.
4. **Chief Audit Executive** – Directors believe that the Chief Audit Executive ably determines and conducts audits that are in the regular course of business and those that are unusual or subject to conflict of interest and ensures the improvement of the various internal control procedures to increase efficiency and mitigate potential risks, and thereafter recommends to the Audit Committee for approval.

#### **Senior Management and Employee Performance**

The Board approves and monitors appropriate key performance indicators for senior management, which are aligned with the Company's strategic plan, and oversees management's conduct of the Company's business and intervenes as needed. Using an approved set of questionnaires, the Board reviewed Senior Management's performance against established criteria, for purposes of assessing its effectiveness and as a tool in its efforts to enhance its structure, composition, and procedures. The results of the assessment reveal that the Board generally perceives the Senior Management as strong especially in areas of qualifications, financial performance, strategy, and leadership.

The measurable standards for each employee established by the Company every year is the Key Result Areas (KRA) Plan. The KRA specifies the focus area of performance and the results expected that are aligned with the strategy of the Company. The KRA Plan is the effective performance management framework adopted to ensure that individual performance is tracked versus standards set by Management and Board. The fulfillment of these standards is the basis of the yearly appraisal rating of employees. For the heads of control functions, their annual performances are assessed by the Board-level Committees that oversee them. Their performances are measured against the regulatory expectations for their roles.

#### **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 industry.

Directors of DHI complied with the annual corporate governance training requirement of four (4) hours

in 2024. All nine (9) directors of DHI, along with other directors and members of the senior management and key officers of entities in the BDO Group, attended its in-house corporate governance seminar held on July 26, 2024. Gartner, Inc., a global research and consulting firm, provided updates on retail banking trends with generative AI. 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. On the other hand, Cyberint, a global software cybersecurity company, cautioned the Directors about the evolving cyber threat landscape and how this impacts BDO at present and in the succeeding years. Mandiant, another cybersecurity firm and a subsidiary of Google, furthered briefed the Directors on managing cyber risks, developing a cybersecurity risk management plan and identifying cybersecurity risk mitigation measures.

## **Succession Planning**

Succession planning for the Board and senior management is an important part of the governance process. The Board adopts a policy on retirement for directors and officers, as part of the succession plan, to promote dynamism. The Board, through the Corporate Governance Committee, reviews the succession framework/policy and leadership development plans for the Board and senior management. The Nominations Committee, on the other hand, leads the process for identifying and makes recommendations to the Board on, candidates for appointment as Directors of the Company as well as management positions requiring appointment by the Board, giving full consideration to succession planning and the leadership needs of the Company.

In the Board level, succession planning is always a conscious effort to the Board to assess every year the nominees for Board members. At such time, the remaining term of each independent director is also noted to allow the Board sufficient time to scout for successors. The Board, through the Nominations Committee, shortlists the candidates nominated by the stockholders by pre-screening and checking the qualifications of candidates. Also, the Board has adopted the nine-year term limit of independent directors as a way to refresh the Board membership progressively and in an orderly manner.

In the Management level, the implementation of succession planning within BDO Groups and its subsidiaries is driven by the respective group heads in partnership with Human Resources Group (HRG) and shall cover critical leadership or individual contributor roles to ensure business continuity. This is achieved through a systematic and integrated process in the identification, assessment, development and retention of talents.

The Succession Planning Policy shall cover the steps involved in the (a) identification and development of talents, and (b) assessment and building of succession bench strength to ensure that potential successor is ready to transition to the next key leadership/position in the Company.

## **Remuneration of Directors and Senior Management**

The Remuneration Policy of the Company is geared towards attracting, retaining, and motivating employees and members of the Board.

The remuneration framework for senior management includes fixed pay and bonuses as a long term incentive program. It is linked to corporate and individual performance, based on an appraisal of senior management. The five most highly compensated officers are the President and four Executive Officers. All qualified employees may be entitled to an annual merit increase in salary, based on their

performance for the immediately preceding year. This has a long-term and compounding effect to the fixed pay, which serves as basis for their retirement benefit. With the conversion of DHI to a Holding Company in October 2020, only five (5) Corporate Officers were retained in the Company. Except for the Corporate Secretary, all the other officers, namely: President, Treasurer, Compliance Officer, and Assistant Corporate Secretary are seconded from BDO Unibank and BDO Finance Corp. and receive their compensation directly from these companies. The Corporate Secretary, in turn, is an external counsel retained by BDO Unibank, which directly pays for his compensation. Non-Executive Directors receive per diem for attending board and committee meetings. In addition, the Company grants director fees, other than per diem, in accordance with law to ensure that the remuneration is commensurate with the effort, time spent, and responsibilities of NEDs. There is no distinction on the director's fee for a committee chairman or member. The total remuneration of each member of the Board is disclosed in the Company's Definitive Information Statement and SEC Form 17-A (Annual Report).

## **Employees**

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

- **Code of Conduct and Business Ethics**

DHI believes that practicing right conduct and ethical behavior inspires and strengthens the confidence of all our 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 subscribe to and promote.

The Code applies at all times to all members of the Board of Directors and BDO Group employees in their dealings with clients, suppliers, business partners and service providers. It covers the Company'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.

- **Employee Welfare**

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

- **Health and Safety**

DHI 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; and
- Emergency Response Teams to ensure availability of emergency response personnel in time of disaster.
- Safety and health training

### **Corporate Social Responsibility**

The Company's CSR commitment is manifested through the BDO Foundation, the corporate social responsibility arm of BDO Group which undertakes initiatives to address the needs of the underprivileged and marginalized members of society. In 2024, the foundation implemented initiatives in the areas of financial inclusion and disaster response, rehabilitation and rebuilding.

### **Dividends**

The Company recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. In 2024, the Company's Board of Directors declared cash dividends in the amount of P1.50 per share, paid to all stockholders of record as of April 30, 2024 on May 10, 2024.

The payment of dividends entails prior board approval of the amount, record and payment dates as recommended by Management based on the PSE, and SEC rules on declaration of cash dividends. Upon Board approval, necessary disclosures are made in compliance with regulatory requirements. Dividends are paid within 30 days from date of declaration. The full dividend policy statement is published on the corporate website.

### **Government and Regulators**

The Company supports the compliance with the spirit, not just the letter, of the laws and regulations of the jurisdictions it operates. All business deals and transactions shall adhere to regulatory requirements and applicable laws particularly on data privacy and protection, anti-money laundering and other financial crimes, insider trading and consumer protection.

### **Transparency and Disclosures**

DHI 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:

1. General Information Sheet (GIS)
2. Definitive Information Sheet (DIS)
3. SEC form 17-A



4. SEC form 17-C (current reports - material information)
5. SEC form 17-Q (Quarterly Report)
6. SEC form 23-A/B (Statement of Beneficial Owners)
7. Audited Financial Statements (AFS)

Required disclosures relating to:

1. Financial information is stated in the AFS, SEC Form 17-Q and the DIS
2. Shareholder matters are provided in the DIS
3. Executive compensation policy is stated in the DIS
4. Directors' fees are found in the DIS
5. Corporate actions, among others, are provided in the PSE official website [www.pse.com.ph](http://www.pse.com.ph)

### **Related Party Transactions**

The Company has established policies and procedures on related party transactions (RPT) in accordance with SEC regulations. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arm's length terms, identification and prevention of potential or actual conflicts of interest, adoption of materiality thresholds, internal limits for individual and aggregate exposures, whistle-blowing mechanisms, and restitution of losses and other remedies for abusive RPTs. The RPT Committee reviews and endorses to the Board for final approval all material RPTs. The Related Party Transactions Policy ensures that every related party transaction is conducted in a manner that will protect the Company from any potential conflict of interest. The policy also covers the proper review, approval, ratification, and disclosure of transactions between the Company and any of its related parties in compliance with legal and regulatory requirements. The policy also requires that any member of the RPT Committee who has a potential interest in any related party transaction shall abstain from the discussion and endorsement of the related transaction. Likewise, any member of the Board who has interest in the transaction must abstain from the deliberation and approval of such related party transaction. Related party transactions, whose value may exceed 10% of the Company'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. In 2024, with limited operations, no transaction qualified under the materiality threshold as defined in SEC Memorandum Circular No. 10 (Series of 2019) or the Rules on Material Related Party Transactions for Publicly-Listed Companies.

The full version of the Related Party Transactions Policy is published on our corporate website.

### **Chairperson of the Board**

The Chairperson is primarily responsible for leading the Board and ensuring its effectiveness. He provides leadership to the Board, fosters constructive relationships with the 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 Company's business and performance of senior management. He takes a lead role in ensuring that the Board provides effective governance of the Company and continues to operate at a very high standard of independence with the full support of the directors.

### **Board of Directors Meeting**

The Board of Directors is responsible for the overall direction, management and supervision of DHI's affair, exercising collective authority in decision-making and corporate governance. In 2024, the Board

of Directors convened 7 meetings. The table below presents the attendance record:

<b>2024 Board Meetings</b>				
<b>Name of Director</b>	<b>Position</b>	<b>No. of Meetings Attended</b>	<b>Total No. of Meetings</b>	<b>% of Attendance</b>
Elmer B. Serrano	Chairman	7	7	100%
John Emmanuel M. Lizares	Director/President	7	7	100%
Melanie S. Belen	Director	7	7	100%
Ismael G. Estela, Jr.	Independent Director	7	7	100%
Geneva T. Gloria	Director	7	7	100%
Lazaro Jerome C. Guevarra	Director	7	7	100%
Luis S. Reyes Jr.	Director & Treasurer	6	6	86%
Rebecca S. Torres	Director	7	7	100%
Luis Ma. G. Uranza	Independent Director	7	7	100%

### **Independent and Non-Executive Directors' Meeting**

Regular meetings are held by Independent and Non-Executive Directors (INED) with the heads of the control functions 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 meets 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 2024, two INED meetings were conducted. The first was in January 18 while the second one was done in November 6.

### **Board-level Committees**

The Board has established six (6) 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, 2024, four (4) of six (6) board-level committees are chaired by Independent Directors.

The standing committees of the Board are as follows:

#### **Executive Committee**

Chairman:

Lazaro Jerome C. Guevarra

Members:

John Emmanuel M. Lizares

Melanie S. Belen



#### **FUNCTIONS:**

- Exercises the power of the Board in the management and direction of the affairs of the Company.
- Acts as the main approving body for investments, advances or commitments and property-related proposals.
- Exercises oversight over the Company's sustainability program.

#### **Board Audit Committee**

##### **Chairman:**

Ismael G. Estela, Jr.  
(Independent Director)

##### **Members:**

Rebecca S. Torres  
Luis Ma. G. Uranza  
(Independent Director)

#### **FUNCTIONS:**

- 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 publicly listed companies.
- On internal control and risk management, it monitors and evaluates the adequacy, soundness and effectiveness of the Company's established internal control and risk management systems, policies and procedures including their implementation to provide reasonable assurance against fraud or other irregularities and material misstatement or loss.
- On internal and external audit, it recommends the appointment, reappointment, and removal of the internal and external auditors, remuneration, approval of terms of audit engagement and payment of fees. It reviews non-audit work of external auditors, if any, ensuring that it would not conflict with their duties nor pose a threat to their independence. It approves the annual audit plan and reviews audit results focusing on significant findings with financial impact and its resolution. It reviews the implementation of corrective actions to ensure that these are done in a timely manner to address deficiencies, non-compliance with policies, laws and regulations. Annually, it evaluates the performance of the Chief Internal Auditor and the internal and external audit functions.
- On compliance, it recommends the approval of the Compliance Charter and reviews annually the performance of the Chief Compliance Officer and the compliance function. It also reviews the annual plans of the Compliance Unit and evaluates the effectiveness of the regulatory compliance framework of the Company to ensure that these are consistently applied and observed throughout the institution. It reviews the report of examination of regulators including replies to such reports for endorsement to the Board for approval.

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

On financial reporting, the Board Audit Committee (**BAC**) reviewed and recommended for approval to the Board the Company's quarterly unaudited and annual audited financial statements ensuring compliance with accounting standards and tax regulations. It endorsed for approval of the Board the Company's audited financial statements as of December 31, 2023 including the Notes to the Financial Statements. This was approved by the Board on February 21, 2024 and disclosed to the public on February 29, 2024, 60 days from the financial year-end, following the recommendation of SEC Code of Corporate Governance for Publicly Listed Companies. 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 and compliance with accounting standards were likewise reviewed.

In overseeing the internal audit function, it reviewed and approved the 2024 Internal Audit Policy Statement and the 2024 and 2025 Internal Audit risk-based audit plans after a thorough review of their 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

On external audit, it reviewed and approved the 2024 Audit Plans of the external auditor to ensure the adequacy of its scope and coverage and appropriateness of the timelines. On February 21, 2024, it approved and endorsed for approval of the Board the engagement with the Company's external auditor for its non-audit role as Board of Canvassers in the voting in the Company's Annual Stockholders Meeting on April 12, 2024. 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 annual compliance plans. It monitored the progress and reviewed the status of the annual compliance plans and timely submission of regulatory and prudential reports. It also conducted the annual appraisal of the performance of the Compliance Officer for 2023. 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.

As part of its commitment to excellent corporate governance, the Committee conducted a self-assessment for its 2023 performance facilitated by GGAPP, an external third party evaluator. The BAC likewise evaluated the performance of Internal Audit and Compliance, 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 Company, 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 DHI.

The BAC held 5 meetings in 2024 with all incumbent members attending all meetings during their term.

Below is the attendance of the members in Committee meetings held in 2024:

Name	Director Type	No. of Meetings Attended	Total No. of Meetings	Percentage
Ismael G. Estela Jr.	Chairman	5	5	100%
Rebecca S. Torres	Non-executive	5	5	100%
Luis Ma. G. Uianza	Independent	5	5	100%

#### **Corporate Governance Committee**

Chairman:

Luis Ma. G. Uianza

(Independent Director)

Members:

Rebecca S. Torres

Ismael G. Estela, Jr.

(Independent Director)

#### **FUNCTIONS:**

- Primarily tasked to assist the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Company.
- Annually, it also oversees the performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance. It provides an assessment of the outcome and reports to the Board the final results of the evaluation including recommendations for improvement and areas to focus on to enhance effectiveness.
- Reviews and assesses the adequacy of the Company's policies and practices on corporate governance including the Corporate Governance Manual and Interlocking Policy and recommends changes for approval of the Board.
- Oversees the continuing education program for directors and key officers and proposes relevant training for them.
- Oversees the Sustainability initiatives of the Company, particularly key processes, standards and strategies designed to manage environmental and social impact and governance.

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 Company 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 cybersecurity, 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 Company's compliance with local and international corporate governance standards. It reviewed and endorsed for Board approval the Company's 2023 Integrated Annual Corporate Governance Report to the Securities and Exchange Commission (SEC), which documents Company's compliance with the SEC Code of Corporate Governance. It also approved the Company'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 Company received for the second straight year a 1-Golden Arrow award from the Institute of Corporate Directors during the 2024 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Recognition ceremonies held at Manila Marriot Hotel in Pasay City last September 19, 2024. This award is for its 2023 corporate governance practices based on the ACGS Scorecard.

#### c. Board Effectiveness Evaluation

The Committee approved the selection of GGAPP to spearheaded the annual Board effectiveness evaluation covering the performance in 2023 of the Board of Directors, Board-level Committees, senior management and each director. The 2023 performance evaluation of the Board in terms of board responsibilities, composition, conduct, interaction and communication, administration and process, strategic board meeting session, and board oversight of risks were rated strong. Skills deemed essential for Directors such as corporate governance, strategic planning and business strategy, risk management, legal and compliance, and sustainability, were deemed exhibited in the current Board. The Directors rated the Board Committees high in terms of their understanding of their respective roles and effectiveness in performing their functions. The results further indicate that the Chairperson and President demonstrated strong leadership in their respective roles. Majority of the Directors considered themselves sufficiently trained in 2023.

The Corporate Governance Committee held 5 meetings in 2024 with all incumbent members attending all meetings during their term.

Below is the attendance of the members in Committee meetings held in 2024:

<b>Name</b>	<b>Director Type</b>	<b>No. of Meetings Attended</b>	<b>Total No. of Meetings</b>	<b>Percentage</b>
Luis Ma. G. Uranza	Chairman	5	5	100%
Ismael G. Estela Jr.	Independent	5	5	100%
Rebecca S. Torres	Non-executive	5	5	100%

#### **Risk Management Committee**

Chairperson:  
Rebecca S. Torres

Members:  
Luis Ma. G. Uranza  
(Independent Director)  
Ismael G. Estela, Jr.  
(Independent Director)

#### **FUNCTIONS:**

- Is responsible for the oversight of the enterprise risk management program of the Company.
- Is responsible for approving the enterprise risk management framework and risk management plan developed by management, defining the policies, limits, and strategies for managing and controlling the major risks of the Company.
- Oversees the implementation and review of the risk management plan, including the system of limits of discretionary authority delegated by the Board of Directors to management under its purview and ensures that immediate corrective actions are taken whenever limits are breached.
- Is responsible for ensuring that there is periodic review of the effectiveness of the risk management systems and recovery plans, and that corrective actions are promptly implemented to address risk management concerns.
- Is responsible for conducting regular discussions with management on the current and emerging risk exposures, based on regular management reports, and direct concerned units on how to reduce these risks.
- Is also responsible for the appointment/selection, remuneration, approval and assessment of interlocking positions held, performance evaluation, and dismissal of the Chief Risk Officer, for ensuring that the risk management function has adequate resources and for effectively overseeing the risk-taking activities of the Company.
- Works with the Audit Committee in certifying in the Annual Report the adequacy of the Company's risk management systems and controls.

In accordance with its mandate, the Committee conducted regular discussions on the Company's exposures to various risks as a holding company, including mitigation strategies, where necessary and applicable. The Committee also approved the results of the annual performance appraisal of the Chief Risk Officer.

The RMC held 2 meetings in 2024 with all incumbent members attending all meetings during their term.

Below is the attendance of the members in Committee meetings held in 2024:

<b>Name</b>	<b>Director Type</b>	<b>No. of Meetings Attended</b>	<b>Total No. of Meetings</b>	<b>Percentage</b>
Rebecca S. Torres	Chairperson	2	2	100%
Luis Ma. G. Uianza	Independent	2	2	100%
Ismael G. Estela Jr.	Independent	2	2	100%

#### **Nominations Committee**

Chairman:

Luis Ma. G. Uianza

(Independent Director)

Members:

Rebecca S. Torres

Ismael G. Estela, Jr.

(Independent Director)

#### **FUNCTIONS:**

- Leads the process of identifying candidates for election and appointment of Directors and all other positions requiring appointment of the Board of Directors, giving full consideration to succession planning and the leadership needs of the group. In particular, this process includes the profiling of the skills and competencies of the currently serving directors, the gaps in skills and competencies identified and the search for candidates who are aligned with the Company's directions to fill the gaps. It makes use of external database, e.g. Institute of Corporate Directors, or professional search, to the extent possible. It then makes appropriate recommendations to the Board.
- Makes recommendations to the Board on the composition and chairmanship of the various committees.
- Keeps under review the structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the Non-Executive Directors, and makes recommendations to the Board with regard to any changes.
- Reviews and approves the interlocking positions of Directors in other entities and ensure its compliance with the Company's Interlocking Policy.

After reviewing the composition of the Board and Board-level Committees, it approved the nominations of the regular and independent directors on February 21, 2024, in accordance with the criteria set forth in the By-laws of DHI, as well as pertinent regulations of the Securities and Exchange Commission and Philippine Stock Exchange. After due deliberations on the nominees, it recommended to the Board the appointment, reappointment or election of the Chairperson, Corporate Officers, and memberships in Board-level Committees. The Committee also reviewed/approved the interlocking directorship and officership positions of the nominees to the Board in other entities.

The Nominations Committee meetings held 2 meetings in 2024 with all incumbent members attending all meetings during their term.

Below is the attendance of the members in Committee meetings held in 2024:

<b>Name</b>	<b>Director Type</b>	<b>No. of Meetings Attended</b>	<b>Total No. of Meetings</b>	<b>Percentage</b>
Luis Ma. G. Uranza	Chairman	2	2	100%
Ismael G. Estela Jr.	Independent	2	2	100%
Rebecca S. Torres	Non-executive	2	2	100%

### **Related Party Transactions Committee**

Chairman:

Luis Ma. G. Uranza  
(Independent Director)

Members:

Ismael G. Estela, Jr  
(Independent Director)  
Geneva T. Gloria

#### **FUNCTIONS:**

- Assists the Board in its oversight of the conduct of all Related Party Transactions (RPTs) to protect the interests of the Company 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 Company's significant transactions with related parties.

On a monthly basis, the RPTC carefully reviews the material related party transactions being proposed by Management and provides necessary action, including endorsement for approval of the Board. The Committee also reviews all non-material related party transactions for the year prior to its confirmation by the Board. As part of its continuing assessment of RPT limits, the Committee also approves the RPT materiality thresholds.

The RPTC held 2 meetings in 2024 with all incumbent members attending all meetings during their term.

Below is the attendance of the members in Committee meetings held in 2024:

Name	Director Type	No. of Meetings Attended	Total No. of Meetings	Percentage
Luis Ma. G. Uranza	Chairman	2	2	100%
Ismael G. Estela Jr.	Independent	2	2	100%
Geneva T. Gloria	Non-executive	2	2	100%

## **Independent Control Functions**

### **Compliance**

DHI's Compliance, through the Chief Compliance Officer (CCO) of BDO Finance Corporation, oversees the design of the Company's compliance system and the overall compliance framework executed through a Compliance Program, and promotes their effective implementation. DHI Compliance 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 Company with existing laws, rules and regulations through the implementation of the overall compliance system and program in accordance with the requirements of the regulatory agencies, including but not limited to the identification and control of compliance risks, prudential reporting obligations as well as compliance training. The Compliance System forms the processes, people, policies and other components that, as an integral unit, ultimately drive the DHI's initiatives to conform to industry laws, regulations and standards. In line with DHI's initiatives is its commitment to ensure that activities of the Company and its personnel are conducted in accordance with all applicable laws and regulations and industry standards, and this commitment to compliance serves to protect the Company and its stakeholders. DHI's Compliance, as provided in its Charter, reports to the Board Audit Committee any significant compliance issues or breaches.

The Compliance Department and its compliance program endeavors to protect the Company's franchise, manage compliance risks and simultaneously support the business goals and growth of the institution by providing appropriate compliance insights and regulatory guidance to safeguard the Company and its stakeholders.

### **Internal Audit**

The Internal Audit Group reports functionally to the Board Audit Committee (BAC) of the Parent Bank and respective subsidiaries. It provides independent, objective, reliable and valued assurance and



consulting services, over the effectiveness of governance, risk management and control processes of the BDO Group. It operates under the Internal Audit Policy Statement (Internal Audit Charter) that is reviewed and approved annually by the BAC. It seeks BAC approval for the annual audit plan and any changes thereto, 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.

Internal Audit generally conforms with standards such as the ISPPA (International Standard for the Professional Practice of Internal Auditing) and the Code of Ethics, as confirmed by the results of its External Quality Assessment Review (EQAR). Internal Audit also adheres to the principles under COSO Internal Control Integrated Framework, COBIT (Control Objectives for Information and Related Technology), and other governing regulations. It is independent of the activities audited, and from the day-to-day internal control processes. With free access to all records, properties and personnel, it is able to report audit results, findings, opinions, and other information through clear reporting line.

It promotes continuous professional development of its auditors, especially in areas requiring specialized areas of knowledge and technical expertise, auditing techniques, and relevant changes in regulations.

### **Consumer Protection Practices**

DHI'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 Company'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 operations and business units are required to identify, measure, monitor, and control consumer protection risks inherent in its operations.

DHI's commitment is that customers are treated fairly, honestly, and professionally at all stages of their relationship with the Company. The Company 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.

### **Whistleblowing**

DHI believes that the key to long-term sustainability and success largely depends on having a good name and solid reputation in the market place. To achieve this, the Company is committed to the highest standards of ethical values, integrity, honesty, accountability and transparency in the conduct of its business.

The Company's Policy on Disclosure of Sensitive/Confidential Matters to Management covers the tipping off of any incident, situation, circumstance or problem involving fraud and/or violation of

policies for further investigation which may result in or resulted in monetary loss and/or negative impact to the image of the Company.

Reporting may be done thru any available means such as but not limited to SMS text, letter, email or phone call directly to the Office of the President (OP) or the appropriate Head of the Unit concerned. For concerns directly involving the President and the other Executive Directors, the report should be addressed to the Board of Directors thru the Office of the Chairperson. For RPT-related concerns, the report should be addressed to the Chairman of Related Party Transactions Committee.

### **Engagement with Stakeholders**

DHI employs a multi-pronged communications strategy to actively engage with its various stakeholders and promote transparency, awareness, and visibility about the Company.

Communication with the core audience is handled by the following: Investor Relations and Corporate Planning Group by BDO Unibank for institutional investors, analysts, credit rating agencies, and other external stakeholders; the Corporate Secretary's office (CorSec) for retail investors and other shareholders; and both IR and CorSec for the board members and senior management. Additionally, communications requiring media involvement are done in conjunction with BDO Unibank's Marketing Communications Group.

The Company provides material and relevant information through official disclosures via PSE EDGE, the company website and media.

### **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, 2024, the Company 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.

On the retirement age of directors, the Board recognizes the fact that chronological age is not the main factor in determining effectiveness of the director in discharging his duties and responsibilities. The wisdom of senior directors is a valuable asset. The Board derives much benefit from their advices and opinions and will continue to utilize them for the benefit of all its stakeholders. Age discrimination is discouraged by law, as once a director has been elected, removal due solely to age is prohibited. In this regard, the Board decided to hold in abeyance the implementation of a retirement age policy for directors and instead review the individual director's potential contribution to the Company and its stakeholders, and decide on that basis.

On the disclosure of the remuneration on an individual basis for executive officers, this information is no longer disclosed. With the conversion of the Company to a Holding Company in October 2020, only five (5) Corporate Officers were retained in DHI. Except for the Corporate Secretary, all the other officers namely President, Treasurer, Compliance Officer, and Assistant Corporate Secretary are seconded from BDO Unibank and BDO Finance Corp. and receives their compensation directly from these companies. The Corporate Secretary is an external counsel retained by BDO Unibank, which directly pays for his compensation.

### **Looking Ahead**

DHI, as a holding company, recognizes the importance of addressing climate change and supporting the country's transition towards a low-carbon economy. Through its Board, its Parent Company and Senior Management, the Company remains committed to advancing the sustainability agenda 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 Company'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 Company endeavors to contribute to the country's sustained growth by financing economic activities that nurture the environment, empower the Filipino consumers, and promote the best interest of the Company's various stakeholders. Consistent with the UN Sustainable Development Goals (SDGs), UN Global Compact, and the government's Sustainable Finance Roadmap, the Company constantly strives to create lasting, net positive impact through delivery of various products and services that are sustainable, inclusive, equitable, environment-friendly, and socially relevant.

## **PART V - EXHIBITS AND SCHEDULES**

### **ITEM 14. EXHIBITS AND SCHEDULES ON SEC FORM 17-C**

#### **Reports under SEC Form 17-C**

Below is a summary of the various disclosures reported by the Company under SEC Form 17-C for the year 2024.

<b>Date Reported</b>	<b>Items Reported</b>
<b>11 January 2024</b>	<p><b>Pending Review and Approval by the SEC of the Amended Registration Statement</b></p> <p>Subject to review and approval of the Securities and Exchange Commission (SEC), Dominion Holdings, Inc. (DHI or the Company) filed an amended Registration Statement last 29 June 2023 in compliance with the requirements of the SEC for the lifting of its Order of Suspension against the Company dated 13 February 2020 (Order).</p> <p>To recall, the Order was issued by the SEC in light of the change of the Company's primary business from a leasing to a holding company, as the SEC ruled that the Company's Registration Statement as a leasing and financing company was no longer true and accurate. The SEC ordered the suspension and required the filing of an Amended Registration Statement. The Company filed a request for reconsideration of the Order on 25 February 2020, primarily on the basis that the conversion of the Company is not yet approved by the SEC and hence not yet effective, noting also that it has been transparent and timely with reporting material transactions.</p> <p>While the Company's request for reconsideration remains pending resolution by the SEC, the Company decided to comply with the directive of the SEC and took the opportunity upon approval by the SEC of its conversion to a holding company on 18 July 2022.</p> <p>The Amended Registration Statement is here attached, which is currently under review and pending approval by the SEC.</p> <p>The Company will update the public if there are significant developments regarding the matter.</p>
<b>01 February 2024</b>	<p><b>Appointment of Officer in view of recall of secondment of incumbent officer</b></p> <p>Ladies and Gentlemen:</p>

Date Reported	Items Reported
	<p>Please be informed that the Board of Directors of Dominion Holdings, Inc. (the Company) at its special meeting held today, January 31, 2024, approved the appointment of Mr. Cosme S. Trinidad Jr. as Compliance and Corporate Governance Officer, Chief Risk Officer, Data Protection Officer, and Information Security Officer, effective February 01, 2024, vice Ms. Katherine U. Resari.</p> <p>This new appointment is in view of the recall of the secondment of Ms. Resari by the Company's parent, BDO Unibank, Inc., where she will assume the role of Consumer Policy and Portfolio Review Head in BDO Unibank-Risk Management Group.</p> <p>Prior to this appointment, Mr. Trinidad is First Vice President and Team Head of Institutional Banking Group-Commercial Banking Central Luzon of BDO Unibank since August 2020. He was also formerly a Unit Head of Marketing-Luzon in BDO Leasing and Finance, Inc. for 8 years. He joined BDO Risk Management Group in 2008 handling credit policy and portfolio review. He holds a Masters Degree in Business Administration from De La Salle University and graduated Magna Cum Laude with a degree in Bachelor of Science in Fisheries major in Business Management from the University of the Philippines.</p>
22 February 2024	<p><b>Dominion Holdings posts ₱277.3 million net income in 2023</b></p> <p>Dominion Holdings, Inc. (formerly BDO Leasing &amp; Finance, Inc.) reported a net income of ₱277.3 million in 2023, higher than the ₱69.3 million earnings in 2022. Gross Income increased to ₱343.7 million from ₱126.8 million the previous year, due to the rebalancing of its investment portfolio towards higher-yielding placements and debt securities.</p> <p>Total Resources, predominantly comprised of investment securities, amounted to ₱6.38 billion, while Stockholders' Equity increased to ₱6.37 billion.</p>
22 February 2024	<p><b>Notice of Annual Stockholders' Meeting</b></p> <p>The Board of Directors of Dominion Holdings, Inc. ("DHI"), at its regular meeting held on February 21, 2024, approved the setting of the Annual Stockholders' Meeting of DHI on April 12, 2024, at 3:00 in the afternoon, to be held virtually, and fixing the record date on March 8, 2024 for stockholders entitled to vote and participate at such meeting.</p> <p>The registration details and voting procedures will be posted separately.</p>
29 February 2024	<p><b>2023 Audited Financial Statements</b></p> <p>Ladies and Gentlemen:</p> <p>Attached is the 2023 Audited Financial Statements of Dominion Holdings, Inc., and the corresponding Notes to Financial Statements.</p>
12 April 2024	<p><b>Declaration of Cash Dividends</b></p> <p>The Board of Directors of Dominion Holdings, Inc. (the "Corporation"), at its board meeting held on April 12, 2024, resolved to declare cash dividends in the amount of Php1.50 per share, to be paid to all stockholders of record as of April 30, 2024, and payable on May 10, 2024.</p>
12 April 2024	<p><b>Dominion Holdings' 2023 earnings at ₱277.3 million, Cash dividends of ₱1.50 per share declared</b></p> <p>At its Annual Stockholders' Meeting, Dominion Holdings, Inc. (formerly BDO Leasing and Finance, Inc.) announced higher earnings of ₱277.3 million in 2023, compared to ₱69.3 million in 2022. This is mainly due to larger investment income with the rebalancing of its portfolio towards higher-yielding placements and debt securities.</p> <p>The Board of Dominion Holdings earlier approved the declaration of cash dividends of ₱1.50 per share to all stockholders on record as of April 30, 2024. Payment date will be on May 10, 2024.</p>
15 April	<b>Results of the 2024 Annual Stockholders' Meeting</b>

Date Reported	Items Reported
2024	<p>A. Election of Directors</p> <p>At the Annual Stockholders' Meeting of Dominion Holdings, Inc. (DHI), the following were elected as directors for the year 2024-2025:</p> <p>Regular Directors</p> <ol style="list-style-type: none"> <li>1. Luis S. Reyes, Jr.</li> <li>2. Lazaro Jerome C. Guevarra</li> <li>3. John Emmanuel M. Lizares</li> <li>4. Geneva T. Gloria</li> <li>5. Melanie S. Belen</li> <li>6. Elmer B. Serrano</li> <li>7. Rebecca S. Torres</li> </ol> <p>Independent Directors:</p> <ol style="list-style-type: none"> <li>1. Luis Ma. G. Uianza, and</li> <li>2. Ismael G. Estela, Jr.</li> </ol> <p>B. Appointment of External Auditor</p> <p>The Accountancy and Auditing Firm of Punongbayan &amp; Araullo, Grant Thornton was re-appointed external auditor of DHI for the year 2024.</p>
15 April 2024	<p><b>Results of the 2024 Organizational Meeting of the Board of Directors</b></p> <p>At the organizational meeting of the Board of Directors of Dominion Holdings, Inc. (DHI) held immediately after the Annual Stockholders' Meeting, the newly-elected members of the Board of Directors elected/appointed the following persons to the various positions set forth below:</p> <p><b>A. Chairman and Lead Independent Director</b></p> <p>Atty. Elmer B. Serrano - Chairman Atty. Luis Ma. G. Uianza - Lead Independent Director</p> <p><b>B. Composition of Board Committees</b></p> <p><b>Executive Committee</b></p> <ol style="list-style-type: none"> <li>1. Lazaro Jerome C. Guevarra - Chairman</li> <li>2. John Emmanuel M. Lizares - Member</li> <li>3. Melanie S. Belen - Member</li> </ol> <p><b>Board Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. Ismael G. Estela, Jr. - Chairman</li> <li>2. Rebecca S. Torres - Member</li> <li>3. Luis Ma. G. Uianza - Member</li> </ol> <p><b>Corporate Governance Committee</b></p> <ol style="list-style-type: none"> <li>1. Luis Ma. G. Uianza - Chairman</li> <li>2. Rebecca S. Torres - Member</li> <li>3. Ismael G. Estela, Jr. - Member</li> </ol> <p><b>Nominations Committee</b></p> <ol style="list-style-type: none"> <li>1. Luis Ma. G. Uianza - Chairman</li> <li>2. Rebecca S. Torres - Member</li> <li>3. Ismael G. Estela, Jr. - Member</li> </ol>

Date Reported	Items Reported
	<p><b>Related Party Transactions Committee</b>  1. Luis Ma. G. Uianza - Chairman  2. Ismael G. Estela, Jr. - Member  3. Geneva T. Gloria - Member</p> <p><b>Risk Management Committee</b>  1. Rebecca S. Torres - Chairperson  2. Ismael G. Estela, Jr. - Member  3. Luis Ma. G. Uianza - Member</p> <p><b>C. Corporate Officers</b>  1. Mr. John Emmanuel M. Lizares - President  2. Atty. Joseph Jason M. Natividad - Corporate Secretary  3. Atty. Ma. Cecilia S. Santos - Assistant Corporate Secretary  4. Mr. Luis S. Reyes, Jr. - Treasurer  5. Mr. Cosme S. Trinidad, Jr. - Compliance &amp; Corporate Governance Officer/ Chief Risk Officer / Information Security Officer / Data Protection Officer / Social and Environment Management Systems (SEMS) Officer</p>
03 May 2024	<p><b>Pending Review and Approval by the SEC of the Amended Registration Statement (Amend)</b></p> <p>Please be advised that on 30 April 2024, the Securities and Exchange Commission (SEC) issued the Notice of Filing of Amended Registration Statement of Dominion Holdings, Inc. (DHI or the Company).</p> <p>The Company filed an Amended Registration Statement in compliance with the requirements of the SEC for the lifting of its Order of Suspension against the Company dated 13 February 2020 (Order).</p> <p>To recall, the Order was issued by the SEC in light of the change of the Company's primary business from a leasing to a holding company, as the SEC ruled that the Company's Registration Statement as a leasing and financing company was no longer true and accurate. The SEC ordered the suspension and required the filing of an Amended Registration Statement. The Company filed a request for reconsideration of the Order on 25 February 2020, primarily on the basis that the conversion of the Company is not yet approved by the SEC and hence not yet effective, noting also that it has been transparent and timely with reporting material transactions.</p> <p>While the Company's request for reconsideration remains pending resolution by the SEC, the Company decided to comply with the directive of the SEC and took the opportunity upon approval by the SEC of its conversion to a holding company on 18 July 2022.</p> <p>The Amended Registration Statement reviewed and received by the SEC is here attached, which shall be posted through the SEC website (<a href="http://www.sec.gov.ph">www.sec.gov.ph</a>) and the Company's website (<a href="https://www.bdo.com.ph/dominion/company-disclosures">https://www.bdo.com.ph/dominion/company-disclosures</a>).</p> <p>The Company will update the public if there are significant developments regarding the matter.</p>
09 May 2024	<p><b>Dominion Holdings books ₱75.9 million income in 1Q 2024</b></p> <p>Dominion Holdings, Inc. (formerly BDO Leasing and Finance, Inc.) registered a 30% year-on-year growth in net income to ₱75.9 million in the first quarter of 2024, compared to the ₱58.3 million earnings in the comparable period in 2023. Gross Income increased by 28% due to the shift in its investment portfolio towards higher-yielding placements and debt securities.</p> <p>Total Assets, mainly composed of investment securities, amounted to ₱6.45 billion. Stockholders' Equity settled at ₱6.44 billion.</p>
03 July	<p><b>Lifting of the SEC Order of Suspension</b></p>



Date Reported	Items Reported
2024	Please be advised that on 2 July 2024, the Company received an Order from the Securities and Exchange Commission (SEC) dated 1 July 2024 lifting the Order of Suspension dated 13 February 2020.
08 August 2024	<p><b>Dominion Holdings reports 1H 2024 income of ₱134.5 million</b></p> <p>Dominion Holdings, Inc. (DHI, formerly BDO Leasing and Finance, Inc.) posted a higher net income of ₱134.5 million in the first half of 2024, compared to ₱125.3 million in the comparable period of 2023, as it benefited from the high interest rate environment as well as the reversal of provisions for probable losses on bond investments, which matured in the second quarter of 2024.</p> <p>The investment portfolio declined to ₱2.0 billion as of June 2024 from ₱6.1 billion in June 2023, while assets contracted to ₱3.3 billion from ₱6.3 billion, respectively, from a cash dividend declaration amounting to ₱3.2 billion. On April 12, 2024, the Board of Directors approved the declaration of cash dividends of ₱1.50 per common share. The dividends were declared in favor of stockholders on record as of April 30, 2024 and paid on May 10, 2024.</p> <p>As a result, Stockholders' Equity contracted to ₱3.3 billion from ₱6.4 billion as of yearend 2023.</p>
16 August 2024	<p><b>Reply to the Request for Additional Information of the Exchange</b></p> <p style="text-align: center;"><b>COMPREHENSIVE DISCLOSURE</b></p> <p><b>(a) Material corporate transactions entered into by DHI and its subsidiaries since the trading of its shares were suspended, including the current status of said transactions. Please also submit all relevant agreements and other documents, if any;</b></p> <p>On January 31, 2020, the Board of Directors (BOD) approved the amendment of the Company's primary and secondary purpose from operating as a leasing and financing entity, which provides direct leases, sale and leaseback arrangements and real estate leases to operate as a listed holding company that invest in, purchase, acquire or own, hold, use, sell, assign, transfer mortgage, pledge, exchange, or dispose real and personal property of every kind. On July 21, 2020, the stockholders approved the amendments.</p> <p>On March 01, 2022, the Company's BOD approved the amendment of the Company's name to Dominion Holdings, Inc. in line with the conversion of the Company into a holding company. This was subsequently approved by the stockholders on April 20, 2022.</p> <p>On July 18, 2022, the Securities and Exchange Commission (SEC) approved the amendments of the Company's article of incorporation's first and second article, effectively approving the conversion of the Company into a holding company and its new name, Dominion Holdings, Inc. A copy of the latest amended Articles of Incorporation of DHI is included as an exhibit to the amended Registration Statement and may also be accessed through <a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/dominionholdings/articles-of-incorporation-and-by-laws-and-all-amendments/Amended-Articles-of-Incorporation-Dominion-Holdings-Inc.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/dominionholdings/articles-of-incorporation-and-by-laws-and-all-amendments/Amended-Articles-of-Incorporation-Dominion-Holdings-Inc.pdf</a>.</p> <p><b>(b) Any future plan/s of the Company in relation to its business operations;</b></p> <p>DHI will continue investing its financial assets in money market placements, debt securities, and other short-term but high-yielding instruments. Other investments opportunities aligned with the objectives of DHI will be carefully analyzed and considered. DHI does not expect any product research and development, purchase or sale of plant and equipment, nor any significant change in the number of employees for the term of the plan.</p> <p><b>(c) Change/s in the shareholding structure of the Company since the imposition of the trading suspension to present. Please include the background of the Company's existing</b></p>



Date Reported	Items Reported																										
	<p><b>principal shareholders, whether individual or corporate. In case of corporate stockholders, indicate the nature of business, capital structure (subscribed and paidup), ownership structure, board of directors and key officers. Please also submit copies of their latest articles of incorporation and general information sheet as well as information on the ultimate beneficial owner;</b></p> <p>DHI did not have a substantial change in its shareholding structure.</p> <p>BDO Unibank, Inc. (BDO) owns 88.54% of the company's shares. BDO is a universal bank incorporated and doing business in the Philippines. It offers a wide range of banking services 2 such as traditional loan and deposit products, as well as treasury, remittance, trade services, credit card services, trust and others.</p> <p>Please see attached copies of the following:</p> <ul style="list-style-type: none"> <li>i. Latest amended Articles of Incorporation of BDO (available also at <a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporateprofile/corporate-document/pdf/BDO-Amended-Articles-of-Incorporation.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporateprofile/corporate-document/pdf/BDO-Amended-Articles-of-Incorporation.pdf</a>) ; and</li> <li>ii. Latest General Information Sheet of BDO (available also at <a href="https://www.aem.bdo.com.ph/content/dam/support-group/office-of-the-corporate-secretary/general-information-sheet/2024/Amended-Jun142024.pdf">https://www.aem.bdo.com.ph/content/dam/support-group/office-of-the-corporate-secretary/general-information-sheet/2024/Amended-Jun142024.pdf</a>).</li> </ul> <p><b>(d) Change/s in the composition of its board of directors and management officers since the imposition of the trading suspension to present. Please submit the curriculum vitae of the current directors and officers;</b></p> <p>There were changes in the composition of DHI's board of directors and officers since 28 January 2020. These changes are reflected in the attached copies of General Information Sheets of DHI from such date until the present. These may also be accessed at <a href="https://www.bdo.com.ph/dominion-holdings/corporate-profile/company-disclosures/secfilings#faqaccordion-df3d9e33a8-item-b8c832d418">https://www.bdo.com.ph/dominion-holdings/corporate-profile/company-disclosures/secfilings#faqaccordion-df3d9e33a8-item-b8c832d418</a>.</p> <p>As of 5 July 2024, the following persons are the current officers/directors of DHI:</p> <table border="1" data-bbox="500 1266 1421 1661"> <thead> <tr> <th>NAME</th><th>POSITION</th></tr> </thead> <tbody> <tr><td>Elmer B. Serrano</td><td>Chairman</td></tr> <tr><td>John Emmanuel M. Lizares</td><td>Director and President</td></tr> <tr><td>Luis S. Reyes, Jr.</td><td>Director and Treasurer</td></tr> <tr><td>Lazaro Jerome C. Guevarra</td><td>Director</td></tr> <tr><td>Geneva T. Gloria</td><td>Director</td></tr> <tr><td>Melanie S. Belen</td><td>Director</td></tr> <tr><td>Rebecca S. Torres</td><td>Director</td></tr> <tr><td>Luis Ma. G. Uianza</td><td>Lead Independent Director</td></tr> <tr><td>Ismael G. Estela, Jr.</td><td>Independent Director</td></tr> <tr><td>Joseph Jason M. Natividad</td><td>Corporate Secretary</td></tr> <tr><td>Ma. Cecilia S. Santos</td><td>Assistant Corporate Secretary</td></tr> <tr><td>Cosme S. Trinidad Jr.</td><td>Compliance and Corporate Governance Officer</td></tr> </tbody> </table> <p>The curriculum vitae of the foregoing directors and officers are included as exhibits to the amended Registration Statement.</p> <p><b>(e) Whether the Company underwent financial restructuring, insolvency proceedings, corporate rehabilitation, or any other similar proceeding. Please submit all relevant documents and provide the current status thereof;</b></p>	NAME	POSITION	Elmer B. Serrano	Chairman	John Emmanuel M. Lizares	Director and President	Luis S. Reyes, Jr.	Director and Treasurer	Lazaro Jerome C. Guevarra	Director	Geneva T. Gloria	Director	Melanie S. Belen	Director	Rebecca S. Torres	Director	Luis Ma. G. Uianza	Lead Independent Director	Ismael G. Estela, Jr.	Independent Director	Joseph Jason M. Natividad	Corporate Secretary	Ma. Cecilia S. Santos	Assistant Corporate Secretary	Cosme S. Trinidad Jr.	Compliance and Corporate Governance Officer
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Date Reported	Items Reported
	<p>DHI did not undergo a financial restructuring, insolvency proceeding, corporate rehabilitation, or any other similar proceeding.</p> <p><b>(f) Aggregate total of its credit obligations and whether or not it is in good standing with its creditors and/or whether the Company has defaulted in any of its payments. In a separate file and for the Exchange's internal evaluation, please provide a table summarizing DHI's credit obligations, e.g. name of creditor, principal amount, maturity date, use of the loan proceeds, status;</b></p> <p>DHI does not have outstanding credit obligations with creditors.</p> <p><b>(g) Reason on the substantial changes in its financial conditions from 2020 to 2024 including but not limited to the following;</b>  <b>a. Revenues from 2022 to 2023;</b>  <b>b. Comprehensive income from 2020 to 2021;</b></p> <p><i>2023 Compared to 2022</i></p> <p>In 2023, the Company registered a net income of P277.3 Million mainly derived from interest earnings on time deposits and debt securities. The shift of the investment portfolio from unit investment trust fund in 2022 to time deposits and debt securities resulted in the significant increase in net income from P69.3 Million recorded in 2022.</p> <p>As of December 31, 2023, total assets grew by 4.7% to P6.4 Billion of which P3.9 Billion is invested in time deposits and P2.3 Billion is invested in debt securities. The balance mainly pertains to creditable withholding taxes of P127.4 Million.</p> <p>Total liabilities amounted to P13.2 Million.</p> <p>Stockholders' equity rose from P6.1 Billion in 2022 to P6.4 Billion in 2023 as earnings from investments are plowed back to the Company.</p> <p><i>2022 Compared to 2021</i></p> <p>In 2022, the Company's gross income amounted to P126.8 million, an increase of P69.7 million or 122.12% from last year's P57.1 million. The company redeemed its investment in Unit Investment Trust Fund (UITF) of P5.9 billion during the last quarter of 2022, thereby realizing a gain on redemption of UITF amounting to P62.6 million. The proceeds of the investment were placed in higher yielding short-term time deposits which resulted in additional interest earning of P63.2 million. After considering total expenses of P32.4 million, the company registered a net income of P69.3 million, an increase of P59% from P43.5 million in 2021.</p> <p>As of December 31, 2022, total assets remained at P6.1 billion, of which P6.0 billion was placed in short- term time deposits.</p> <p>Accounts Payables and Other Liabilities amounted to P16.1 million.</p> <p>Stockholders' equity stood at P6.1 billion.</p> <p><i>2021 Compared to 2020</i></p> <p>The Company registered a net income of P43.6 million for the year ended December 31, 2021. Compared to 2020, net income dropped by 83% from P252.4 million, as the previous year's result was still based on a balance sheet prior to the full implementation of the Company's restructuring of its leasing business. After discontinuing its leasing and financing business and</p>

Date Reported	Items Reported																																												
	<p>sale of substantially all assets in October 2020, the income generated by the Company was earned solely from the fair value gain of its investment in Unit Investment Trust Funds (UITFs) which amounted to P55.0 million. Total expenses, on the other hand, stood at P19.3 million.</p> <p>As of December 31, 2021, total assets practically remain the same at P6.0 billion, of which P5.8 billion was invested in UITFs.</p> <p>The Company also assigned irrevocably and absolutely to BDO Finance certain accounts payable and other liabilities. The remaining balance of Accounts Payable and Other Liabilities account amounting to P8.1 million includes, among others, accounts payable and withholding taxes payable.</p> <p>Stockholders' equity stood at P6.0 billion.</p> <p>For further information, please refer to the amended Registration Statement and its corresponding exhibits, Definitive Information Statement, and 2023 Annual Report which are also available at <a href="https://www.bdo.com.ph/dominion-holdings/corporate-profile/companydisclosures/sec-filings">https://www.bdo.com.ph/dominion-holdings/corporate-profile/companydisclosures/sec-filings</a>.</p> <p><b>(h) Dividend declaration history of the Company since the imposition of the trading suspension to present, if any;</b></p> <p>On April 12, 2024, DHI's Board of Directors approved declaration of cash dividends at P1.50 per share amounting to P3.24B. The dividends were declared in favor of stockholders of record as of April 30, 2024 and were paid on May 10, 2024.</p> <p><b>(i) Current members of its board of directors and its current management officers. Please include the date of their appointment/election as well as their respective shareholdings, if any;</b></p> <p>The following persons are the current directors and officers of DHI as of 5 July 2024:</p> <table><tr><th>Name</th><th>Position</th><th>Date of Appointment / Election</th><th>Shares</th></tr><tr><td>Elmer B. Serrano</td><td>Chairman</td><td>04/20/2022</td><td>100 (D)</td></tr><tr><td>John Emmanuel M. Lizares</td><td>Director and President</td><td>08/01/2023</td><td>100 (D)</td></tr><tr><td>Luis S. Reyes, Jr.</td><td>Director and Treasurer</td><td>04/18/2012</td><td>100 (D)</td></tr><tr><td>Luis Ma. G. Uianza</td><td>Lead Independent Director</td><td>04/20/2022</td><td>100 (D)</td></tr><tr><td>Ismael G. Estela, Jr.</td><td>Independent Director</td><td>04/20/2022</td><td>100 (D)</td></tr><tr><td>Lazaro Jerome C. Guevarra</td><td>Director</td><td>04/20/2022</td><td>100 (D)</td></tr><tr><td>Geneva T. Gloria</td><td>Director</td><td>04/20/2022</td><td>100 (D)</td></tr><tr><td>Melanie S. Belen</td><td>Director</td><td>04/20/2022</td><td>100 (D)</td></tr><tr><td>Rebecca S. Torres</td><td>Director</td><td>07/13/2022</td><td>100 (D)</td></tr><tr><td>Cosme S. Trinidad Jr.</td><td>Compliance and Corporate Governance Officer</td><td>02/01/2024</td><td>22,770 (D)</td></tr></table>	Name	Position	Date of Appointment / Election	Shares	Elmer B. Serrano	Chairman	04/20/2022	100 (D)	John Emmanuel M. Lizares	Director and President	08/01/2023	100 (D)	Luis S. Reyes, Jr.	Director and Treasurer	04/18/2012	100 (D)	Luis Ma. G. Uianza	Lead Independent Director	04/20/2022	100 (D)	Ismael G. Estela, Jr.	Independent Director	04/20/2022	100 (D)	Lazaro Jerome C. Guevarra	Director	04/20/2022	100 (D)	Geneva T. Gloria	Director	04/20/2022	100 (D)	Melanie S. Belen	Director	04/20/2022	100 (D)	Rebecca S. Torres	Director	07/13/2022	100 (D)	Cosme S. Trinidad Jr.	Compliance and Corporate Governance Officer	02/01/2024	22,770 (D)
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21 August 2024	<p><b>Dominion Holdings' trading suspension lifted by PSE</b></p> <p>Dominion Holdings, Inc. (DHI, formerly BDO Leasing and Finance, Inc.) announced that DHI shareholders can now resume trading in the Philippine Stock Exchange (PSE) effective August 20, 2024 following compliance with regulatory requirements.</p> <p>The trading of DHI shares in the PSE was originally placed on hold since January 27, 2020 due to a voluntary trading suspension and a Securities and Exchange Commission (SEC) requirement to amend the firm's registration statement to reflect the change in its primary purpose from leasing and</p>																																												

Date Reported	Items Reported
	<p>financing business to a holding company.</p> <p>Subsequently, the SEC lifted its Order of Suspension on July 1, 2024, while the PSE resolved to lift the trading suspension of DHI effective August 20, 2024 after DHI filed its Comprehensive Corporate Disclosure.</p>
<p>06 November 2024</p>	<p><b>Dominion Holdings' 9M 2024 net earnings at ₱171 million</b></p> <p>Dominion Holdings, Inc. (DHI, formerly BDO Leasing and Finance, Inc.) recorded a net income of ₱171 million in the first nine months of 2024 compared to ₱205 million in the comparable period in 2023.</p> <p>The company paid ₱3.2 billion in cash dividends in May 2024, which reduced the funds available for investment, and consequently, resulted in lower income from investments. The payment of cash dividends also reduced Total Assets and Stockholders Equity to ₱3.3 billion from ₱6.3 billion a year ago.</p>

## SIGNATURES

Pursuant to the requirements of Section 17 of the RSA and Section 141 of the Corporation Code, this is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of

MANDALUYONG CITY on APR 15 2025

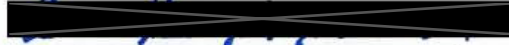
By:



**JOHN EMMANUEL M. LIZARES**  
PRESIDENT/ DIRECTOR



**LUIS S. REYES JR.**  
TREASURER / DIRECTOR



**ATTY. JOSEPH JASON M. NATIVIDAD**  
CORPORATE SECRETARY

**SUBSCRIBED AND SWORN** to before me this APR 15 2025 affiant(s)  
exhibiting to me their Competent Evidence of Identity, as follows:

NAMES	TIN No.	SSS No.
John Emmanuel M. Lizares		
Luis S. Reyes Jr.		
Joseph Jason M. Natividad		

Doc. No. 740  
Page No. 69  
Book No. CXL  
Series of 2025.

**ATTY. KIM B. BRIGUERA-DACARA**  
NOTARY PUBLIC  
APPT. # 0204-24/UNTIL DEC.31, 2025  
PTR NO. 5717096/1-2-2025  
ROLL NO.42490  
IBP NO. 14059 (LIFETIME MEMBER)  
MCLE COMPLIANCE NO. VIII-0015128  
VALID UNTIL APRIL 14, 2028  
# 12 ADB AVENUE, MANDALUYONG CITY



# **Statement of Management's Responsibility for Financial Statements**



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of **Dominion Holdings, Inc. (Formerly: BDO Leasing and Finance Inc.)** (the Company) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024 and 2023, 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 Company'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 Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company'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 members to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Signature: \_\_\_\_\_

**ELMER B. SERRANO**  
Chairperson

Signature: \_\_\_\_\_

**JOHN EMMANUEL M. LIZARES**  
President

Signature: \_\_\_\_\_

**LUIS S. REYES JR.**  
Treasurer

Signed this 19<sup>th</sup> day of February 2025

**Dominion Holdings, Inc.**

39/F BDO Corporate Center Ortigas

12 ADB Avenue

Ortigas Center

Mandaluyong City 1555

Philippines

Tel +632 8688-1288 loc. 36509, 45469, 36151



**FEB 28 2025**

SUBSCRIBED and SWORN to me before this \_\_\_\_\_ day of \_\_\_\_\_, 2025 affiant exhibiting to me his/her Social Security Number, as follows:

**NAMES**

Elmer B. Serrano  
John Emmanuel M. Lizares  
Luis S. Reyes Jr.

**SSS NUMBER**



Doc No:  
Page No:  
Book No:  
Series of:

243  
50  
CXXXV  
1005

**ATTY. KIM B. BRIGUERA-DACARA**  
**NOTARY PUBLIC**

APPT. # 0204-24/UNTIL DEC. 31, 2025

PTR NO. 5717096/1-2-2025

ROLL NO. 42490

IBP NO. 14059 (LIFETIME MEMBER)

MCLE COMPLIANCE NO. VIII-0015128

VALID UNTIL APRIL 14, 2028

# 12 ADB AVENUE, MANDALUYONG CITY

**Dominion Holdings, Inc.**

39/F BDO Corporate Center Ortigas

12 ADB Avenue

Ortigas Center

Mandaluyong City 1555

Philippines

Tel +632 8688-1288 loc. 36509, 45469, 36151



# **Audited Financial Statement**



**FOR SEC FILING**

Financial Statements and  
Independent Auditors' Report

**Dominion Holdings, Inc.**

December 31, 2024, 2023 and 2022

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**Your BIR AFS eSubmission uploads were received**

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**From** eafs@bir.gov.ph <eafs@bir.gov.ph>

**Date** Thu 3/27/2025 11:48 AM

**To** BDO <dominionholdings-accounting@bdo.com.ph>

**Cc** URBI.KRYSLENEKAE@BDO.COM.PH <URBI.KRYSLENEKAE@BDO.COM.PH>

Hi DOMINION HOLDINGS, INC.,

**Valid files**

- EAFS000486050AFSTY122024.pdf
- EAFS000486050ITRTY122024.pdf
- EAFS000486050RPTTY122024.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-XW34V2Y0AADJ9795M3PT2XM30789GE5K5**

Submission Date/Time: **Mar 27, 2025 11:48 AM**

Company TIN: **000-486-050**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

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**Punongbayan & Araullo**  
20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

## **Report of Independent Auditors**

**The Board of Directors and the Stockholders**  
**Dominion Holdings, Inc.**

*(Formerly: BDO Leasing and Finance, Inc.)*

*(A Subsidiary of BDO Unibank, Inc.)*

39<sup>th</sup> Floor, BDO Corporate Center Ortigas

12 ADB Avenue, Ortigas Center

Mandaluyong City

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Dominion Holdings, Inc., (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, 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, 2024, and the notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

#### ***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 Company 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.

***Key Audit Matters***

We have determined that there are no key audit matters to communicate in our report.

***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-1S (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report 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 Accounting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

***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 Company'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 Company'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 Company 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 Company 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## 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 12 to the financial statements, the Company presented the supplementary information required by the Bureau of Internal Revenue (BIR) under the 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. Such supplementary information required by the BIR is the responsibility of management and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards; it is neither a required disclosure under the Revised Securities Regulation Code Rule 68 of the SEC. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner in the audit resulting in this independent auditors' report is Yusoph A. Maute.

### **PUNONGBAYAN & ARAULLO**

  
**By: Yusoph A. Maute**  
Partner

CPA Reg. No. 0140306  
TIN 415-417-641  
PTR No. 10465908, January 2, 2025, Makati City  
BIR AN 08-002551-046-2023 (until January 24, 2026)  
BOA/PRC Cert. of Reg. No. 0002/P-018 (until August 12, 2027)

February 19, 2025

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>			
CASH AND CASH EQUIVALENTS	6	P 3,200,386,222	P 7,785,645
MONEY MARKET PLACEMENTS - Net	6	-	3,941,346,704
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)	7	-	2,306,560,507
OTHER ASSETS - Net		<u>127,478,558</u>	<u>127,392,572</u>
<b>TOTAL ASSETS</b>		<b><u>P 3,327,864,780</u></b>	<b><u>P 6,383,085,428</u></b>
<b><u>LIABILITIES AND EQUITY</u></b>			
ACCOUNTS PAYABLE AND OTHER LIABILITIES	8	P 10,779,432	P 10,655,103
DEFERRED TAX LIABILITIES - Net	12	<u>-</u>	<u>2,530,802</u>
Total Liabilities		<u>10,779,432</u>	<u>13,185,905</u>
CAPITAL STOCK	9	2,225,169,030	2,225,169,030
ADDITIONAL PAID-IN CAPITAL		571,095,676	571,095,676
TREASURY SHARES	9	( 81,776,628 )	( 81,776,628 )
NET UNREALIZED FAIR VALUE GAINS ON FINANCIAL ASSETS AT FVOCI		-	11,222,813
RETAINED EARNINGS	9	<u>602,597,270</u>	<u>3,644,188,632</u>
Total Equity		<u>3,317,085,348</u>	<u>6,369,899,523</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>P 3,327,864,780</u></b>	<b><u>P 6,383,085,428</u></b>

*See Notes to Financial Statements.*

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

	Notes	2024	2023	2022
<b>INCOME</b>				
Interests and discounts	6, 7, 11	P 262,848,777	P 342,674,559	P 63,246,030
Reversal of impairment and credit losses - net	6, 7	6,213,315	-	-
Gain on redemption of unit investment trust fund	7	-	1,048,999	62,625,034
Other income - net	10	-	-	954,650
		<u>269,062,092</u>	<u>343,723,558</u>	<u>126,825,714</u>
<b>OPERATING COSTS AND EXPENSES</b>				
Trust fees	11	5,005,480	3,591,034	-
Director's fees	11	2,193,333	2,182,222	2,933,333
Taxes and licenses	12	1,538,670	1,630,124	7,665,995
Professional fees		1,300,435	1,068,673	245,456
Interest expense		1,099,666	-	3,608,580
Service fees		1,074,196	696,250	302,100
Occupancy and equipment-related expenses		4,500	-	794,204
Litigation/assets acquired expenses		1,583	294,100	-
Impairment and credit losses	6, 7	-	6,135,361	2,799,676
Other expenses	11	4,833,936	2,515,388	14,029,394
		<u>17,051,799</u>	<u>18,113,152</u>	<u>32,378,738</u>
<b>PROFIT BEFORE TAX</b>		252,010,293	325,610,406	94,446,976
<b>TAX EXPENSE</b>	12	( 49,888,687 )	( 48,329,174 )	( 25,183,760 )
<b>NET PROFIT</b>		<u>P 202,121,606</u>	<u>P 277,281,232</u>	<u>P 69,263,216</u>
<b>Basic and Diluted Earnings Per Share</b>	13	<u>P 0.09</u>	<u>P 0.13</u>	<u>P 0.03</u>

*See Notes to Financial Statements.*

DOMINION HOLDINGS, INC.  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

	Notes	2024	2023	2022
<b>NET PROFIT</b>		<b>P 202,121,606</b>	P 277,281,232	P 69,263,216
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Item that will be reclassified subsequently to profit or loss				
Transfer of realized gains on disposed debt investments at fair value through other comprehensive income (FVOCI) to statements of income	7	( 10,123,209 )	-	-
Net unrealized fair value gain on debt investments at FVOCI	7	-	10,123,209	-
Impairment loss (recovery) on debt investments at FVOCI	7	( 3,630,406 )	3,630,406	-
Tax income (expense)	12	2,530,802	( 2,530,802 )	-
		( 11,222,813 )	11,222,813	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P 190,898,793</b>	P 288,504,045	P 69,263,216

*See Notes to Financial Statements.*

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

	<u>Capital Stock</u>	<u>Additional Paid-in Capital</u>	<u>Treasury Shares, At Cost</u>	<u>Net Unrealized Fair Value Gains (Losses) on FVOCI</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance at January 1, 2024	P 2,225,169,030	P 571,095,676	( P 81,776,628 )	P 11,222,813	P 3,644,188,632	P 6,369,899,523
Cash dividend declaration (Note 9)	-	-	-	-	( 3,243,712,968 )	( 3,243,712,968 )
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	( <u>11,222,813</u> )	<u>202,121,606</u>	<u>190,898,793</u>
Balance at December 31, 2024	<b><u>P 2,225,169,030</u></b>	<b><u>P 571,095,676</u></b>	<b><u>( P 81,776,628 )</u></b>	<b><u>P -</u></b>	<b><u>P 602,597,270</u></b>	<b><u>P 3,317,085,348</u></b>
Balance at January 1, 2023	P 2,225,169,030	P 571,095,676	( P 81,776,628 )	P -	P 3,366,907,400	P 6,081,395,478
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,222,813</u>	<u>277,281,232</u>	<u>288,504,045</u>
Balance at December 31, 2023	<b><u>P 2,225,169,030</u></b>	<b><u>P 571,095,676</u></b>	<b><u>( P 81,776,628 )</u></b>	<b><u>P 11,222,813</u></b>	<b><u>P 3,644,188,632</u></b>	<b><u>P 6,369,899,523</u></b>
Balance at January 1, 2022	P 2,225,169,030	P 571,095,676	( P 81,776,628 )	P -	P 3,297,644,184	P 6,012,132,262
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,263,216</u>	<u>69,263,216</u>
Balance at December 31, 2022	<b><u>P 2,225,169,030</u></b>	<b><u>P 571,095,676</u></b>	<b><u>( P 81,776,628 )</u></b>	<b><u>P -</u></b>	<b><u>P 3,366,907,400</u></b>	<b><u>P 6,081,395,478</u></b>

*See Notes to Financial Statements.*

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

	Notes	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax		P 252,010,293	P 325,610,406	P 94,446,976
Adjustments for:				
Interests and discounts	6, 7, 11	( 262,848,777 )	( 342,674,559 )	( 63,246,030 )
Reversal of impairment and credit losses	6, 7	( 6,213,315 )	-	-
Impairment and credit losses	6, 7	-	6,135,361	2,799,676
Operating profit (loss) before changes in operating assets and liabilities		( 17,051,799 )	( 10,928,792 )	34,000,622
Decrease in financial assets at fair value through profit or loss		-	-	5,877,689,641
Increase in other assets		( 85,986 )	( 56,045 )	( 7 )
Increase (decrease) in accounts payable and other liabilities		124,329	( 5,451,295 )	7,948,775
Cash generated from (used in) operations		( 17,013,456 )	( 16,436,132 )	5,919,639,031
Interest received		287,665,688	250,098,951	12,728,422
Cash paid for final taxes	12	( 49,888,687 )	( 48,329,174 )	( 25,174,213 )
Net Cash From Operating Activities		220,763,545	185,333,645	5,907,193,240
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Maturities of short-term placements	6	5,903,950,000	5,907,664,283	-
Proceeds from redemption of fair value through other comprehensive income (FVOCI)	7	2,300,000,000	3,821,610,000	-
Placement in short-term placements	6	( 1,988,400,000 )	( 3,915,550,000 )	( 5,907,664,283 )
Acquisition of financial assets at FVOCI	7	-	( 6,006,005,297 )	-
Net Cash From (Used in) Investing Activities		6,215,550,000	( 192,281,014 )	( 5,907,664,283 )
<b>CASH FLOWS FROM A FINANCING ACTIVITY</b>				
Payment of cash dividends	9	( 3,243,712,968 )	-	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
		3,192,600,577	( 6,947,369 )	( 471,043 )
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
		7,785,645	14,733,014	15,204,057
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>				
		P 3,200,386,222	P 7,785,645	P 14,733,014

*See Notes to Financial Statements.*



**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

**1. CORPORATE INFORMATION**

***1.1 Corporate Information***

Dominion Holdings, Inc. (DHI or the Company), formerly BDO Leasing and Finance, Inc., is a domestic corporation incorporated in 1981. Its shares were listed in the Philippine Stock Exchange (PSE) on January 6, 1997.

On January 31, 2020, the Board of Directors (BOD) approved the amendment of the Company's primary and secondary purpose from operating as a leasing and financing entity, which provides direct leases, sale and leaseback arrangements and real estate leases to operate as a listed holding company that invest in, purchase, acquire or own, hold, use, sell, assign, transfer mortgage, pledge, exchange, or dispose real and personal property of every kind. On July 21, 2020, the stockholders approved the amendments. On March 01, 2022, the Company's BOD approved the amendment of the Company's name to Dominion Holdings, Inc., the same was approved by the stockholders on April 20, 2022. On June 9, 2022, the Company filed with the Securities and Exchange Commission (SEC) its application to amend the Company's article of incorporation's first and second article, which was subsequently approved by the SEC on July 18, 2022.

The Company is a subsidiary of BDO Unibank, Inc. (BDO Unibank or Parent Company), a universal bank incorporated and doing business in the Philippines. BDO Unibank offers a wide range of banking services such as traditional loan and deposit products, as well as treasury, remittance, trade services, credit card services, trust and others.

As a subsidiary of BDO Unibank, Bangko Sentral ng Pilipinas (BSP) has the authority to examine the Company, when examining the Bank, as it is majority-owned by the Bank. Although the Company is no longer considered a BSP-supervised financial institution, the Company aligns with BSP's regulations, where applicable, as a subsidiary of a bank and as a good corporate governance practice.

The Company's principal office is located at 39<sup>th</sup> Floor, BDO Corporate Center Ortigas, 12 ADB Avenue, Ortigas Center, Mandaluyong City.

***1.2 Approval of Financial Statements***

The accompanying financial statements of the Company for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Company's BOD on February 19, 2025.

## 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 Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board (IASB) and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, 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 Company presents a statement of comprehensive income separate from the statement of income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

#### (c) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using the functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

## 2.2 Adoption of Amended PFRS Accounting Standards

### (a) Effective in 2024 that are Relevant to the Company

The Company adopted for the first time the amendments to PFRS 1 – *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*, which are mandatorily effective for annual periods beginning on or after January 1, 2024. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.

### (b) Effective in 2024 that is not Relevant to the Company

Among the amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024, the following amendments are not relevant to the Company's financial statements:

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- (ii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*
- (iii) PFRS 16 (Amendments), *Lease Liability in a Sale and Leaseback*

### (c) Effective Subsequent to 2024 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Company's financial statements:

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

## **2.3 Financial Instruments**

### *(a) Classification, Measurement and Reclassification of Financial Assets*

The Company's financial assets include financial assets at amortized cost and at fair value through other comprehensive income.

#### *(i) Financial Assets at Amortized Cost*

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash and Cash Equivalents and Money Market Placements. Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash. Money market placements include short-term investment with original maturity of more than 90 days.

#### *(ii) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)*

At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Company for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The Company has debt securities classified as at FVOCI as at December 31, 2023.

### *(b) Effective Interest Rate Method and Interest Income*

Interest income is recorded using the effective interest rate (EIR) method for all financial instrument measured at amortized cost and interest-bearing financial instruments at FVOCI. The Company 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 financial instrument. 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 Company 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 2.3(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, the calculation of interest income reverts to gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted EIR 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 Company assesses its expected credit losses (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost and debt instruments measured at FVOCI. The Company considers a broader range of information in assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Company 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 credit losses is based on 12-month ECL 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). 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 Company's definition of credit risk, information on how credit risk is mitigated by the Company and detailed ECL measurement, as determined by the management, are disclosed in Note 4.2.

(d) *Classification and Measurement of Financial Liabilities*

Financial liabilities pertain to accounts payable and other liabilities (except tax-related payables). All interest-related charges are included as part of Interest Expense under Operating Costs and Expenses in the statements of income.

## **2.4 Other Income and Expense Recognition**

A contract with a customer that results in a recognized financial instrument in the Company's financial statements may be partially within the scope of PFRS 9 and partially within the scope of PFRS 15, *Revenues from Contracts with Customers*. In such case, the Company first applies PFRS 9 to separate and measure the part of the contract that is in-scope of PFRS 9, and then apply PFRS 15 to the residual part of the contract. Expenses and costs, if any, are recognized in profit or loss upon utilization of the assets or services or at the date these are incurred. All finance costs are reported in profit or loss on accrual basis.

## **3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgements and estimates that affect the amounts reported in the financial statements and related notes. Judgements 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.

### **3.1 Critical Management Judgements in Applying Accounting Policies**

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

#### **(a) Evaluation of Business Model Applied in Managing Financial Instruments**

The Company developed business models which reflect how it manages its portfolio of financial instruments. The Company'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 the Company) 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 under PFRS 9, the Company 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 the Company (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Company's investment and trading strategies.

(b) *Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets under PFRS 9, the Company assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (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, the Company 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, the Company considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made from portfolio of financial assets carried at amortized cost, if any, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

### **3.2 Key Source 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 assets 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 classified as financial assets 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).

(b) *Fair Value Measurement for Financial Instruments*

The Company holds debt securities presented as Financial Assets at FVOCI as at December 31, 2023 whose fair values are based on quoted market prices.

The carrying values of the Company's financial assets at FVOCI and the amounts of fair value changes recognized during the year on those assets are disclosed in Note 7.



## 4. RISK MANAGEMENT

With its culture of managing risk prudently within its capacity and capabilities, the Company will pursue its strategy and business plans to achieve its desired long-term target returns to its shareholders and satisfy or abide by the needs of its other stakeholders, including its regulators.

The Company believes that, as there are opportunities, there are associated risks and the objective is not to totally avoid risks, but to adequately and consistently evaluate, manage, control, and monitor the risks and ensure that the Company is adequately compensated for all the risks taken. Good risk management involves making informed and rational decisions about the level of risks the institution wants to take, in the pursuit of its objectives, but with consideration to return commensurate with the risk-taking activity.

The Company's goal is to remain a strong company that is resilient to possible adverse events. Hence, the Company ensures:

- strong financial position by maintaining adequate capital ratios;
- sound management of liquidity; and,
- ability to generate sustainable earnings commensurate with the risks taken.

Risk management begins at the highest level of the organization. At the helm of the risk management infrastructure is the BOD who is responsible for establishing and maintaining a sound risk management system. The BOD assumes oversight over the entire risk management process and has the ultimate responsibility for all risks taken. It regularly reviews and approves the institution's tolerance for risks, as well as, its business strategy and risk philosophy.

### **4.1 Interest Rate Risk**

On December 31, 2024 and 2023, the Company has no material exposure to changes in interest rates since all financial assets and financial liabilities have fixed rates.

### **4.2 Credit Risk**

As of December 31, 2024, the Company's financial assets that are subject to credit risk are related only to cash and cash equivalents. In general, the Company regularly monitors the credit quality of these financial assets and incorporates this information into its credit risk controls and policies.

#### **4.2.1 Credit Quality Analysis**

In 2024 and 2023, the Company has no financial instruments that are purchased or originated credit impaired assets.

As of December 31, 2024 and 2023, the Company held Cash and cash equivalents, Money market placements and Financial assets at FVOCI which are all in Stage 1 (see Notes 6 and 7).

The credit risk for Company's financial assets are presented in Note 4.2.3(c).

#### **4.2.2 Concentrations of Credit Risk**

The Company's concentrations of credit risk (net of allowance) at the reporting date pertains to cash and cash equivalents amounting to P3,200,386,222 and P7,785,645 in 2024 and 2023, respectively, and money market placement and debt investment securities at FVOCI amounting to P3,941,346,704 and P2,306,560,507, respectively, in 2023.

#### **4.2.3 Amounts Arising from Expected Credit Losses**

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired (referred to as Stage 1 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 Company measures credit risk using PD, loss given default (LGD) and exposure at default (EAD).

##### *(a) Significant Increase in Credit Risk*

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company 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 Company's historical experience and expert credit assessment and including forward-looking information (FLI).

The objective of the assessment is to identify whether a significant increase in credit risk 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).

The Company uses the following criteria in determining whether there has been a significant increase in credit risk: (i) quantitative test based on movement in PD; and (ii) qualitative indicators, such as substantial decline in sales or intermittent delays in payment.

##### *(i) Credit Risk Grading*

The Company 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.

The Company's financial assets at FVOCI are graded BBB+ to BBB- as of December 31, 2023.

*(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 Company 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 Company employs statistical models to analyze the data collected and generate the term structure of PD estimates.

*(iii) Determining Whether Credit Risk has Significantly Increased*

The Company 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 Company. The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Company's 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.

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 as 12-month ECL.

*(b) Forward-looking Information*

The Company 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 Company 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, gross domestic product growth rate, unemployment rate, inflation rate, foreign exchange rates, stock market index, oil prices and interest rates.

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 macroeconomic models are updated at least on an annual basis. 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.

(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 in Note 4.2.3(a)(ii) under the heading “Generating the term structure of PD”.

LGD is the magnitude of the likely loss if there is a default. The Company adopted the foundation internal ratings-based approach wherein senior claims on sovereigns, banks, securities firms and other financial institutions that are not secured by recognized collateral will be assigned a 45% LGD.

EAD represents the expected exposure in the event of a default. The Company 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. 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 Company 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 Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Company has limited historical data, external benchmark information (e.g., PD from external credit rating agencies, Basel LGD) is 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.

The following table sets out the gross carrying amounts and allowance for ECL 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:

	Notes	2024	2023
Cash and cash equivalents	6	<b>P 3,203,107,944</b>	P 7,796,103
Allowance for ECL	6	<b>(2,721,722)</b>	(10,458)
		<b>P 3,200,386,222</b>	P 7,785,645
Money market placement	6	<b>P -</b>	P 3,946,640,877
Allowance for ECL	6	<b>-</b>	(5,294,173)
		<b>P -</b>	P 3,941,346,704
Debt securities at FVOCI	7	<b>P -</b>	P 2,310,190,913
Allowance for ECL	7	<b>-</b>	(3,630,406)
		<b>P -</b>	P 2,306,560,507

#### 4.2.4 Liquidity Risk

Liquidity risk is the risk that there could be insufficient funds available to fulfill payment obligations in full and on time when they become due. The Company manages its liquidity needs 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 Company carefully monitors scheduled debt servicing payments for short-term and long-term financial liabilities as well as cash outflows due in its day-to-day activities.

Presented below and in the succeeding page are the financial assets and financial liabilities as of December 31, 2024 and 2023 analyzed according to when these are expected to be recovered or settled.

	One to Three Months	Three Months to One Year	Total
<b>2024</b>			
Financial assets			
Cash and cash equivalents	<b>P3,200,386,222</b>	<b>P -</b>	<b>P3,200,386,222</b>
Financial liabilities			
Accounts payable and other liabilities	<b>P 10,617,494</b>	<b>P -</b>	<b>P 10,617,494</b>

	One to Three Months	Three Months to One Year	Total
<u>2023</u>			
Financial assets			
Cash and cash equivalents	P 7,785,645	P -	P 7,785,645
Money market placements	2,130,892,960	1,810,453,744	3,941,346,704
Financial assets at FVOCI	<u>1,206,901,967</u>	<u>1,099,658,540</u>	<u>2,306,560,507</u>
	<u>P3,345,580,572</u>	<u>P 2,910,112,284</u>	<u>P6,255,692,856</u>
Financial liabilities			
Accounts payable and other liabilities	<u>P 10,522,280</u>	<u>P -</u>	<u>P 10,522,280</u>

#### **4.2.5 Write-offs**

The Company 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 Company'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 Company still have enforceable right to receive payment even if the financial assets have been written off except in certain cases.

### **4.3 Price Risk**

As of December 31, 2023 and 2024, the Company is not exposed to equity securities price risk since the Company holds no investments in equity securities classified as financial assets at FVTPL or financial assets at FVOCI.

The following table sets forth the sensitivity of the Company's other comprehensive income in 2023 to reasonable possible changes in quoted prices of financial assets at FVOCI with all other variables held constant:

Change in interest rates (in basis points)	+100	-100
Net unrealized fair value gains (losses) on debt securities at FVOCI	P <u>23,000,000</u>	P <u>(23,000,000)</u>
Total impact on other comprehensive income	P <u>23,000,000</u>	P <u>(23,000,000)</u>

The sensitivity is calculated by revaluing financial assets at FVOCI at the reporting date for the effects of the assumed changes in quoted prices.

## **5. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

### **5.1 Carrying Amounts and Fair Values by Category**

In 2023, the Company has financial assets at FVOCI which have fair values equal to its carrying amounts as at December 31, 2023. The Company has no other financial assets carried at fair value.

For the Company's financial assets and financial liabilities carried at amortized cost as at December 31, 2024 and 2023, management has determined that their carrying amounts are equal to or approximately their fair values.

The methods and assumptions used by the Company in estimating the fair value of the financial instruments are as follows:

(i) *Cash and Cash Equivalents and Money Market Placement*

The fair values of cash and cash equivalents and money market placement approximate carrying amounts given their short-term maturities.

(ii) *Financial Assets at FVOCI*

The fair value of financial assets at FVOCI which is related to corporate bonds is determined by direct reference to published price quoted in the Philippine Dealing and Exchange Corporation.

(iii) *Accounts Payable and Other Liabilities*

Fair values approximate carrying amounts given the short-term maturities of the liabilities.

## **5.2 Fair Value Measurement and Disclosures**

### **5.2.1 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 Accounting Standards, 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 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 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 the Company 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.

### ***5.2.2 Financial Instrument Measured at Fair Value***

The Company acquired fixed rate bonds classified as financial assets at FVOCI as of December 31, 2023 and are carried at Level 1. The fair value of financial assets at FVOCI which is related to corporate bonds is determined by direct reference to published price quoted in the Philippine Dealing and Exchange Corporation.

The Company has no financial instruments measured at fair value as of December 31, 2024.

There were neither transfers made between Levels 1 and 2 nor changes in Level 3 instruments in both years.

### ***5.2.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed***

The following summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

	<u>Notes</u>	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
<b><u>December 31, 2024</u></b>				
Financial assets –				
Cash and cash equivalents	6	<b><u>P 3,200,386,222</u></b>	<b><u>P -</u></b>	<b><u>P 3,200,386,222</u></b>
Financial liabilities –				
Accounts payable and other liabilities	8	<b><u>P -</u></b>	<b><u>P 10,617,494</u></b>	<b><u>P 10,617,494</u></b>
<b><u>December 31, 2023</u></b>				
Financial assets:				
Cash and cash equivalents	6	P 7,785,645	P -	P 7,785,645
Money market placements	6	<u>3,941,346,704</u>	<u>-</u>	<u>3,941,346,704</u>
		<b><u>P 3,949,132,349</u></b>	<b><u>-</u></b>	<b><u>P 3,949,132,349</u></b>
Financial liabilities –				
Accounts payable and other liabilities	8	<b><u>P -</u></b>	<b><u>P 10,522,280</u></b>	<b><u>P 10,522,280</u></b>

There have been no significant transfers between Levels 1 and 2 in the reporting periods.

Summarized below are the information on how the fair values of the Company's financial assets and financial liabilities are determined.

(a) *Financial Instruments in Level 1*

Cash and cash equivalents consist primarily of funds in the form of Philippine currency notes and coins held in the Company's bank. Money market placements include short-term investments with original maturity of more than 90 days. Carrying amounts approximate the fair values given the relatively short-term maturities of these instruments.

(b) *Financial Instruments in Level 3*

The Company classifies financial instruments such as Accounts payable and other receivables, 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.

**5.2.4 Fair Value Measurement for Non-Financial Assets**

As of December 31, 2024 and 2023, the Company's non-financial asset pertains to creditable withholding taxes which is measured under Level 3.

**5.3 Offsetting of Financial Instruments**

Currently, all financial assets and financial liabilities are settled on a gross basis; however, each party will have the option to settle such amount on a net basis in the event of default of the other party. As such, as of December 31, 2024 and 2023, the Company has no financial assets and liabilities with offsetting arrangement.

**6. CASH AND CASH EQUIVALENTS AND MONEY MARKET PLACEMENTS**

Cash and cash equivalents include the following components as of December 31:

	Note	2024	2023
Cash in banks	11(a)	<b>P 2,582,770</b>	P 1,488,858
Short-term placements	11(a)	<b>3,200,525,174</b>	6,307,245
		<b>3,203,107,944</b>	7,796,103
Allowance for ECL		<b>(2,721,722)</b>	(10,458)
		<b><u>P3,200,386,222</u></b>	<b><u>P 7,785,645</u></b>

Cash in banks earn interest at rates based on daily bank deposit rate of 0.06% in 2024, 2023 and 2022.

Short-term placements are made for varying periods of 47 days to 63 days in 2024, 31 days to 143 days in 2023 and 67 days to 97 days in 2022, and earn interest at annual rate ranging between 6.03% to 6.38% in 2024, 5.75% to 6.40% in 2023 and 4.75% in 2022 (see Note 11).

Interest receivables amounting to P12,925,175 as of December 31, 2024 is presented as part of Cash and Cash Equivalents in the 2024 statement of financial position while interest receivable amounting to P31,098,122 as of December 31, 2023 is presented as part of Cash and Cash Equivalents and Money Market Placements in the 2023 statement of financial position.

The total interest income earned from cash in banks and short-term placements amounted to P234,024,634, P117,609,860 and P63,246,030 in 2024, 2023 and 2022, respectively, which is presented as part of Interests and discounts account under Income in the Company's statements of income.

The Company recognized impairment loss on cash and cash equivalents amounting to P2,711,264, P3,379, P7,079 in 2024, 2023, and 2022, respectively, which is netted against Reversal of impairment and credit losses - net account under Income in 2024 and is presented as part of Impairment and credit losses account under Operating Costs and Expenses in the 2023 and 2022 statements of income.

Short-term placements as of December 31, 2024 and 2023 are presented in the statements of financial position as follows:

	<u>2024</u>	<u>2023</u>
Cash equivalents:		
Gross carrying amount	<b>P3,200,525,174</b>	P 6,307,245
Allowance for ECL	<b>(2,719,527)</b>	(8,461)
	<b><u>3,197,805,647</u></b>	<u>6,298,784</u>
Money market placements:		
Gross carrying amount	-	3,946,640,877
Allowance for ECL	-	(5,294,173)
	<b><u>-</u></b>	<u>3,941,346,704</u>
	<b><u>P3,197,805,647</u></b>	<b><u>P3,947,645,488</u></b>

The reconciliation of the carrying amounts of the money market placements are as follows:

	<u>2024</u>	<u>2023</u>
Balance at the beginning of year	<b>P3,941,346,704</b>	P5,955,382,215
Placements	<b>1,988,400,000</b>	3,915,550,000
Maturities	<b>(5,903,950,000)</b>	(5,907,664,283)
Collections of accrued interest income	<b>(31,090,877)</b>	(50,510,529)
Accrued interest income	-	31,090,877
Impairment recovery (loss)	<b><u>5,294,173</u></b>	<u>(2,501,576)</u>
Balance at the end of year	<b><u>P -</u></b>	<b><u>P3,941,346,704</u></b>

The Company recognized impairment recovery (loss) on money market placements amounting to P5,294,173, (P2,501,576) and (P2,792,597) in 2024, 2023 and 2022, respectively, which is presented as part of Reversal of impairment and credit losses - net account under the Income section in 2024 and as part of Impairment and credit losses account under Operating Costs and Expenses section in 2023 and 2022 in the statements of income.

## 7. FINANCIAL ASSETS AT FVTPL AND FVOCI

In 2021, the Company purchased P70,000,000 worth of UITF securities from BDO Unibank's Trust & Investment Group (BDO TIG) which were classified as financial assets as at FVTPL. In 2022, the Company redeemed all its remaining UITF resulting in a gain on redemption amounting to P62,625,034, is presented under Income in the 2022 statement of income (see Note 11).

In 2023, the Company invested P6,020,004,237 in UITF with a term of one day and was redeemed resulting in a gain on redemption of P1,048,999 presented under Income in the 2023 statement of income. The proceeds were reinvested in various debt securities (bonds) at a discount amounting to P6,006,005,297 and were classified as financial assets at FVOCI.

On September 30, 2023 and December 9, 2023, Rizal Commercial Banking Corporation (RCBC) and Union Bank of the Philippines Fixed Rate Bonds matured amounting to P2,021,610,000 and P1,800,000,000, respectively, at face value.

The composition of financial assets at FVOCI (debt securities) of the Company as of December 31, 2023 pertains to the following:

Security Bank Corporation fixed rate bonds	P1,200,000,000
RCBC fixed rate bonds	<u>1,100,000,000</u>
	2,300,000,000
Unamortized discount	(13,405,342)
Unrealized fair value gains	10,123,209
Accrued interest income	<u>9,842,640</u>
	<u>P2,306,560,507</u>

The reconciliation of the carrying amounts of financial assets at FVOCI are as follows:

	<u>2024</u>	<u>2023</u>
Beginning	<b>P2,306,560,507</b>	P -
Acquisitions	-	6,006,005,297
Disposals/redemption	<b>(2,300,000,000)</b>	(3,821,610,000)
Transfer of realized fair value gains	<b>(10,123,209)</b>	
Amortization of discount	<b>13,405,342</b>	102,199,361
Collections of accrued interest income	<b>(9,842,640)</b>	-
Unrealized fair value gains (losses)	-	10,123,209
Accrued interest income	<u>-</u>	<u>9,842,640</u>
	<u><b>P -</b></u>	<u>P2,306,560,507</u>

Financial assets at FVOCI earn interest at fixed rates ranging from 2.75% to 3.74% in 2024 and 2023 with an original term of 1.5 to 3 years. The total interest income earned amounted to P28,824,143 and P225,064,699 in 2024 and 2023, respectively, (nil in 2022), which is presented as part of Interests and discounts account under Income in the Company's statements of income.

In 2023, the Company recognized fair value gains on financial assets at FVOCI amounting to P10,123,209. The fair values of these financial assets have been determined based on quoted prices in active markets (see Note 5). The fair value gains were subsequently transferred to profit or loss upon redemption in 2024.

In 2023, the Company also recognized impairment loss on financial assets at FVOCI amounting to P3,630,406, which is presented as part of Impairment and credit losses account under Operating Costs and Expenses in the 2023 statement of income and is added to the fair value gains on debt instruments at FVOCI under items that are reclassified subsequently to profit or loss in the 2023 statement of comprehensive income. The recognized impairment loss on financial assets at FVOCI amounting to P3,630,406 was reversed upon redemption in 2024, and is presented as part of Reversal of impairment and credit losses - net account under Income in the 2024 statement of income.

In 2023, the Company reclassified its cash flows from placements and redemptions of UITF from investing activities to operating activities in the 2022 statement of cash flows following the change in its business purpose to a holding company in 2022.

## 8. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consist of the following:

	<u>2024</u>	<u>2023</u>
Accounts payable	<b>P 10,617,494</b>	P 10,522,280
Withholding taxes payable	<u><b>161,938</b></u>	<u>132,823</u>
	<u><b>P 10,779,432</b></u>	<u>P 10,655,103</u>

## 9. EQUITY

### *9.1 Capital Management Objectives, Policies and Procedures*

The Company's capital management objectives are:

- to provide an adequate return to shareholders by pricing products commensurately with the level of risk; and,
- to ensure the Company's ability to continue as a going concern.

The Company sets the amount of capital in proportion to its overall financing structure and the Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's capital and overall financing as of December 31, 2024 and 2023 are shown below.

	<u>2024</u>	<u>2023</u>
Total equity	<b>P3,317,085,348</b>	P6,369,899,523
Cash and cash equivalents	<b>(3,200,386,222)</b>	(7,785,645)
Money market placements - net	<u>-</u>	<u>(3,941,346,704)</u>
Net capital	<b><u>P 116,699,126</u></b>	<b><u>P2,420,767,174</u></b>
Overall financing (total equity)	<b><u>P3,317,085,348</u></b>	<b><u>P6,369,899,523</u></b>
Capital-to-overall financing ratio	<b><u>0.04 : 1.00</u></b>	<b><u>0.38 : 1.00</u></b>

As of December 31, 2024 and 2023, the Company complies with this minimum paid-up capital requirement.

## **9.2 Preferred Shares**

The Company has 200,000 authorized preferred shares at P100 par value a share with the following features:

- (a) Issued serially in blocks of not less than 100,000 shares;
- (b) No pre-emptive rights to any or all issues on other disposition of preferred shares;
- (c) Entitled to cumulative dividends at a rate not higher than 20% yearly;
- (d) Subject to call or with rights for their redemption, either mandatory at a fixed or determinable date after issue; and,
- (e) Non-voting, except in cases expressly provided for by law.

None of these authorized preferred shares have been issued as of December 31, 2024 and 2023.

## **9.3 Common Shares**

As of December 31, 2024 and 2023, out of the total authorized capital stock of 3,400,000,000 common shares with par value of P1.00 per share, 2,162,475,312 common shares, net of treasury shares of 62,693,718 are issued and outstanding.

## **9.4 Retained Earnings – Free**

The Company's retained earnings are restricted to the extent of the cost of the treasury shares amounting to P81,776,628 as of the end of the reporting periods.

On April 12, 2024, the Company's BOD approved the declaration of cash dividends amounting to P3,243,712,968 (P1.50 per share) to all stockholders of record as of April 30, 2024, and was paid on May 10, 2024.

### 9.5 Track Record of Registration of Securities

On January 6, 1997, the Company was listed with the PSE with 106,100,000 additional common shares and 15,120,000 existing common shares with par value of P1.00 per share. The listing was approved by the SEC in May 1996.

On January 27, 2020, the PSE approved the request of the Company for the voluntary trading suspension of its shares. This is to allow the investing public an equal access to the information about the Share Purchase Agreement entered by BDO Unibank on January 24, 2020 for making informed decisions.

The trading of DHI shares in the PSE was originally placed on hold since January 27, 2020 due to a voluntary trading suspension and a SEC requirement to amend the Company's registration statement.

As of January 20, 2020, the Company's number of shares registered totaled 3,400,000,000 with par value of P1.00 per share and closed at a price of P3.16.

Subsequently, the SEC lifted its Order of Suspension on July 1, 2024, while the PSE resolved to lift the trading suspension of the Company effective August 20, 2024 after the Company filed its Comprehensive Corporate Disclosure.

The Company's listed shares closed at P1.60 per share on the last trading day of 2024.

## 10. OTHER INCOME

In 2022, the Company recognized income from recovery of previously charged-off accounts amounting to P950,000 and miscellaneous income amounting to P4,650. There were no similar transactions in 2024 and 2023.

## 11. RELATED PARTY TRANSACTIONS

The Company's related parties are BDO Unibank, BDO TIG and BDO Finance Corporation (BDOFC) as described below.

The summary of the Company's significant transactions with its related parties in 2024, 2023 and 2022 are as follows:

	Notes	Amount of Transaction		
		2024	2023	2022
<b>Stockholders</b>				
Cash dividends declared and paid	9.4	P 3,243,712,968	P -	P -
<b>Ultimate parent company (BDO Unibank)</b>				
Interest income on short-term placements and investments	(a)	64,611,907	77,869,196	63,241,061
Trust fees	(d)	5,005,480	3,591,034	-
Service fees	(b)	570,196	360,250	302,100
Interest income on savings and demand deposits	(a)	16,424	9,385	4,969
UITF redemption	(c)	-	6,021,053,236	5,927,789,668
UITF placement	(c)	-	6,020,004,237	-
Realized fair value gains	(c)	-	1,048,999	62,625,034



	Notes	Amount of Transaction		
		2024	2023	2022
<b>Related party under common Ownership (BDOFC)</b>				
Management fees	(e)	504,000	336,000	-
<b>Others</b>				
Director's fees	(f)	2,193,333	2,182,222	2,933,333

Below is the summary of the outstanding balances with each related party as of December 31, 2024 and 2023.

	Note	Outstanding Balance	
		2024	2023
<b>Ultimate parent company (BDO Unibank)</b>			
Savings and demand deposits	(a)	P 2,582,770	P 1,488,858
Short-term placements	(a)	-	6,300,000
Accrued interest receivables on short-term placements	(a)	-	7,245

- (a) The Company maintains savings and demand deposit and short-term placement accounts with BDO Unibank. As of December 31, 2024 and 2023, savings and demand deposit and short-term placements accounts maintained with BDO Unibank are included under Cash and Cash Equivalents and Money Market Placement account in the statements of financial position (see Note 6). The savings and demand deposits generally earn interest at annual rate of 0.06% in 2024, 2023 and 2022 and short-term placements earn interest at an effective rate of nil in 2024, 5.75% in 2023 and 4.75% in 2022. Interest income earned on these deposits is reported as Interests and discounts account in the statements of income.
- (b) The Company entered into an agreement with BDO Unibank on stock transfer services. Service fees paid by the Company to BDO Unibank are shown as part of Other Expenses account under Operating Costs and Expenses in the statements of income. There were no outstanding receivable and payable on these transactions as of December 31, 2024 and 2023.
- (c) In 2021, the Company purchased UITF amounting to P70,000,000 from BDO TIG and recognized unrealized fair value gain of P54,997,429 presented under Income in the 2021 statement of income. In 2022, the Company redeemed all its remaining UITF resulting in realized fair value gains amounting to P62,625,034. In April 2023, the Company purchased and redeemed UITF amounting to P6,020,004,237 which resulted to a realized fair value gains amounted to P1,048,999. Realized fair value gains are presented under Income in the 2023 and 2022 statements of income (see Note 7). There was no similar transaction in 2024.
- (d) In April 2023, the Company entered into an investment management agreement with BDO TIG for services related to the Company's fund management. Fees paid by the Company to BDO-TIG is reported as Trust Fees account under Operating Costs and Expenses in the 2024 and 2023 statements of income. There were no outstanding payable on these transactions as of December 31, 2024 and 2023.

- (e) In May 2023, the Company entered into a service level agreement with BDOFC wherein BDOFC will charge the Company for certain management services that the former provides to the latter. Management fees paid by the Company to BDOFC are shown as part of Other Expenses account under Operating Costs and Expenses in the 2024 and 2023 statements of income. There was no outstanding payable arising from this transaction in 2024 and 2023.
- (f) The Company recognized Director's fees amounting to P2,193,333, P2,182,222, and P2,933,333, in 2024, 2023, and 2022, respectively, and is presented under Operating Costs and Expenses account in the statements of income. There was no outstanding payable arising from these transactions as of December 31, 2024 and 2023.

## 12. TAXES

### 12.1 Taxes and Licenses

This account is composed of the following:

	2024	2023	2022
Deficiency taxes	P 604,609	P -	P -
Documentary stamp tax	116,853	6,917	149,790
Local tax	2,472	799,002	3,457
Gross receipt tax	-	-	6,672,544
Others	814,736	824,205	840,204
	<u>P 1,538,670</u>	<u>P 1,630,124</u>	<u>P 7,665,995</u>

### 12.2 Current and Deferred Taxes

The components of tax expense for the years ended December 31 follow:

	2024	2023	2022
<i>Reported in statements of income</i>			
Current tax expense:			
Final tax 20%	P 49,888,687	P 48,329,174	P 25,174,213
MCIT at 1% in 2022	-	-	9,547
	<u>P 49,888,687</u>	<u>P 48,329,174</u>	<u>P 25,183,760</u>
<i>Reported in statements of comprehensive income (loss)</i>			
Deferred tax (income) expense on			
Unrealized fair value losses (gains) on			
Financial assets at FVOCI	<u>(P 2,530,802)</u>	<u>P 2,530,802</u>	<u>P -</u>

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the statements of income follows:

	2024	2023	2022
Tax on pretax profit at 25%	<b>P 63,002,573</b>	P 81,402,602	P 23,611,744
Adjustment for income subjected to lower tax rate	<b>(15,823,507)</b>	(37,601,716)	(6,293,553)
Tax effects of:			
Unrecognized deferred tax assets on:			
Net operating loss carry-over (NOLCO)	<b>3,196,929</b>	2,975,581	3,729,610
MCIT	-	-	9,547
Non-taxable income	<b>(1,553,329)</b>	-	-
Non-deductible expenses	<b>1,066,021</b>	1,552,707	4,126,412
Tax expense	<b><u>P 49,888,687</u></b>	<b><u>P 48,329,174</u></b>	<b><u>P 25,183,760</u></b>

The Company is subject to MCIT, which is computed at 2% of gross income in 2024, 1.5% of gross income in 2023 and 1% of gross income in 2022, as defined under tax regulations or RCIT, whichever is higher. In 2024, 2023 and 2022, the Company claimed itemized deductions in computing for its income tax due.

In 2024 and prior years, the Company has not recognized deferred tax assets on certain temporary differences, NOLCO and other tax credits since management believes that the future income tax benefits will not be realized within the avancement period, as defined under the tax regulations. In 2023, the Company recognized deferred tax liability on unrealized fair value gains on financial assets at FVOCI. In 2024, the Company derecognized the deferred tax liability upon maturity of its financial assets at FVOCI (see Note 7).

Presented below are the details of the Company's remaining NOLCO, which can be claimed as deductions from taxable income within three to five years from the year the tax loss is incurred. Specifically, NOLCO incurred in 2021 and 2020 can be claimed as a deductions from the gross income until 2025 and 2026, respectively in accordance with the R.A. No. 11494, *Bayaniban to Recover as One Act*. In 2022, the NOLCO period is reverted back to within three years from the year the tax loss was incurred.

Year Incurred	Original Amount	Applied Amount	Expired Amount	Remaining Amount	Valid Until
2024	P 12,787,715	P -	P -	P 12,787,715	2027
2023	11,902,324	-	-	11,902,324	2026
2022	14,918,441	-	-	14,918,441	2025
2021	14,910,709	-	-	14,910,709	2026
2020	<u>172,289,847</u>	<u>-</u>	<u>-</u>	<u>172,289,847</u>	<u>2025</u>
	<b><u>P 226,809,036</u></b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 226,809,036</u></b>	

Presented below are the details of the Company's remaining MCIT for the years 2022 and 2021.

Year Incurred	Original Amount	Applied Amount	Expired Amount	Remaining Amount	Valid Until
2022	P 9,547	P -	P -	P 9,547	2025
2021	<u>20,690</u>	<u>-</u>	<u>(20,690)</u>	<u>-</u>	<u>2024</u>
	<b><u>P 30,237</u></b>	<b><u>P -</u></b>	<b><u>(P 20,690)</u></b>	<b><u>P 9,547</u></b>	

**12.3 Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010**

The Bureau of Internal Revenue (BIR) issued RR No. 15-2010 which required certain supplementary information to be disclosed as part of the notes to financial statements. The supplementary information is, however, not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards; it is neither a required disclosure under the SEC rules and regulations covering the form and content of financial statements under the Revised Securities Regulation Code Rule 68.

The Company presented this tax information required by the BIR as a supplementary schedule filed separately from the basic financial statements.

**13. EARNINGS PER SHARE**

Basic earnings per share were computed as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net profit	<b>P202,121,606</b>	P277,281,232	P 69,263,216
Divided by the weighted average number of outstanding common shares – net*	<b><u>2,162,475,312</u></b>	<u>2,162,475,312</u>	<u>2,162,475,312</u>
Basic earnings per share	<b><u>P 0.09</u></b>	<u>P 0.13</u>	<u>P 0.03</u>

\* net of treasury shares

There were no outstanding dilutive potential common shares as of December 31, 2024, 2023 and 2022.

**14. CONTINGENT LIABILITIES AND COMMITMENTS**

In the ordinary course of business, the Company incurs contingent liabilities and commitments arising from normal business transactions which are not reflected in the accompanying financial statements. As of December 31, 2024, management does not anticipate significant losses from these contingencies and commitments that would adversely affect the Company's financial position and results of operations.

**15. MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

Except for the Company's deferred tax liability, all assets and liabilities as of December 31, 2024 and 2023 have contractual maturity and settlement dates of within one year.

**Report of Independent Auditors  
to Accompany Supplementary  
Information Required by the  
Securities and Exchange Commission  
Filed Separately from the  
Basic Financial Statements**

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**Punongbayan & Araullo**  
20<sup>th</sup> Floor, Tower 1  
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**The Board of Directors and the Stockholders  
Dominion Holdings, Inc.**

**(Formerly: BDO Leasing and Finance, Inc.)  
(A Subsidiary of BDO Unibank, Inc.)**

39<sup>th</sup> Floor, BDO Corporate Center Ortigas  
12 ADB Avenue, Ortigas Center  
Mandaluyong City

We have audited the financial statements of Dominion Holdings, Inc. for the year ended December 31, 2024, on which we have rendered our report thereon dated February 19, 2025. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Company's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**PUNONGBAYAN & ARAULLO**

By:   
**Yusoph A. Maute**  
Partner

CPA Reg. No. 0140306  
TIN 415-417-641  
PTR No. 10465908, January 2, 2025, Makati City  
BIR AN 08-002551-046-2023 (until January 24, 2026)  
BOA/PRC Cert. of Reg. No. 0002/P-018 (until August 12, 2027)

February 19, 2025

---

**Certified Public Accountants**

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

Offices in Cavite, Cebu, Davao  
BOA/ PRC Cert of Reg. No. 0002  
SEC Accreditation No. 0002

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**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
**SEC Supplementary Schedules**  
**December 31, 2024**

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Other Required Information

Reconciliation of Company Retained Earnings for Dividend Declaration

Supplementary Schedule of External Auditor Fee-Related Information

Map Showings the Relationship Between the Company and its Related Entities

Schedule of Financial Soundness Indicators

DOMINION HOLDINGS, INC.  
(Formerly: BDO Leasing and Finance, Inc.)  
(A Subsidiary of BDO Unibank, Inc.)  
Schedule A - Financial Assets  
December 31, 2024  
(Amount in Philippine Pesos)

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at balance sheet date</i>	<i>Income received and accrued</i>
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- nothing to report -

DOMINION HOLDINGS, INC.  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

December 31, 2024

*(Amount in Philippine Pesos)*

<i>Name and designation of debtor</i>	<i>Balance at beginning of period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at end of period</i>
			<i>Amounts collected</i>	<i>Amounts written off</i>	<i>Current</i>	<i>Not current</i>	

- nothing to report -



**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

December 31, 2024  
*(Amount in Philippine Pesos)*

**Deductions**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
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*- nothing to report -*

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**Schedule D - Long-Term Debt**  
**December 31, 2024**  
*(Amount in Philippine Pesos)*

<i>Title of issue and type of obligation</i>	<i>Amount authorized by indenture</i>	<i>Amount shown under caption "Current portion of long-term debt" in related balance sheet</i>	<i>Amount shown under caption "Long-Term Debt" in related balance sheet</i>	<i>Interest Rate</i>	<i>Maturity Date</i>
--	---------------------------------------	--	---	----------------------	----------------------

- nothing to report -

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
**Schedule E - Indebtedness to Related Parties**  
**December 31, 2024**  
*(Amount in Philippine Pesos)*

<i>Name of related party</i>	<i>Balance at beginning of period</i>	<i>Balance at end of period</i>
------------------------------	---------------------------------------	---------------------------------

- nothing to report -

DOMINION HOLDINGS, INC.  
(Formerly: *BDO Leasing and Finance, Inc.*)  
(A Subsidiary of *BDO Unibank, Inc.*)  
Schedule F - Guarantees of Securities of Other Issuers  
December 31, 2024  
(Amount in Philippine Pesos)

<i>Name of issuing entity of securities guaranteed by the company for which this statement is filed</i>	<i>Title of issue of each class of securities guaranteed</i>	<i>Total amount guaranteed and outstanding</i>	<i>Amount owned by person for which statement is filed</i>	<i>Nature of guarantee</i>
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- nothing to report -

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
*(A Subsidiary of BDO Unibank, Inc.)*  
 Schedule G - Capital Stock  
 December 31, 2024  
*(Amount in Philippine Pesos)*

<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related balance sheet caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Number of shares held by</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Preferred Shares	200,000	-	-	-	-	-
Common shares	3,400,000,000	2,162,475,312		1,914,711,807	24,520	247,738,985
BDO Unibank Inc.				1,914,711,807		

\*Determination of number of shares and outstanding

Number of shares issued	2,225,169,030
Less shares held in treasury	<u>62,693,718</u>
	<u>2,162,475,312</u>

**DOMINION HOLDINGS, INC.**  
*(Formerly: BDO Leasing and Finance, Inc.)*  
BDO Corporate Center Ortigas, 12 ADB Avenue, Ortigas Center, Mandaluyong City  
Reconciliation of Retained Earnings Available for Dividend Declaration  
December 31, 2024

Unappropriated Retained Earnings at Beginning of Year	P	3,562,412,004
Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(	<u>3,243,712,968</u> )
Unappropriated Retained Earnings at Beginning of Year, as adjusted		318,699,036
Net Income for the Current Year		<u>202,121,606</u>
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year	<b>P</b>	<b><u>520,820,642</u></b>

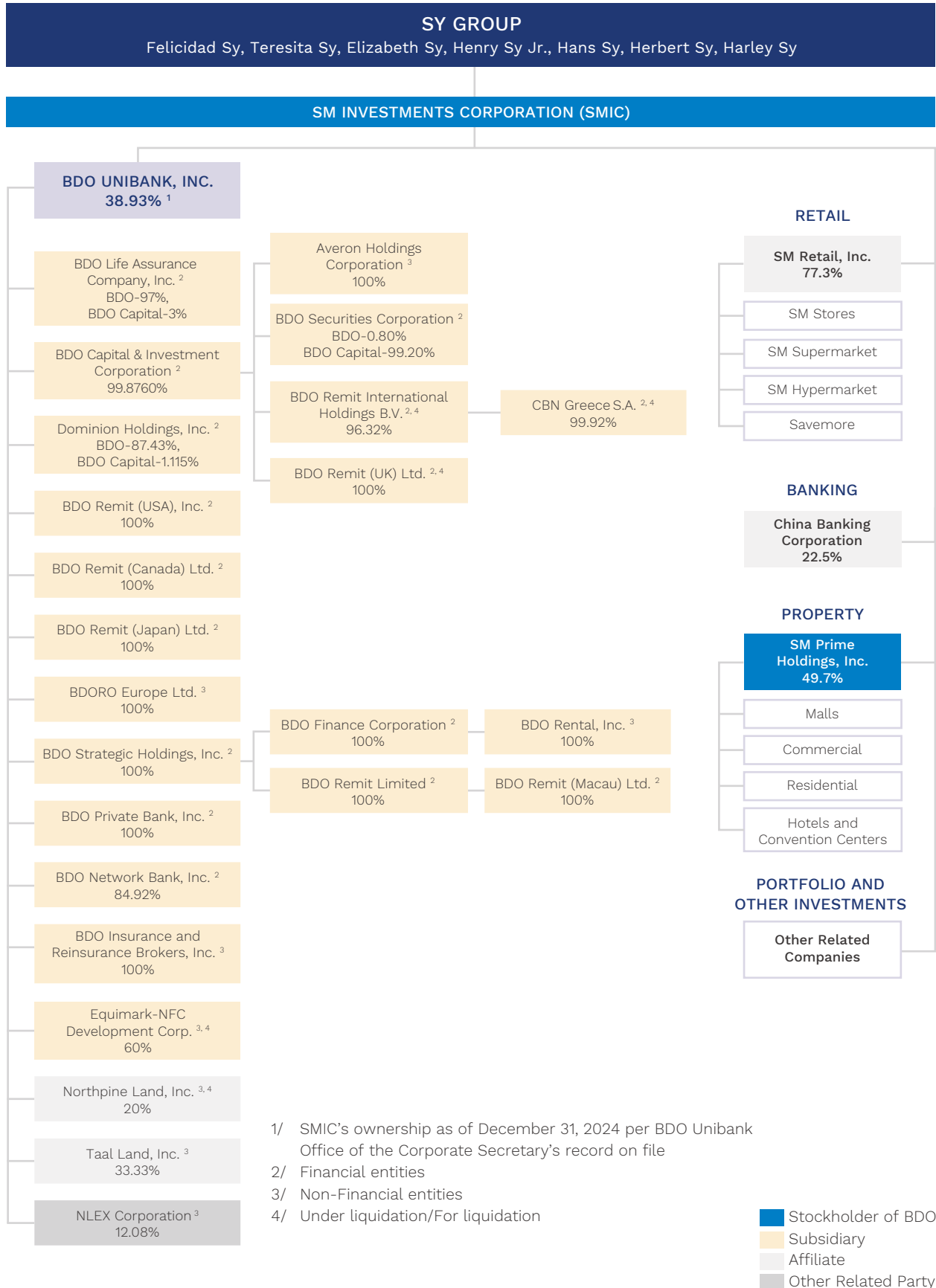
DOMINION HOLDINGS, INC.  
*(Formerly: BDO Leasing and Finance, Inc.)*  
Supplementary Schedule of External Auditor Fee-Related Information  
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Total Audit Fees</b>	<b>P 131,000</b>	<b>P 127,308</b>
<b>Total Non-Audit Fees</b>		
Annual Stockholders' Meeting Tabulation	<u>50,000</u>	<u>50,000</u>
<b>Total Audit and Non-audit Fees</b>	<b><u>P 181,000</u></b>	<b><u>P 177,308</u></b>

# BDO Conglomerate Structure

## BDO Unibank, Inc. Group Map

As of December 31, 2024





## **Report of Independent Auditors on Components of Financial Soundness Indicators**

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### **The Board of Directors and the Stockholders**

**Dominion Holdings, Inc.**

*(Formerly: BDO Leasing and Finance, Inc.)*

*(A Subsidiary of BDO Unibank, Inc.)*

39<sup>th</sup> Floor, BDO Corporate Center Ortigas

12 ADB Avenue, Ortigas Center

Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Dominion Holdings, Inc., for the years ended December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, on which we have rendered our report thereon dated February 19, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS Accounting Standards) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

### **PUNONGBAYAN & ARAULLO**

  
**By: Yusoph A. Maute**  
Partner

CPA Reg. No. 0140306

TIN 415-417-641

PTR No. 10465908, January 2, 2025, Makati City

BIR AN 08-002551-046-2023 (until January 24, 2026)

BOA/PRC Cert. of Reg. No. 0002/P-018 (until August 12, 2027)

February 19, 2025

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#### **Certified Public Accountants**

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SEC Accreditation No. 0002

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**Dominion Holdings, Inc.**  
**(Formerly: BDO Leasing and Finance, Inc.)**  
**Financial Ratios**  
**December 31, 2024 and 2023**  
**(Amounts Philippine Pesos)**

	2024	2023	2024	2023
<b>I. Current/liquidity ratios</b>				
Current ratio				
<u>Total current assets</u>	<u>3,327,864,780</u>	<u>6,383,085,428</u>	<b>308.72</b>	599.06
Total current liabilities	10,779,432	10,655,103		
Acid Test Ratio				
<u>Quick assets</u>	<u>3,327,864,780</u>	<u>6,383,085,428</u>	<b>308.72</b>	599.06
Total current liabilities	10,779,432	10,655,103		
<b>II. Solvency ratios; debt-to-equity ratios</b>				
Solvency ratio				
<u>(After tax net profit + Depreciation)</u>	<u>202,121,606</u>	<u>277,281,232</u>	<b>18.75</b>	21.03
Total liabilities	10,779,432	13,185,905		
Debt-to-equity ratio				
<u>Total liabilities</u>	<u>10,779,432</u>	<u>13,185,905</u>	<b>0.00</b>	0.00
Total equity	3,317,085,348	6,369,899,523		
<b>III. Asset-to-equity ratio</b>				
Asset-to-equity ratio				
<u>Total assets</u>	<u>3,327,864,780</u>	<u>6,383,085,428</u>	<b>1.00</b>	1.00
Total equity	3,317,085,348	6,369,899,523		
<b>IV. Interest coverage ratio</b>				
Interest coverage ratio				
<u>Earnings before interest and taxes</u>	<u>253,109,959</u>	<u>325,610,406</u>	<b>0.00</b>	0.00
Interest expense	-	-		
<b>V. Profitability ratios</b>				
Net profit margin				
<u>Net Profit</u>	<u>202,121,606</u>	<u>277,281,232</u>	<b>75.12%</b>	80.67%
Interest income + Other operating income	269,062,092	343,723,558		
Return on equity				
<u>Net profit</u>	<u>202,121,606</u>	<u>277,281,232</u>	<b>4.17%</b>	4.45%
Average equity	4,843,492,436	6,225,647,501		
Return on assets				
<u>Net profit</u>	<u>202,121,606</u>	<u>277,281,232</u>	<b>4.16%</b>	4.44%
Average assets	4,855,475,104	6,240,293,652		

## VI. Others

Total real estate investments to Assets

<u>Total investment properties</u>	<u>-</u>	<u>-</u>	<b>0.00%</b>	0.00%
Total assets	<b>3,327,864,780</b>	6,383,085,428		

Loans to Assets

<u>Total loans and other receivables</u>	<u>-</u>	<u>-</u>	<b>0.00%</b>	0.00%
Total assets	<b>3,327,864,780</b>	6,383,085,428		

DOSRI to Net worth

<u>Receivables from Directors, Officers, Stakeholders and Related Interests</u>	<u>-</u>	<u>-</u>	<b>0.00%</b>	0.00%
Total equity	<b>3,317,085,348</b>	6,369,899,523		

Amount of receivable from a single corporation to  
Total receivables


<u>Loan to a single corporation</u>	<u>-</u>	<u>-</u>	<b>0.00%</b>	0.00%
Total loans and other receivables	<b>-</b>	<b>-</b>		

# Sustainability Report

This report is BDO Unibank's seventh Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2024. 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 – Essential 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. The report was also prepared in reference to the International Financial Reporting Standards (IFRS) 1 and 2, the Task Force for Climate-related Financial Disclosures (TCFD) recommendations, and the Sustainability Accounting Standards Board (SASB) standards.

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 2024 BDO Annual Report and expanded disclosures found on the BDO website at [www.bdo.com.ph](http://www.bdo.com.ph).

BDO Sustainability Report is accessible thru:  [2024 BDO Sustainability Report Final.pdf](#)



**2024  
SUSTAINABILITY  
REPORT**



**THE WAY FORWARD**

## About the Report

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## BDO 2024 SUSTAINABILITY REPORT

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# BDO's Footprint <sup>2-1</sup>

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 5,800 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, 2024, 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 <sup>2-1</sup>

To be the preferred bank in every market we serve.

## Corporate Vision <sup>2-1</sup>

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 <sup>2-1</sup>

**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.





**₱263.8 billion**

(US\$4.6 billion)

Direct Economic Value Generated

**₱3.2 trillion**

(US\$55.8 billion)

Gross Customer Loans

**₱3.8 trillion**

(US\$65.6 billion)

Total Deposits

**₱577.4 billion**

(US\$10 billion)

Capital

**₱4.9 trillion**

(US\$84.3 billion)

Total Resources

**₱82 billion**

(US\$1.4 billion)

Net Income

**₱759.2 billion**

(US\$13.1 billion)

Market Capitalization

**₱1.04 trillion**

(US\$17.9 billion)

Total Sustainable Finance Funded  
to date

**1,793** <sup>2-1</sup>

Branches and Banking Offices  
including foreign branches in  
Hong Kong and Singapore

**5,815** <sup>2-1</sup>

Teller Machines Nationwide  
(ATMs, Cash Accept Machines,  
Universal Teller Machines)

US\$1=₱57.85



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# Message from the Chairperson



*“We remain steadfast in our mission to support industries and communities that drive national development, economic growth, and resilience.”*

## ***Dear Clients and Shareholders,***

We recognize that building a more resilient and prosperous future for our country is challenging, but it is within reach when we unite and commit to a shared vision.

Since 2010, BDO has championed sustainable finance to create more opportunities, generate livelihood, and foster a climate-resilient economy in the Philippines. As a pioneer in this space, we have continued to finance large-scale projects for key industries critical to economic development, boosting local economies while contributing to reducing the country’s carbon footprint.

In 2024, we successfully issued our second and third ASEAN Sustainability Bonds under the BDO Sustainable Finance Framework to finance green and social projects, ranging from renewable energy to clean transport and sustainable agriculture and fisheries. The overwhelming support from retail and institutional investors for these financial instruments, issued at record highs of ₱63.3 billion and ₱55.7 billion, respectively, reaffirms confidence in BDO’s leadership and credibility in sustainable finance.

We have supported key environmental and social projects that are intended to help national development:

**Empower entrepreneurs through microfinance** Through BDO Network Bank, we provide microfinance and salary loan services tailored to small businesses and government employees in urban and rural areas, most of them women-owned and women-led enterprises, enabling women to become financially independent and valued economic contributors.

**Offer financial inclusion for all** By continuously expanding our physical and digital presence, we have bridged financial gaps for underserved and unbanked communities. Coupled with our financial literacy programs, we equip individuals in various sectors and Micro, Small, and Medium Enterprises (MSMEs) with the knowledge and skills to manage their finances effectively and for the long term.

**Expand enhanced community well-being** Our investments in essential services and infrastructure have improved quality of life, empowering communities to thrive sustainably. To date, BDO Foundation has rehabilitated 192 rural health units nationwide, improving access to essential healthcare, especially in underserved rural areas, demonstrating our dedication to uplifting health standards across the Philippines. Our large number of BDO employees, through the Employee Volunteer Program, have actively contributed to disaster recovery efforts, alongside supporting poverty alleviation and hunger relief, promoting environmental conservation, advancing education, and financial literacy.

We remain committed in our mission to support industries and communities that drive national development, economic growth, and resilience.

On behalf of BDO, I extend my gratitude to our employees, clients, investors, shareholders, regulators, partners, and other stakeholders for their invaluable contributions to our efforts and shared success. Thank you for your trust and support as we move toward a better, more sustainable future.

Yours truly,

**Teresita T. Sy**  
Chairperson

---

# Message from the President and CEO



***“As the leading bank in the country, we strive to lead by example, encouraging others and our clients to follow, and take meaningful steps toward sustainability.”***

## ***Dear Stakeholders,***

Our commitment to sustainability is rooted in good, practical and sustainable policies. These principles guide us in integrating sustainability into our business operations and decision-making processes, ensuring that we remain focused on creating shared value for all our stakeholders as part of our day-to-day activities. In BDO, sustainability is not just a concept — it is a way of doing business. We view it as a healthier, more thoughtful approach to achieving long-term growth while contributing positively to society and the environment.

In 2024, we are proud to highlight several initiatives where these principles have been put into action. From financing water infrastructure projects to supporting renewable energy and battery technologies, these investments demonstrate our dedication to supporting industries that drive environmental stewardship and promote resilience. As the leading bank in the country, we strive to lead by example, encouraging other financial institutions and our clients to follow, and take meaningful steps toward sustainability. Last November 15, 2024, we marked a significant milestone with the time capsule-laying ceremony for the new BDO Corporate Center in Makati. Designed with sustainability in mind, the state-of-the-art building is anticipated to be rated Platinum under the Green Mark green building certification scheme created for tropical countries and aligned with the UN Sustainable Development Goals.

The Bank also set benchmarks in sustainability and governance, earning accolades from global organizations. BDO Unibank Inc. (BDO) was named Best Bank in the Philippines and the Best Bank for ESG (Environmental, Social, and Governance) by London-based publication Euromoney for its significant contributions to sustainable finance. For the 15th straight year, BDO received the Platinum Award for Excellence in Environmental, Social, and Governance (ESG) at The Asset ESG Corporate Awards 2024. Notably, BDO became the first Filipino bank to win the Best Sustainability Team award since the category’s inception in 2022.

BDO’s strong governance practices were further underscored with the prestigious Five Golden Arrow recognition, the highest distinction for corporate governance at the ASEAN Corporate Governance Scorecard (ACGS) Awards for the top publicly listed Philippine companies. In addition, BDO won the Global Good Governance Award for 3G Green Innovation and Solution category for Green Bond Framework, reaffirming the Bank’s leadership in sustainability and responsible financing.

Through our efforts, we aim to inspire confidence that sustainability is not only achievable but also integral to our collective success. By continuously applying these principles, we hope to make a meaningful difference today, while laying the groundwork for a greener tomorrow.

We thank our employees, clients, investors, shareholders, regulators, partners, and other stakeholders for being a part of this journey. Together, we can shape a sustainable future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nestor V. Tan', written in a cursive style.

**Nestor V. Tan**  
President and CEO

# BDO's Path to Creating Shared Value

## Creates jobs

44,044

Employees

75%

Employees are women

59%

Women in senior management (Assistant Vice President and up)

39%

Women in top management (Senior Vice President and up)

## Champions financial inclusion

29

Financial education videos developed since 2018

13,223,698

Total beneficiaries reached through financial education programs since 2018

6,233,782

Total beneficiaries reached through financial education programs in 2024

13

Partner government agencies

3

Financial education games developed

## Promotes community development

191

Rural Health Units (RHUs) rehabilitated to date

1,204,668

Total beneficiaries of RHUs rehabilitated in 2024

31

Rural Health Units (RHUs) rehabilitated in 2024

9,036,041

Total beneficiaries of RHUs rehabilitated to date

## Volunteers for the community

80

Volunteer activities

2,004

Employee volunteers

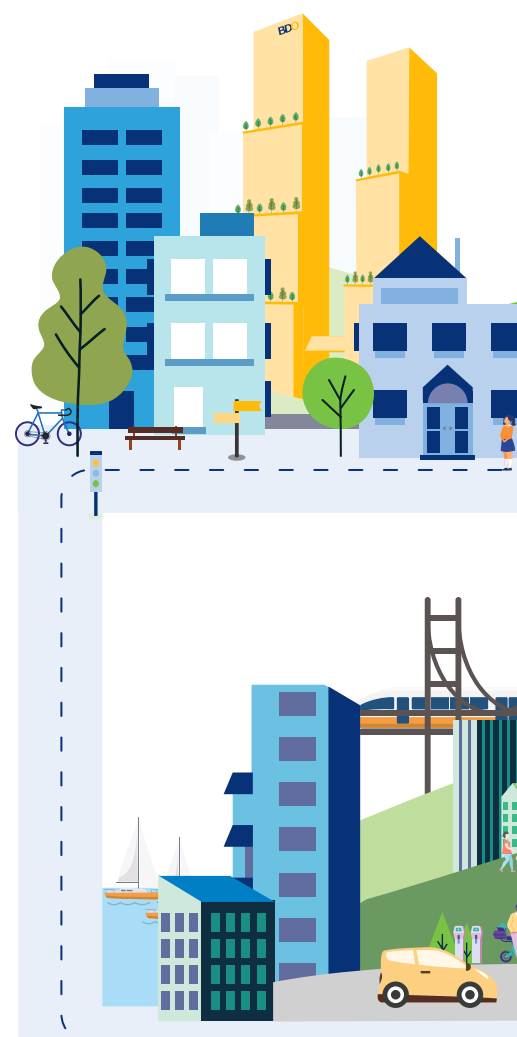
8,550

Volunteer hours

## Accelerates economic growth

₱36.1 billion

Taxes paid in 2024







#### Finances environment-friendly solutions

₱1.04  
trillion

Total Sustainable Finance projects funded to date

4,767,745

Tonnes of carbon dioxide avoided per year

2,679 MW

Total installed renewable energy capacity in megawatts

63

Renewable Energy Projects funded to date

#### Supports customer expenditure

0.7%

5-year CAGR\* in Auto Financing

7%

5-year CAGR\* in Home Financing

9%

5-year CAGR\* in Credit Cards (Cards-in-Force)

#### Fosters banking habits

20.4  
million

Customers

1,793

Branches and Banking Offices including foreign branches in Hong Kong and Singapore

5,815

Teller Machines Nationwide (ATMs, Cash Accept Machines, Universal Teller Machines)

1,039,534

Lives insured

2,087,228

Total new checking and savings accounts

#### Facilitates infrastructure development

₱114.06  
billion

Loans disbursed to national projects

₱46.87  
billion

Loans disbursed in the past 5 years for airports

₱31.2  
billion

Loans disbursed in the past 5 years for road networks

\* Compounded Annual Growth Rate



# 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.

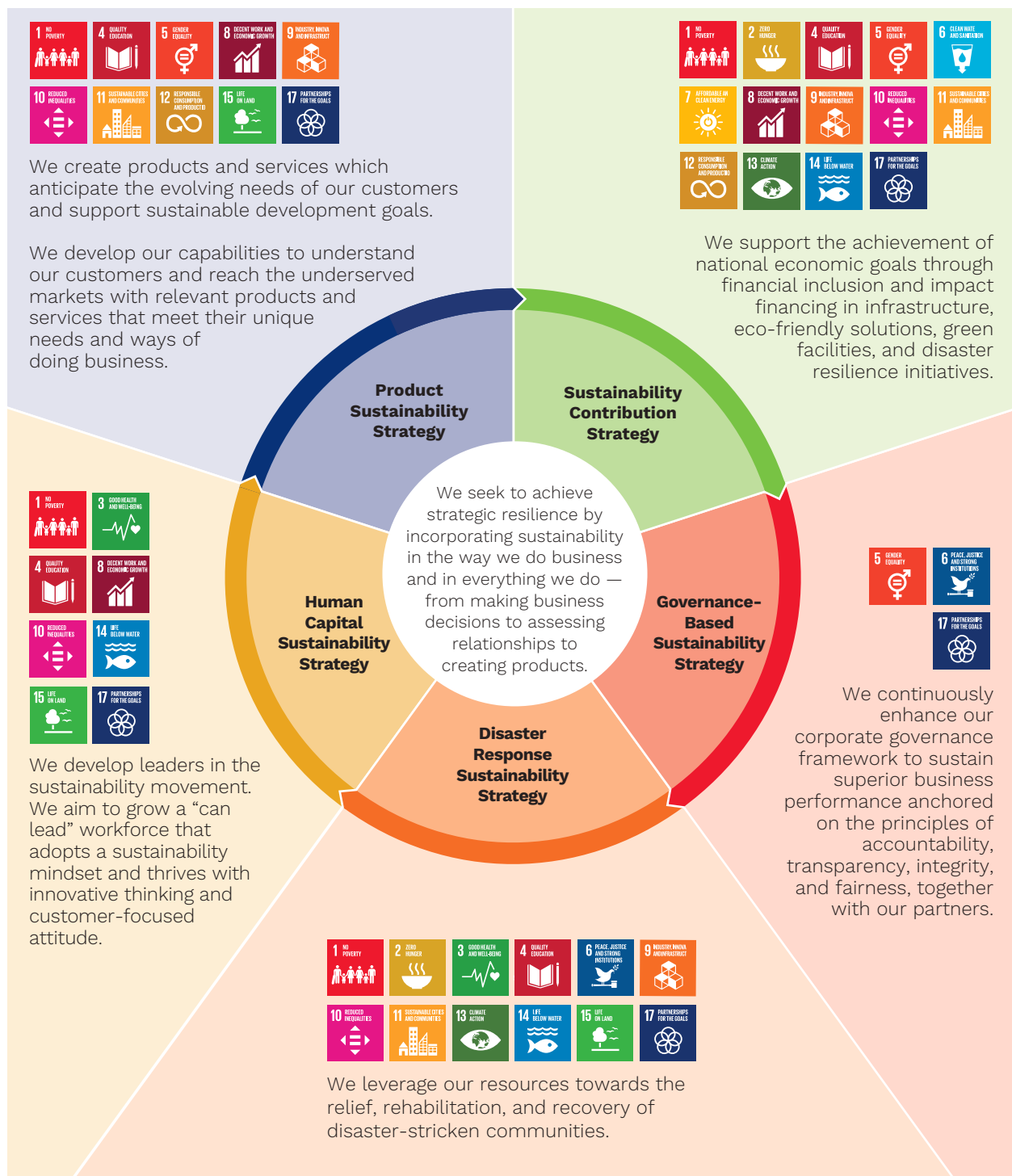
## Alignment with the United Nations Global Compact Principles

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 <sup>3-1</sup>

*“At BDO, sustainability is not just a concept — it is a way of doing business. We view it as a healthier, more thoughtful approach to achieving long-term growth, while contributing positively to society and the environment.”*

**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 business units and subsidiaries, and brought to life by employees. In 2024, BDO revised its Sustainability Governance Structure to streamline membership and decision-making and better reflect the Bank’s evolving sustainability initiatives, with key focus on its environmental and social impact and governance (ESG), risks, and opportunities.

## Roles and Responsibilities <sup>2-12, 2-14</sup>

Oversight for sustainability initiatives reside in four BDO Board Committees, aligned to their key responsibilities. The Executive Committee (ExCom) approves all sustainability programs across the BDO Group and their corresponding budgets for implementation. The ExCom also reviews all new and refinanced client accounts for environmental and social (E&S) risks overlaid on credit risks and decides on approval. 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 enterprise environmental, social, and governance (ESG) 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 2023, the Board Committees’ Terms of Reference were updated to reflect their oversight on sustainability matters and their oversight of activities are disclosed in detail in this report.

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 Steering Committee (SteerCo) — and directly represented by the Chief of Staff in the SteerCo — which oversees the Bank’s policy formulations, programs review, and recommendations from the Sustainability Technical Working Groups, as the Bank continues its transition to a sustainable finance framework. The Steering Committee is composed of heads of business groups and



support groups whose work cover corporate governance, risk management, business strategy, lending, operations, and compliance. In 2024, the SteerCo updated its composition to streamline its membership and decision-making process, with the agreement that heads of business units, support groups, and subsidiaries will be invited to join its meetings based on agenda items that relate and impact them. The Steering Committee meets on a quarterly basis, and as needed. In 2024, the SteerCo met for four (4) times, with a separate special meeting for a review of the Bank’s financed emissions in its operations and lending and investments portfolio.



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 and the various business units, support groups, and subsidiaries of the BDO Group. The Sustainability Office also presents Sustainability updates in every meeting of the Corporate Governance Committee, oversees ESG Governance, 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.

The Business Units, Support Groups, and Subsidiaries have identified sustainability champions who lead the application and implementation of sustainability initiatives in their products, E&S risk assessments, opportunities mapping, and marketing communications to clients.

# 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 and Community Relations

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)

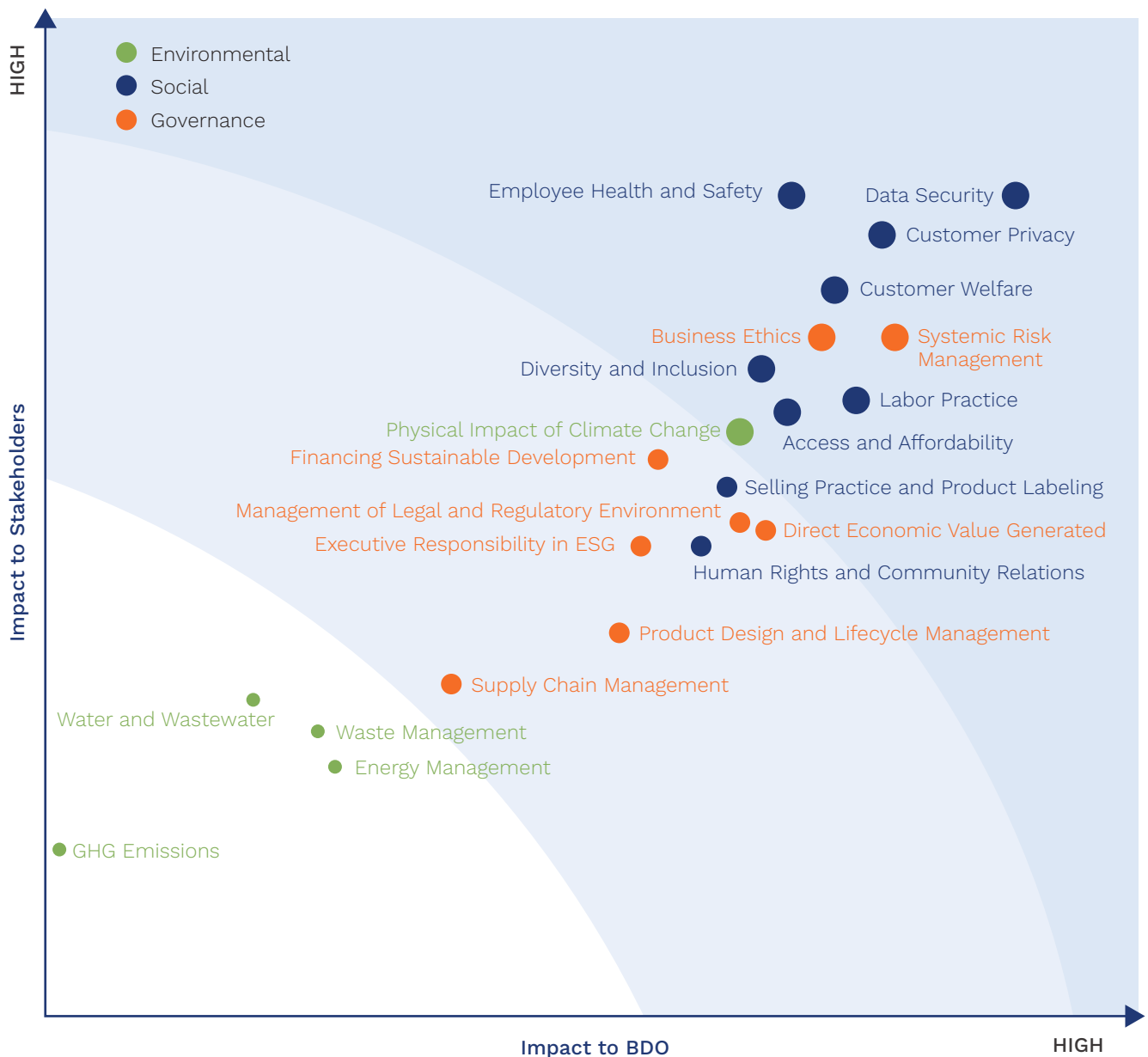
### Topic Boundary

Within BDO and with key stakeholders

Note: Total of 22 Materiality Topics for BDO

## ESG Materiality Matrix <sup>3-1, 3-2</sup>

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 <sup>2-29</sup>

Stakeholder Group	Relevance	Channels of Engagement	Relevant Topics	Our Commitment
<b>Shareholder or Investor</b>	<ul style="list-style-type: none"> <li>Providers of resources essential to BDO's goal to deliver results, enhanced economic returns, and shared value</li> </ul>	<ul style="list-style-type: none"> <li>Annual Stockholders' Meeting</li> <li>Investor meetings</li> </ul>	<ul style="list-style-type: none"> <li>Access and affordability</li> <li>Systemic Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved</li> <li>Enhance embedded environmental and social criteria in credit risk and operational risk systems</li> </ul>
<b>Employee</b>	<ul style="list-style-type: none"> <li>Proponent of BDO's vision, mission, and objectives</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face meetings</li> <li>Annual performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Customer welfare</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize occupational health and safety at all times</li> <li>Provide timely feedback to customer concerns</li> </ul>
<b>Customer or Client</b>	<ul style="list-style-type: none"> <li>Patrons of BDO's products and services</li> </ul>	<ul style="list-style-type: none"> <li>Customer touchpoints</li> <li>Regular visits and briefings</li> </ul>	<ul style="list-style-type: none"> <li>Customer Privacy</li> <li>Data Security</li> <li>Greenhouse Gas Emissions</li> </ul>	<ul style="list-style-type: none"> <li>Provide guardrails to manage risks related to customer or user data</li> <li>Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies</li> <li>Disclose our Scope 1, 2 and 3 emissions</li> </ul>
<b>Creditor</b>	<ul style="list-style-type: none"> <li>Source of assets that support BDO's business</li> </ul>	<ul style="list-style-type: none"> <li>Regular correspondence and updates</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Financing Sustainable Development</li> </ul>	<ul style="list-style-type: none"> <li>Meet our contractual obligations</li> <li>Continue to support sustainable financing and sustainable development</li> </ul>
<b>Service Provider or Supplier</b>	<ul style="list-style-type: none"> <li>Suppliers and service providers vital to BDO</li> </ul>	<ul style="list-style-type: none"> <li>Vendor accreditation process</li> <li>Regular correspondence</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Supply Chain management</li> </ul>	<ul style="list-style-type: none"> <li>Continue to operate on principles of accountability, transparency, integrity, and fairness</li> <li>Manage ESG risks within our supply chain, in partnership with suppliers</li> </ul>
<b>Regulator or Policy Maker</b>	<ul style="list-style-type: none"> <li>Driver of regulations and policies that aid BDO in achieving its goals</li> </ul>	<ul style="list-style-type: none"> <li>Formal and informal correspondence</li> <li>Regular audit</li> </ul>	<ul style="list-style-type: none"> <li>Data Security</li> <li>Access and affordability</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies</li> <li>Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved</li> <li>Continue to operate on principles of accountability, transparency, integrity, and fairness</li> </ul>
<b>Community Beneficiary</b>	<ul style="list-style-type: none"> <li>Partners in community development and local economic growth</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement dialogues</li> <li>Meetings for program implementation</li> </ul>	<ul style="list-style-type: none"> <li>Customer Privacy</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Provide guardrails to manage risks related to customer or user data</li> <li>Protect human rights in our operations, including our socioeconomic community impact and engagement</li> </ul>
<b>Analyst or Research Organization and Media</b>	<ul style="list-style-type: none"> <li>Partners in accurate reporting, upholding transparency and integrity</li> </ul>	<ul style="list-style-type: none"> <li>Analysts' briefings</li> <li>Media events</li> </ul>	<ul style="list-style-type: none"> <li>Financing Sustainable Development</li> <li>Physical Impacts of Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Continue to support sustainable financing and sustainable development</li> <li>Incorporate climate change into lending analysis and risk mitigation in our businesses to protect shareholder value</li> </ul>



# 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.



# 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 has worked to transition into sustainable banking, embedding Environmental, Social, and Governance (ESG) risk and opportunity considerations 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 ESG in the way that it conducts business as an organization and as a bank committed to sustainability. In 2010, the Bank adopted its Social and Environmental Management System (SEMS) Policy that was co-developed with the International Finance Corporation (IFC) and based on IFC's ESG standards since 2010. The SEMS Policy was designed to control and address social and environmental risks in the Bank's lending operations by categorizing E&S risks for sustainable finance projects.

BDO has since evolved the 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 and opportunities 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.

Implementing the ESRMS involves BDO integrating a 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 by the Sustainability Office, the Environment and Social Tool 4 Risk (EAST4R) for scoring E&S risks, assigns weights to E&S issues 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. (For a more detailed discussion on the ESRMS, see the 2023 BDO Sustainability Report available at [www.bdo.com.ph](http://www.bdo.com.ph).)

## ENVIRONMENTAL AND SOCIAL ISSUES

### Environmental



**Climate change**  
(physical risk, transition risks)



**Energy** use and conservation



**Water** management



**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**



In 2024, BDO continued its capability-building on the ESRMS to cover key employees across the whole country, prioritizing 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.



## On Enterprise Risk Management

### The Risk Management Structure

Risk management at BDO begins at the highest level of the organization.

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

The Board has constituted the Risk Management Committee (RMC) as the Board-level committee responsible for the oversight of the enterprise risk management program. Considering the importance of appropriately addressing credit risk, the Board has also constituted the Executive Committee, 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, liquidity risk, market risk, interest rate risk, operational risk (including business continuity risk, IT risk, information security and cybersecurity risks, data privacy risk, and social media risk), consumer protection risk, and environmental and social risks, to ensure that current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite.

As part of the enterprise-wide risk management framework, the Risk Management Group, which reports to the RMC, is mandated to adequately and consistently evaluate, manage, control, and monitor the overall risk profile of the Bank's activities across the different risk areas (i.e., credit risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk including business continuity risk, IT risk, information security risk, and data privacy risk, as well as environmental and social risks) to optimize the risk-reward balance and maximize return on capital, in line with the Bank's risk management mission. The Risk Management Group also has the responsibility of recommending, to the appropriate body, risk policies across the full range of risks to which the Bank is exposed.

## Applying the Risk Management Process

The evaluation, analysis, and control performed by the Risk Function, in conjunction with the Risk Takers, constitute the risk management process. The risk management process is applied at three levels: the transaction level, the business unit level, and the portfolio level. This framework ensures that risks are properly identified, quantified, and analyzed in the light of their potential effect on the Bank's business. The goal of the risk management process is to ensure rigorous adherence to the Bank's standards for precision in risk measurement and reporting and to make possible an in-depth analysis of the deployment of capital and the returns that are delivered to the shareholders.



The Bank ensures appropriate and effective risk governance consistent with the “three lines of defense” approach in the Corporate Governance Principles for Banks released by the Basel Committee on Banking Supervision. The first line of defense are the business units, which are responsible for identifying and managing the risks inherent in the products, activities, processes and systems for which they are accountable. The second line of defense, which is independent of the first line, comprises the risk management and compliance functions, and support functions including back-office, which measure, monitor and assess the first line's risk control activities. The third line of defense is the internal audit function, which represents the next level of control as it provides independent assurance to Senior Management and the Board of Directors. The three lines of defense are designed to allow clear identification of roles and responsibilities, cultivate functional independence and control, strengthen communication and dialogue, and sustain ongoing risk management activities. This framework allows the Bank to proactively manage risk while remaining focused on achieving its business goals and objectives.

### THE THREE LINES OF DEFENSE

#### Front-Line Operations

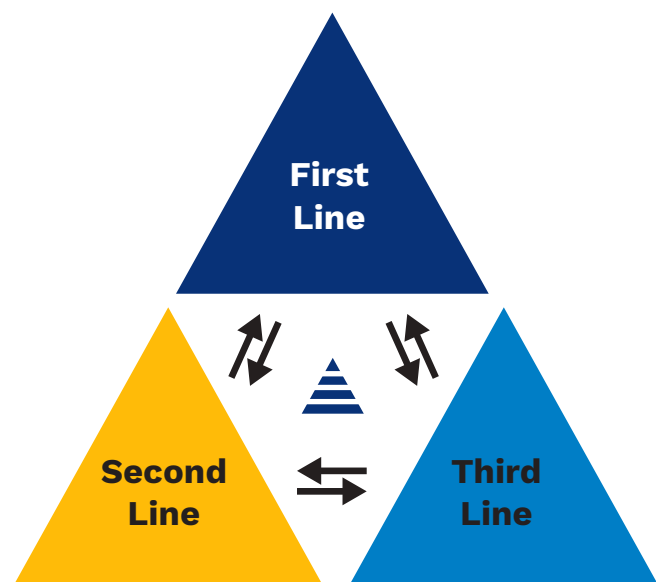
Directly deals with risks in daily activities, identifying, assessing, and mitigating risks in their areas.

#### Risk Management & Compliance

Establishes policies, monitor risks, and ensures adherence to regulations and internal controls.

#### Internal Audit

Provides assurance and evaluates effectiveness of risk management and control processes.





# On Sustainability and Business Strategy

## Approach to Climate Change

BDO incorporates sustainability principles in business strategy to mobilize capital towards the achievement of the UN 17 Sustainable Development Goals and a transition to a low carbon economy, in support of the Paris Agreement of 2015 and the Philippines' Nationally Determined Contribution (NDC) to the agreement.

BDO recognizes that the banking industry plays a critical role in the Philippines' committed transition to a low-carbon economy, and that the transition will require providing access to affordable, reliable, sustainable and clean energy. BDO believes that this transition is a journey that requires adopting a balanced approach: acknowledging 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.

The Bank is investing in the low-carbon transition by providing clients with the products they need to drive change within their businesses or personally. Simultaneously, BDO is committed to managing risks related to climate, natural capital and biodiversity to safeguard its clients' assets and the Bank from the effects of climate change. On the flipside of risk, BDO is also capitalizing on the opportunities presented by the low carbon transition.

### BDO'S CLIMATE CHANGE APPROACH



#### Mitigating Climate-Related Financial Risks

- Deploying innovative investment and financing solutions
- Protecting the assets of our clients and business
  - Reducing exposure to carbon-related assets and assessing vulnerability to climate risks
  - Supporting transition to green business



#### Advancing a Sustainable Future

- Reducing BDO's carbon footprint
  - Sourcing of electricity from renewable energy sources
  - Managing energy and water consumption to optimize resources
  - Managing materials waste from operations
  - Managing the supply chain to reduce carbon emissions and mitigate climate change impacts

The Bank has a **low risk appetite for activities that are not contributing to the transition to a low carbon economy**, and transition activities 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.

#### KEY FOCUS AREAS AND RISK APPETITE

COMMITMENT	Climate Change	Environment	Human Rights	Disaster Risk Management & Response
	<p>Manage the risks associated with climate change (physical, transition risk) today and in future scenarios.</p> <p>Manage risk associated with supporting the country's transition to a low carbon economy.</p>	<p>Recognizes that environmental degradation will exacerbate destruction and loss of life.</p> <p>Manage and reduce the Bank's environmental impact.</p>	<p>Recognizes and upholds its role to respect human rights among its stakeholders.</p>	<p>Recognizes its critical role in economic development and social inclusion.</p> <p>Focuses resources to mitigate and adapt to the E&amp;S impact of disasters brought about by climate change and human activities.</p>
RISK APPETITE	Low risk appetite	Low risk appetite	No risk appetite	High risk appetite
	<p>Activities that do not support the transition to a low carbon economy, and in line with the BDO Energy Transition Finance statement.</p> <p><b>High risk appetite</b> Clean and renewable energy activities.</p>	<p>Client activities that have significant adverse environmental impact.</p> <p><b>No risk appetite</b> Any non-compliance with environmental laws and regulations it is being monitored.</p>	<p>Activities that violate human rights in the Bank's workforce, clients, investees, and supply chain.</p>	<p>Activities that create opportunities, drive socio-economic development, and responds to needs of marginalized sectors of society.</p> <p><b>No risk appetite</b> Activities that significantly disrupt bank operations.</p>

### Approach to Nature

BDO manages risks and opportunities related to natural capital and biodiversity across the Bank's activities. BDO recognizes the challenges of transitioning towards a society that can meet both human needs, while living within the constraints of natural resources, with the objective of also generating positive outcomes for our natural environment.

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.

## Partnerships

BDO partners with stakeholders, including key industry participants and global thought leaders to unite around common goals that can drive climate change action at the national and global scale. In 2024, BDO participated in multi-stakeholder workshop consultations led by the Department of Finance to help craft the Philippines' Climate Finance Strategy. The Bank has also had a three-year partnership with independent media Eco-Business for its annual Unlocking capital for sustainability forums in the Philippines and Singapore that bring financial institutions, regulators, and family offices together to ideate emerging ways of financing mitigation and adaptation projects for climate change. Since 2021, BDO has also been a member of the Asia Transition Finance Study Group (ATF SG) composed of the largest banks in Asia and multilateral financial institutions. The ATF SG has looked at ways to implement transition finance within the Asian context and has issued an annual report on its discussions and recommendations each year.

## Climate-related Risks and Opportunities

In 2024, BDO conducted climate scenario analysis to support the Bank's approach to climate stress testing and to assess the impacts of climate change. Physical risks resulting from climate change can be acute, resulting in events such as floods or storms, or chronic, for longer term shifts in climate patterns. Both types may have financial implications for BDO such as damage to assets, interruption of operations, and disruption to the supply chain.

To better understand these risks, a third-party consultant conducted a physical risk assessment on BDO as a corporate entity, as well as the Bank's loan, treasury, and trust portfolios. The physical risk analysis covered eight key hazard types:



The assessment provided a better understanding of BDO's total asset value at physical risk in different medium (>2°C Scenario) and high scenarios (>4°C Scenario). On the other hand, it assessed the three portfolios for physical risk per sector in four scenarios: low (1.3-2.4°C), medium (2.1-3.5°C), Medium-High (2.8-4.6°C), and High (3.3-5.7°C).

A transition risk assessment was likewise conducted for the Bank's corporate operations, along with the loan, treasury, and trust portfolios. The corporate level transition risk assessment looked at policy risk, market risk, and reputation risk. On the portfolio level, the analysis utilized a combination of climate scenarios across in-scope industry sectors. The analysis assessed the impact on aspects of the business between the 2022 to 2050.

BDO will continually refine the Bank's methods for conducting climate scenario analysis. Insights gained on the effects of physical and transition risks across bank lending portfolios and its own operations have helped BDO improve its understanding of risk exposures and potential climate impacts for the short, medium, and long-term.

## Metrics to Assess and Manage Climate-related Risks and Opportunities

BDO continues to track progress in providing sustainable finance investments via BDO's sustainability financial instruments. BDO does not currently disclose the proportion of revenue or proportion of assets, capital deployment, or other business activities aligned with climate-related opportunities, including revenue from products and services designed for a low-carbon economy, forward looking metrics consistent with BDO's business or strategic planning time horizons.

## Environmental and Social Risks Exposure

### BDO Unibank E&S Risk Exposure

Based on its portfolio exposures in lending and investments, BDO Unibank has high E&S risk exposures primarily in the Energy sector, at 10.95% exposure. However, 17% of the Energy sector exposure also represents lending to renewable energy projects. BDO also has minimal E&S risk exposures in the Transportation and Storage sector where it also finances electric and hybrid vehicles (4.17% in 2024 vs 2.6% in 2023), Construction (2.7% in 2024 and in 2023), and Mining and Quarrying sector (0.5% in 2024 vs 1% in 2023). To address these, the BDO ESRMS provides for the Bank's commitment and approach to these high E&S risk sectors. The Bank conducts enhanced due diligence in assessing E&S risks of financed projects in these sectors.

The portfolios per sector of the Bank's overseas branches and subsidiaries BDO Private Bank and BDO Network Bank are also presented in this report. For context, BDO Hong Kong Branch's loan exposure is less than 1% of BDO Unibank's total loan portfolio, while BDO Singapore Branch's loan exposure is about 1.2% of BDO Unibank's total loan exposure.

On the other hand, BDO Private Bank's loan and investment portfolio is less than 1% of the BDO Group's total loan and investment exposure. BDO Network Bank's loan portfolio represents some 3% of the BDO Group's total loan portfolio. The BDONB MSME Loans exposure disclosed in this report is only about 8% of BDO Network Bank's total loan portfolio.

### BDO UNIBANK (PARENT BANK)

Portfolio per Sector as of 31 December 2024

Sector (based on Philippine Standard Industrial Classification 2019)	Loan Portfolio (%)	Investment Portfolio (%)	Total Portfolio Exposure (%)
Public Administration and Defense; Compulsory Social Security	0.03%	81.64%	16.67%
Activities of Households as Employers; Undifferentiated Goods-and Services-producing Activities of Households for Own Use	18.01%	0.00%	14.34%
Electricity, Gas, Steam and Air Conditioning Supply	12.99%	2.98%	<b>10.95%</b>
Real Estate Activities	13.19%	1.10%	10.73%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motor Cycles	12.48%	0.24%	9.98%
Financial and Insurance Activities	8.22%	9.51%	8.48%
Manufacturing	9.78%	0.74%	7.94%
Information and Communication	5.23%	1.06%	4.38%
Transportation and Storage	5.07%	0.65%	<b>4.17%</b>
Construction	3.26%	0.53%	<b>2.70%</b>
Other Service Activities	2.82%	0.00%	2.24%
Arts, Entertainment and Recreation	2.63%	0.12%	2.12%
Water Supply; Sewerage, Waste Management and Remediation Activities	1.69%	0.07%	1.36%

Sector (based on Philippine Standard Industrial Classification 2019)	Loan Portfolio (%)	Investment Portfolio (%)	Total Portfolio Exposure (%)
Accommodation and Food Service Activities	1.44%	0.83%	1.32%
Human Health and Social Work Activities	1.25%	0.00%	1.00%
Mining and Quarrying	0.51%	0.53%	<b>0.52%</b>
Agriculture, Forestry and Fishing	0.49%	0.00%	0.39%
Administrative and Support Service Activities	0.31%	0.00%	0.25%
Professional, Scientific and Technical Activities	0.29%	0.00%	0.23%
Education	0.29%	0.00%	0.23%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## BDO Hong Kong Branch

BDO Unibank's Hong Kong Branch follows the parent bank's enterprise risk management and its Environmental and Social Risk Management System (ESRMS).

BDO participated in the Hong Kong Monetary Authority's (HKMA) climate stress-testing by signing up to its Physical Risk Assessment Platform (Platform). HKMA, XDI Pty Ltd, and KPMG Advisory (Hong Kong) introduced a tool that mapped physical risk hazards in Hong Kong. This tool assesses Maximum Value-at-Risk (MVAR) for assets under various climate scenarios, including Net-zero 2050, Delayed Transition, Current Policies-Median, and Current Policies-High Range. The MVAR measures potential damage from climate hazards based on asset value and damage probability. The Platform comprises an analytical tool which allows users to assess the potential impact of physical risks on residential and commercial buildings in Hong Kong under different climate scenarios and a database of more than 40 public data or data sources related to physical risk. The assessment focused on the BDO Hong Kong Branch location and clients based in Hong Kong.

BDO Hong Kong Branch portfolio exposure per sector is as follows:

BDO HK Portfolio Exposure per Sector	% Exposure
Financial and Insurance Activities	37.01%
Information and Communication	28.35%
Manufacturing	19.30%
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	9.64%
Electricity, Gas, Steam and Air-conditioning Supply	5.70%
<b>Grand Total</b>	<b>100.00%</b>

BDO Hong Kong Branch's loan exposure is less than 1% of the BDO Unibank's total loan portfolio.

BDO will continue to work with the HKMA and align with its environmental risk management guidelines.

## BDO Singapore Branch

BDO Singapore adheres to the regulatory requirements of the Monetary Authority of Singapore (MAS) for environmental risk management and has incorporated these in the BDO Unibank Environmental and Social Risk Management System (ESRMS). The Bank actively participates in consultations and technical discussions to improve its environment and social risk management for cross-border transactions in Singapore. Although the focus of the MAS is on environmental risk, the branch takes the approach of the head office and conducts both environment and social risk assessment for its lending portfolio in Singapore. These assessments are also reviewed and audited by the MAS.

BDO assessed the BDO Singapore Branch portfolio for E&S risks, with the following results:

<b>BDO SG Portfolio Exposure per Sector</b>	<b>% Exposure</b>
Electricity, Gas, Steam, and Air Conditioning Supply	32.66%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle	26.09%
Financial and Insurance Activities	25.82%
Education	13.36%
Construction	2.07%
<b>Grand Total</b>	<b>100.00%</b>

BDO Singapore Branch follows the BDO Unibank ESRMS and risk appetite in managing its exposures to the Energy and Construction sectors. Singapore Branch's loan exposure is about 1.2% of the BDO Unibank's total loan portfolio.

The Bank also participates in industry consultations initiated by the MAS, and provided substantive inputs to the Singapore-Asia Taxonomy's Workshop - Energy Sector in November 2024.

## BDO Private Bank: E&S Risks Exposure

BDO Private Bank (BDOPB) and the Sustainability Office assessed BDOPB's loans and investment portfolio to determine its sector exposure to environmental and social risks inherent at the industry level. Sectors with potentially high E&S risks are Energy, Transportation and Storage, and Construction. For BDOPB, the total portfolio exposure in these sectors are relatively low, with 1.07% for the Energy sector and less than 0.5% for other high E&S risk sectors combined. The majority of BDOPB's portfolio exposure (79.11%) is concentrated in the Public Administration and Defense; Compulsory Social Security sector, which is characterized by low E&S risk. BDOPB's loan and investment portfolio is less than 1% of the BDO Group's total loan and investment exposure.

### BDO PRIVATE BANK PORTFOLIO PER SECTOR

As of December 31, 2024

<b>Industry (based on PSIC 2019)</b>	<b>Loan Portfolio (8.53% of total)</b>	<b>Investment Portfolio (91.47% of total)</b>	<b>Total Portfolio Exposure</b>
Public Administration and Defense; Compulsory Social Security*		86.49%	79.11%
Financial and Insurance Activities	24.38%	3.62%	5.39%
Real Estate Activities	22.82%	2.95%	4.64%
Accommodation and Food Service Activities	0.00%	3.47%	3.17%
Information and Communication	4.33%	1.81%	2.03%
Activities of Households as Employers; Undifferentiated Goods-and Services-Producing Activities of Households for Own Use	21.40%		1.83%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	15.97%		1.36%
Electricity, Gas, Steam and Air Conditioning Supply		1.17%	1.07%
Transportation and Storage		0.50%	0.46%
Manufacturing	5.13%		0.44%
Construction	4.77%		0.41%
Agriculture, Forestry and Fishing	0.64%		0.05%
Professional, Scientific and Technical Activities	0.54%		0.05%
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\* Includes investments in sovereign bonds

The Bank has also assessed its exposure to different physical risk hazards using the government's HazardHunterPH platform. BDOPB wealth centers are located in the metropolitan and emerging metropolitan areas and have varying susceptibility to flooding from storms and typhoons. It mitigates its risk through flood control systems of BDO-owned buildings where the wealth centers are located.

## BDO Network Bank: E&S Risks Exposure

As approved by its Board of Directors in October 2023, BDO Network Bank (BDONB) follows a similar ESRMS as its parent bank, as applicable to its microfinance business (loans) and administrative operations.

BDONB follows the key focus areas and risk appetite of its parent bank, which has E&S risk exposure in the same sectors: Construction, Transportation and Storage, Mining and Quarrying, and Energy. BDONB's loan portfolio represents about 3% of the BDO Group's total loan portfolio. The MSME loan exposure is only about 8% of BDONB's total loan portfolio.

BDO Network Bank provides financial access to underserved and unbanked adult Filipinos in provincial and remote areas in the country. Its micro, small, and medium enterprise (MSME) portfolio was assessed for exposure to environmental and social risks at the sector or industry level. Using the same approach for the BDO Unibank ESRMS, a score was assigned 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, 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 social perspective. Results of the E&S risk assessment at an industry level is summarized below:

### MSME PORTFOLIO EXPOSURE

Industry (based on PSIC 2019)	Loan Portfolio
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	82.76%
Manufacturing	6.62%
Accommodation and Food Service Activities	4.47%
Construction	1.42%
Other Service Activities	1.13%
Transportation and Storage	0.99%
Agriculture, Forestry, and Fishing	0.65%
Administrative and Support Service Activities	0.60%
Professional, Scientific, and Technical Activities	0.34%
Information and Communication	0.34%
Mining and Quarrying	0.22%
Human Health and Social Work Activities	0.17%
Real Estate Activities	0.12%
Water Supply; Sewerage, Waste Management and Remediation Activities	0.06%
Education	0.04%
Arts, Entertainment, and Recreation	0.03%
Electricity, Gas, Steam, and Air Conditioning Supply	0.01%
Public Administration and Defense; Compulsory Social Security	0.00%
<b>Grand Total</b>	<b>100.00%</b>

Based on this portfolio exposure, BDONB has high E&S risk exposures in the Construction; Transportation and Storage; Mining and Quarrying; and Energy sectors, though the percentage of exposures for these sectors are minimal, at less than 1.5% of the total MSME portfolio.

# Sustainable Finance

## Financial Instruments for Sustainability

### Blue Bond Impact

In 2024, BDO was able to fully allocate the proceeds from its US\$100 million Blue Bond issuance to projects aimed at improving water and wastewater management services, bulk water and operations management, waste and wastewater treatment solutions, and bulk water and distribution facility. These projects are located in densely populated communities near coastal areas which experience water stress and water scarcity due to inadequate supply of water. As a result, the financed projects are able to improve these communities' access to clean water and help prevent pollution from entering the ocean.

In 2023, BDO published a Blue Bond Impact report for a partial allocation of the proceeds to three projects. The Bank will publish an updated impact report for the full allocation of the US\$100 million proceeds, for release in 2025.

### ASEAN Sustainability Bonds II and III

In 2024, BDO issued two ASEAN Sustainability Bonds, in January and July, respectively, as part of its 365 billion Bond Program. The net proceeds of both issuances aim to finance and/or refinance eligible assets as defined in the Bank's Sustainable Finance Framework and diversify the bank's funding sources.

The January 2024 issuance raised a record-breaking ₱63.3 billion, surpassing the record set by BDO's first ASEAN Sustainability Bond that raised ₱52.7 billion in 2022. The second bond issuance was nearly 12.7 times higher than the target ₱5 billion, with a 1.5-year tenor and a coupon rate of 6.025 percent per annum. The third and latest ASEAN Sustainability Bond issuance in July 2024, raised ₱55.7 billion and was more than 11 times oversubscribed from the original size of ₱5 billion. It had a similar 1.5-year tenor, but with a coupon rate of 6.325 percent. The offer period for both issuances was shortened by three days to a week, with the strong demand from both retail and institutional investors who placed minimum investments of ₱500,000, with additional increments of ₱100,000.



## ASEAN Sustainability Bond I Impact Report

The full allocation of proceeds from BDO's first ASEAN Sustainability Bond benefitted a total of 37 projects financed with the ₱52.7 billion raised from bond proceeds. Of the 37 projects, 23 are from green eligible categories, while 14 are from 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;
- water savings; and
- improved access to mass transportation system

BDO issued its first ASEAN Sustainability Bond in January 2022, with a target of ₱5 billion for the peso-denominated bond with a tenor of two years and a fixed rate of 2.90% per annum. The Bond was the largest issuance for any Philippine financial institution or company at the time, closing at ₱52.7 billion and oversubscribed by over 10 times its original target. 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, and enhance resource efficiency, and pollution prevention and control.

For more details, the 2024 BDO ASEAN Sustainability Bond Impact Report is available at the [bdo.com.ph](https://www.bdo.com.ph/about-bdo/sustainability/sustainability-reporting) website at <https://www.bdo.com.ph/about-bdo/sustainability/sustainability-reporting>.



## Lending

### Advancing sustainable financing: BDO Institutional Banking Group

Since the inception of the Sustainable Finance program in 2010 under the Institutional Banking Group (IBG), BDO has built a robust portfolio of renewable energy projects, as well as numerous large-scale eligible green and social impact projects across the nation and in the region. This long experience laid down the foundation for the BDO Sustainable Finance Framework (SFF) developed in 2019 and further expanded from 10 to 29 eligible categories in 2023, both for existing projects in the IBG lending portfolio and in anticipation of new projects that may be eligible for sustainable financing.

BDO offers clients innovative products and services in lending and financing to facilitate their transition to a low-carbon economy. BDO's comprehensive SFF outlines the Bank's strategy to link sustainability goals with financial market access through diverse funding instruments. In its dealings with clients and investees, BDO leverages the 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.



In 2024, BDO engaged Morningstar Sustainalytics to review the Bank's expanded SFF and provide a Second-Party Opinion (SPO) on the Framework's environmental and social credentials. After a comprehensive review, Sustainalytics affirmed in its SPO that the BDO Sustainable Finance Framework is "credible and impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023, Social Loan Principles 2023, ASEAN Sustainability Bond Standards 2018, ASEAN Green Bond Standards 2018, and ASEAN Social Bond Standards 2018."

The expanded SFF and SPO allow BDO to finance or refinance more projects that contribute to nature and biodiversity protection, ocean health, social well-being, and community development. The BDO SFF also added a separate financing category for Gender Financing to encourage more economic participation from women in owning and/or leading enterprises. (see how BDO Empowers Women as Consumers and Entrepreneurs on page 76)

The 29 eligible categories defined in the Framework are the most extensive in the Philippines to date.

## SUSTAINABLE FINANCE FRAMEWORK

### 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

### 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
- Sustainable Tourism in the Vicinity of Marine Conservation Areas

### Social Finance

- Employment Generation
- Food Security
- Access to Essential Services
- Affordable Basic Infrastructure
- Affordable Housing
- Social and Economic Empowerment

### Orange/Gender Finance

- Gender-Responsive Products
- Gender-Diverse and Equitable Workforce
- Women Empowerment
- Gender-Responsive Supply Chain
- Gender-Responsive Services

Eligible categories for Green financing under the BDO SFF are mandated to demonstrate clear environmental benefits, including reduced carbon footprints and enhanced community resilience to climate change. Blue financing focuses on the sustainable use of water and ocean resources and securing clean water and sanitation. Socially impactful projects must show positive outcomes for the impoverished, excluded, marginalized, vulnerable, disabled, undereducated, underserved, and unemployed populations. Lastly, eligible Orange/Gender categories promote gender equality and women's empowerment through various initiatives that not only benefit women, but also lead to more resilient and sustainable communities.

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, climate change adaptation, affordable housing, access to essential services, employment generation, and food security.

## Identifying Exclusion Activities

In addition to the eligible categories, the BDO SFF also specifies the following activities as ineligible for sustainable 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<sup>1</sup>.
- Production or trade in alcoholic beverages (excluding beer and wine)<sup>2</sup>
- Production or trade in tobacco<sup>1</sup>.
- Gambling, casinos and equivalent enterprises<sup>1</sup>.
- 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 /harmful child labor<sup>4</sup>
- 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 (a) involuntary resettlement; (b) risk of adverse impacts on indigenous peoples, (c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or (d) significant occupational health and safety risks.

<sup>1</sup> 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 Environmental & Social Risk Management System is mapped to industry classification.

<sup>2</sup> ICMA Sustainability Bond guidelines

<sup>3</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

<sup>4</sup> 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

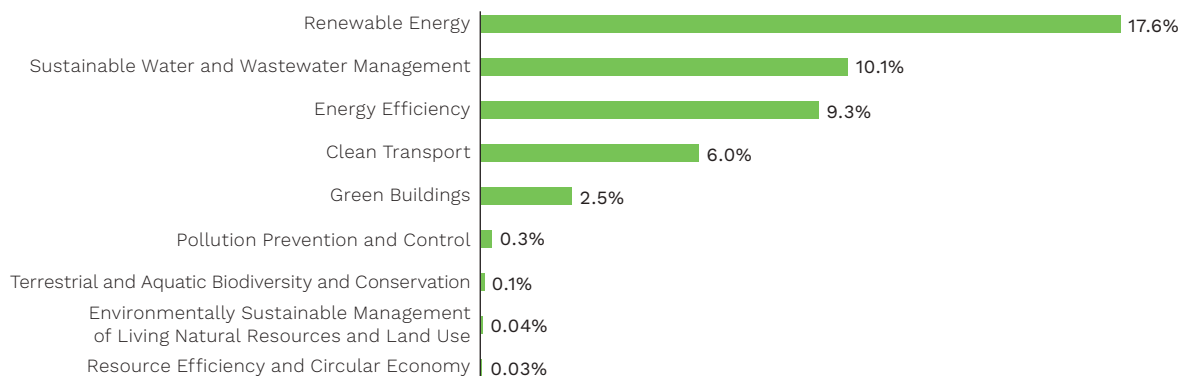
## Economic, Environmental, and Social Impact 2-4, 203-1

As of December 31, 2024, BDO funded ₱1.04 trillion in sustainable finance to date and continues to support innovative projects and pioneer sustainable financial instruments in the Philippines.

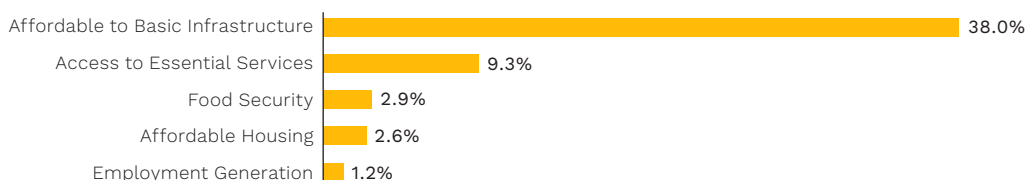
Description	2023	2024
<b>Total Sustainable Finance Funded</b>	<b>₱898 billion</b>	<b>₱1.0 trillion</b>
Loans Disbursed in the Past 5 Years	National Projects - ₱73 billion Airports - ₱18.1 billion Road Networks - ₱31.2 billion Railways - ₱7.3 billion	National Projects - ₱114.1 billion Airports - ₱46.9 billion Road Networks - ₱31.2 billion Railways - ₱15.7 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
<b>Total Installed Renewable Energy Capacity</b>	<b>2,377 MW</b>	<b>2,679 MW</b>
Renewable Energy Projects Funded	59	63
Carbon Dioxide Avoided per year by Funded Renewable Energy Projects	4,382,572 tonnes	4,767,745 tonnes
Equivalent Passenger Vehicles Taken Off Roads Yearly*	930,491	1,012,270
Equivalent Tree Seedlings Grown Over 10 years*	72,466,757	78,835,672
Families Served by Renewable Energy Projects	2,047,480	2,232,107
Biomass Capacity	164 MW	164 MW
Geothermal Capacity	1,179 MW	1,179 MW
Hydro Capacity	433 MW	598 MW
Solar Capacity	505 MW	642 MW
Wind Capacity	96 MW	96 MW
Disbursed Loan Amount per RE Technology Type	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass: ₱24.9 billion Geothermal: ₱17 billion Hydro: ₱28.2 billion Solar: ₱15.7 billion Wind: ₱4.1 billion	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass: ₱25.4 billion Geothermal: ₱17 billion Hydro: ₱38.2 billion Solar: ₱21 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

\* from the United States Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator

### Green Finance



### Social Finance





## Sustainable Energy Finance Projects 203-1

### Biodiesel



Production capacity <b>60 ML/Y</b>	Disbursed loan amount <b>₱137 million</b>	GHG avoidance per year based on Net (in tonnes CO <sub>2</sub> e) <b>12,000</b>
GHG avoidance per year based in Gross (in tonnes CO <sub>2</sub> e) <b>153,732</b>	Equivalent passenger vehicle off the road per year <b>32,640</b>	Equivalent tree seedlings grown for 10 years <b>2,541,996</b>

### Bioethanol



Production capacity <b>44.12 ML/Y</b>	Disbursed loan amount <b>₱920.9 million</b>	GHG avoidance per year based on Net (in tonnes CO <sub>2</sub> e) <b>35,296</b>
GHG avoidance per year based in Gross (in tonnes CO <sub>2</sub> e) <b>49,540</b>	Equivalent passenger vehicle off the road per year <b>10,518</b>	Equivalent tree seedlings grown for 10 years <b>819,153</b>

### Biomass/Biogas

Gross Energy Generation (MWh/year)  
**1,194,447**



Installed capacity <b>164 MW</b>	Disbursed loan amount <b>₱25.4 billion</b>	Net Energy Generation (MWh/year) <b>1,075,002</b>
Value of energy generation per year (Php/year) <b>₱7 billion</b>	GHG avoidance per year based on Net (in tonnes CO <sub>2</sub> e) <b>435,522</b>	GHG avoidance per year based in Gross (in tonnes CO <sub>2</sub> e) <b>483,913</b>
Equivalent passenger vehicle off the road per year <b>102,743</b>	Equivalent tree seedlings grown for 10 years <b>8,001,614</b>	No. of households/families (average of 6 persons per family) supplied by RE <b>228,555</b>
Amount of agricultural wastes converted to feedstock/power T/Yr <b>1,572,241</b>	No. of farmers supported <b>169,745</b>	


### Geothermal

Gross Energy Generation (MWh/year)  
**6,136,397**




Installed capacity <b>1,179 MW</b>	Disbursed loan amount <b>₱17 billion</b>	Net Energy Generation (MWh/year) <b>5,522,758</b>
Value of energy generation per year (Php/year) <b>₱22.1 billion</b>	GHG avoidance per year based on Net (in tonnes CO <sub>2</sub> e) <b>2,237,468</b>	GHG avoidance per year based in Gross (in tonnes CO <sub>2</sub> e) <b>2,486,075</b>
Equivalent passenger vehicle off the road per year <b>527,835</b>	Equivalent tree seedlings grown for 10 years <b>41,107,779</b>	No. of households/families (average of 6 persons per family) supplied by RE <b>1,254,032</b>


## Hydro

Installed capacity <b>598.1 MW</b>	Disbursed loan amount <b>₱38.2 billion</b>	Net Energy Generation (MWh/year) <b>2,394,962</b>	Gross Energy Generation (MWh/year) <b>2,661,069</b>
Value of energy generation per year (Php/year) <b>₱12.4 billion</b>	GHG avoidance per year based on Net (in tonnes CO <sub>2</sub> e) <b>970,285</b>	GHG avoidance per year based in Gross (in tonnes CO <sub>2</sub> e) <b>1,078,095</b>	
Equivalent passenger vehicle off the road per year <b>228,897</b>	Equivalent tree seedlings grown for 10 years <b>17,826,519</b>	No. of households/families (average of 6 persons per family) supplied by RE <b>546,570</b>	

## Solar

Installed capacity <b>641.9 MW</b>	Disbursed loan amount <b>₱21 billion</b>	Net Energy Generation (MWh/year) <b>835,202</b>	Gross Energy Generation (MWh/year) <b>928,002</b>
Value of energy generation per year (Php/year) <b>₱6.49 billion</b>	GHG avoidance per year based on Net (in tonnes CO <sub>2</sub> e) <b>370,051</b>	GHG avoidance per year based in Gross (in tonnes CO <sub>2</sub> e) <b>411,168</b>	
Equivalent passenger vehicle off the road per year <b>87,297</b>	Equivalent tree seedlings grown for 10 years <b>6,798,749</b>	No. of households/families (average of 6 persons per family) supplied by RE <b>158,564</b>	

## Wind

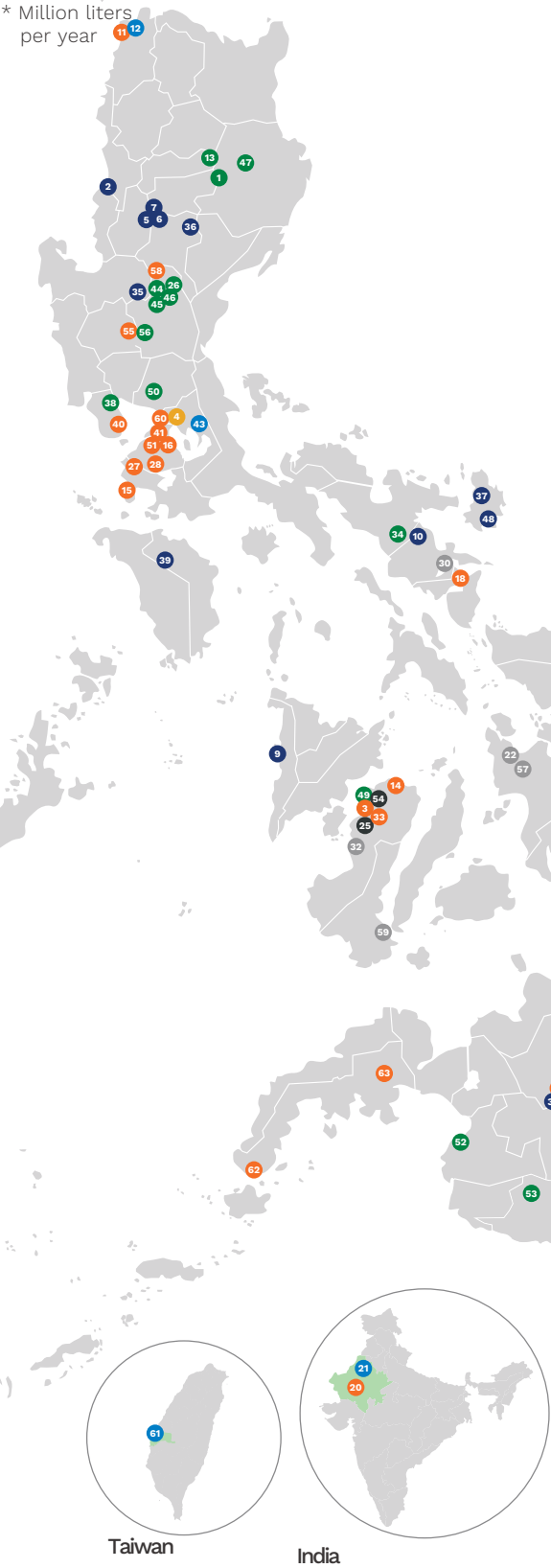
Installed capacity <b>96 MW</b>	Disbursed loan amount <b>₱4.1 billion</b>	Net Energy Generation (MWh/year) <b>224,229</b>	Gross Energy Generation (MWh/year) <b>237,483</b>
Value of energy generation per year (Php/year) <b>₱1.8 billion</b>	GHG avoidance per year based on Net (in tonnes CO <sub>2</sub> e) <b>99,349</b>	GHG avoidance per year based in Gross (in tonnes CO <sub>2</sub> e) <b>105,221</b>	
Equivalent passenger vehicle off the road per year <b>22,340</b>	Equivalent tree seedlings grown for 10 years <b>1,739,863</b>	No. of households/families (average of 6 persons per family) supplied by RE <b>44,386</b>	

BDO Sustainable Energy Finance Project Map

①	20 MW
Alicia, Isabela	
②	70 MW
Alilem, Ilocos Sur	
③	0.3 MW
Bacolod	
④	60 ML/Y
Bagong Ilog, Pasig City	
⑤	140 MW
⑥	31.8 MW
⑦	19 MW
Benguet	
⑧	7 MW
Brooke's Point, Palawan	
⑨	8 MW
Bugasong, Antique	
⑩	1.8 MW
Buhí, Camarines Sur	
⑪	6.8 MW
⑫	37.5 MW
Burgos, Ilocos Norte	
⑬	15 MW
Burgos, Isabela	
⑭	132.5 MW
Cadiz City, Negros Occidental	
⑮	63.3 MW
Calatagan, Batangas	
⑯	1.1 MW
Carmona, Cavite	
⑰	28.6 MW
Digos, Davao del Sur	
⑱	5.2 MW
Iloilo, Leyte, Cebu and Sorsogon	
⑲	12.9 MW
Jabonga, Agusan del Norte	
⑳	28.8 MW
㉑	14.1 MW
Jaisalmer district of Rajasthan, India	
㉒	125 MW
Kananga, Leyte	
㉓	10.5 MW
Kibawe, Bukidnon	
㉔	106 MW
Kidapawan, North Cotabato	
㉕	30 ML/Y
La Carlota City, Negros Occidental	
㉖	12 MW
Llanera, Nueva Ecija	
㉗	125 MW
Lumbangan Plant, Tuy, Batangas	
㉘	72 MW
Luntal Plant and Lumbangan Plant, Tuy, Batangas	
㉙	1.6 MW
M. Fortich, Bukidnon	
㉚	140 MW
Manito, Albay	
㉛	2.4 MW
Maramag, Bukidnon	
㉜	49.4 MW
Nasulo, Negros Oriental	

RE Project	No. of Projects	Capacity
Biodiesel	1	60ML/Y*
Bioethanol	2	44.1ML/Y*
Biomass/Biogas	16	164
Geothermal	6	1,179
Hydro	14	598
Solar	20	642
Wind	4	96
Total	63	2,679 MW

\* Million liters per year

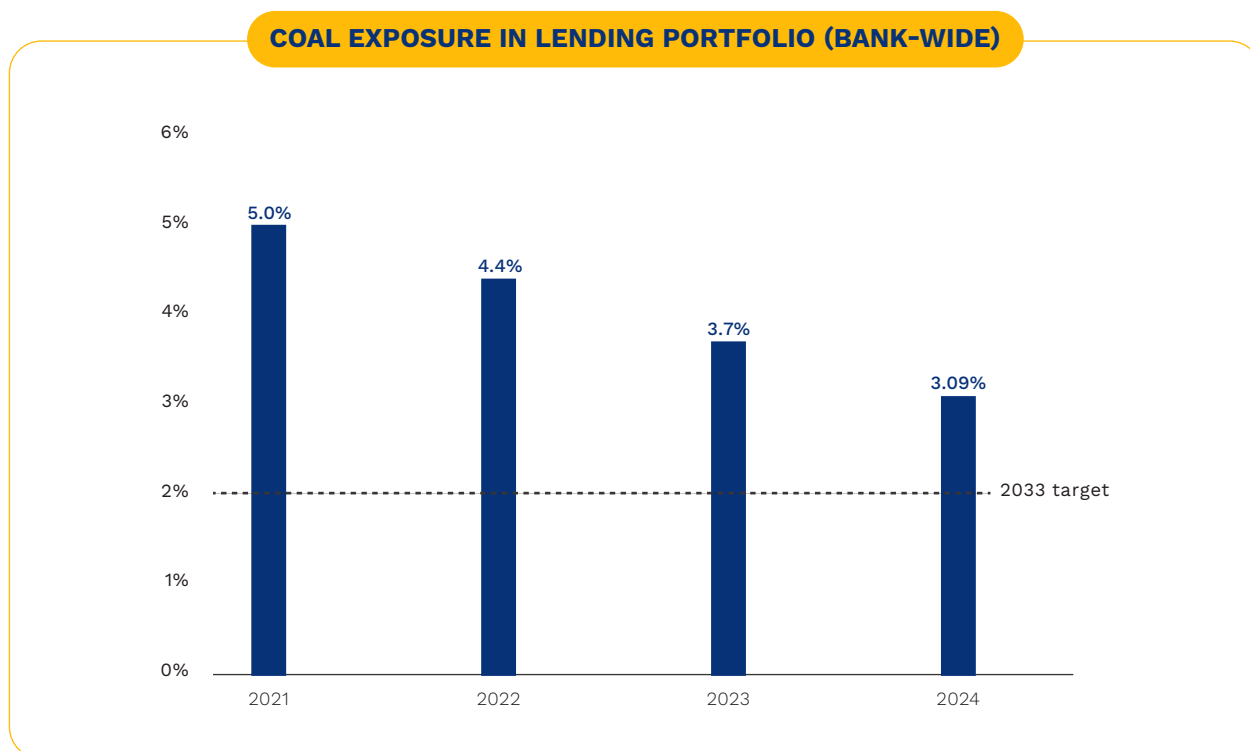


㉝	45 MW
Negros Occidental	
㉞	5 MW
New San Roque, Pili, Camarines Sur	
㉟	132 MW
Nueva Ecija - Pangasinan	
㊱	165 MW
Nueva Vizcaya, Aurora	
㊲	1.5 MW
Obi, Catanduanes	
㊳	12 MW
Orani, Bataan	
㊴	10 MW
Oriental Mindoro	
NEW	㊵ 20 MW
Orion, Bataan	
㊶	0.3 MW
Ortigas Center, Pasig City	
㊷	0.4 MW
Panacan, Davao City	
㊸	24 MW
Piliia, Rizal	
㊹	12 MW
㊺	12 MW
㊻	6 MW
San Jose City, Nueva Ecija	
㊼	19 MW
San Mariano, Isabela	
㊽	2.1 MW
San Miguel, Catanduanes	
㊾	20.6 MW
Silay City, Negros Occidental	
㋀	0.3 MW
Sta. Maria, Bulacan	
㋁	0.5 MW
Sta. Rosa, Laguna	
㋂	15 MW
Sultan Kudarat, Maguindanao	
㋃	6 MW
Surallah, South Cotabato	
㋄	14.1 ML/Y
Talisay City, Negros Occidental	
㋅	100 MW
㋆	2 MW
Tarlac City, Tarlac	
㋇	586.4 MW
Tongonan, Leyte	
㋈	0.02 MW
Umingan, Pangasinan	
㋉	172.5 MW
Valencia, Negros Oriental	
㋊	1.2 MW
Western Bicutan, Taguig City	
㋋	20 MW
Yunlin, Taiwan	
㋌	0.5 MW
Zamboanga City	
㋍	0.3 MW
Zamboanga del Sur	



## Energy Transition Finance Commitment

BDO will continue its current practice of not lending to new coal-fired power plant capacity, a practice in place since 2019. In its Energy Transition Finance Statement of 2022, BDO committed to cease lending to new coal-fired power plant capacity and reduce its coal exposure by 50% by 2033, while ensuring that its coal exposure does not exceed 2% of its total loan portfolio by 2033. New coal exposure refers to exposure to new capacity, while coal exposure refers to the term loans and does not include short term working capital. Ultimately, BDO does not intend to finance any new capacity that will increase harmful greenhouse gas (GHG) emissions in the environment.



However, 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 for 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.

BDO will continue to apply enhanced Environmental and Social risk assessment and due diligence of customers with coal and fossil fuel investments among their businesses. 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.

The Bank will likewise continue to fund more renewable energy projects under its Sustainable Finance program. As part of its whole of ecosystem approach, the Bank also commits to provide access to finance to individuals and communities that will be impacted by the energy transition. For the full Energy Transition Finance Statement, see <http://www.bdo.com.ph/bdo-energy-transition-finance-statement>.

## Supporting Evolving Consumer Preferences: Consumer Banking Group

### AUTO LOAN

#### Affordable and Accessible Energy Vehicles

Since the inception of the Green Mobility Program last year, BDO Auto Loans continued to spread awareness of the environmental benefits and advantages of energy vehicles to the market. In October 2024, BDO launched a special on-ground event at the SM Mall of Asia on alternative transport energy, a focused “Deals on Wheels” car showcase featuring the latest electric vehicles (EV) and hybrid electric vehicles (HEV) models, giving customers a chance to explore energy-efficient vehicle options. The showcase successfully attracted attention from a diverse audience of buyers and made alternative energy vehicles more accessible to the public by offering exclusive promotional rates to assist in lowering the financial barriers associated with EV and HEV purchases and promoting more sustainable transportation options in support of Republic Act 11697 or the Electric Vehicle Industry Development Act (EVIDA) of 2022. EVIDA aims to popularize the development of an EV industry and promote the use of zero and ultra-low emission vehicles through tax incentives and other non-fiscal benefits for better sustainable transport solutions. According to the Land Transportation Office, newly registered electrified vehicles totaled 10,001 units in the first half of 2024, compared to 10,388 units for the whole year of 2023, showing increased consumer interest in switching to EVs and HEVs.

#### Community Marketing to Underserved Areas

This year also marked more aggressive marketing initiatives to reach out to underserved communities outside Metro Manila and the National Capital Region. Auto Loan participated in the Provincial Community Marketing Program to promote sustainable financial inclusion in identified underserved locations. The program initially started in June 2024 covering areas in Northern Luzon, followed by a marketing caravan for various events in the Visayas region, specifically in Bacolod province. The program is an ongoing initiative which aims to cover underserved areas nationwide.

During the marketing caravans, Auto Loan offered affordable vehicle financing packages targeting individuals in the regions who are in the market for a vehicle acquisition for their first car purchase or an upgrade purchase to meet their growing family needs. Auto Loan also offers credit facilities for small and medium enterprises (SMEs) and corporations that need to expand their transport vehicle needs. These events highlighted BDO’s diverse financial services and commitment to local economic development. The Provincial Community Marketing Program bridges financial gaps, empowering individuals and businesses to thrive and contribute to local economies. It reinforces Auto Loan’s dedication to building financially inclusive and sustainable communities.

2,428

HEV/EV Units Booked

₱3.6 billion

Amount Booked

46%

Female Auto Loan  
Borrowers

26%

Overseas Filipino  
Auto Loan Borrowers

### Tree Planting

One of the landmark initiatives of Auto Loan's Green Mobility Program was the tree-planting and reforestation activity in partnership with Haribon Foundation, an environmental conservation organization. In September 2024, the Auto Loan group traveled to Barangay Salazar in Nueva Ecija province to personally plant over 600 seedlings that mark a long-term commitment to environmental preservation, community empowerment, and a greener future. In 2023, BDO Auto Loan donated 5,713 seedlings that were planted by the Barangay Salazar Indigenous People Cooperative, marking ensured sustainability and economic support for the community. Nueva Ecija is home to 73 endemic bird species and reforestation protects the birds and other endemic species from the negative impacts of climate change.

5,713  
Seedlings Donated  
to date

₱2.78 million  
Equivalent Amount  
Donated to date



### HOME LOAN

#### Sustainable Living

BDO Home Loan continues to offer financing to home buyers and collaborates with reputable developers on sustainable projects. These developers focus on energy efficiency, sustainable materials, waste reduction, and open-space designs for ecological balance and well-being. In 2024, Home Loan added the acquisition and installation of solar panels for new or existing home loan as an eligible purpose for a BDO Home Loan. This makes it easier for BDO clients to invest in sustainable energy solutions. With this eco-friendly option, Home Loan enables clients to directly reduce their energy costs and contribute to the energy transition.

#### Sustainable Awarding

The Home Loans Credit Cycle Mid-year awarding recognizes the milestone achievements of its employees. In 2024, the team chose the event theme One Earth and One Home in support of BDO sustainability campaigns. Applying sustainable events standards, the Events Committee distributed digital certificates instead of paper certificates to awardees. They also gave away various vegetable seeds to all attendees, sourced from the Bureau of Plant Industry which gave these away for free.

49%  
Female Home  
Loan Borrowers

₱75.8 billion  
Home Loan Bookings

₱48.4 billion  
Home Loan Bookings for  
First-Time Owners

Solar Panels  
Acquisition and  
Installation added  
as Eligible Purpose  
for Home Loans

## MULTIPURPOSE LOAN

The Multipurpose Loan (MPL) team, formerly the Small Medium Enterprise or SME team, provides flexible loan facilities that support sustainable financing. The name change from SME Loans to MPL was implemented on October 1, 2024 to make the product more retail- and consumer-oriented.

The Term Loan feature provides a one-time disbursement, enabling quick access to funds for various purposes such as business expansion, personal projects, or unexpected expenses. With competitive interest rates and customizable repayment plans, the Term Loan offers the flexibility required to manage financial commitments effectively. This feature ensures clarity in borrowing amounts and facilitates straightforward monthly repayment planning.

The Ready Check feature is a revolving credit facility that offers renewable credit extensions, ensuring continuous access to funds as needed. Ideal for managing cash flow, Ready Check allows for drawing funds at convenience and repaying them flexibly. This feature eliminates the need for reapplying for new loans, making it an efficient solution for handling unforeseen expenses.

### Key Benefits of Ready Check:

- **Flexibility:** Tailored repayment plans and renewable credit options to suit varying financial needs.
- **Convenience:** Quick access to funds with minimal paperwork and a streamlined application process.
- **Competitive Rates:** Attractive interest rates that make borrowing cost-effective.

### Capability-building and Continuous Improvement

The MPL Team was the first team to attain 100% compliance in the sustainability workshops offered by the Sustainability Office, designed to instill knowledge and understanding of the UN SDGs, align work and deliverables with BDO's Sustainable Finance Framework, and ensure compliance with the capacity-building requirements of the Bangko Sentral ng Pilipinas. The team also attends external training sessions and workshops to enhance the team's understanding of sustainability issues and equip them with the skills needed to better implement sustainable practices effectively. Feedback mechanisms are in place to continuously improve the team's sustainability initiatives, and underscores the commitment of MPL, including the Product Development and Business (PDB) unit, to align its business practices with the UN SDGs and BDO sustainability strategies.

**46%**  
Multipurpose  
Loan Bookings Increase

**100%**  
Compliance in Sustainability  
Capability-building

## PERSONAL LOAN

BDO's Personal Loan provides a range of financing solutions catered to a customer's specific need. Whether planning for home improvement, preparing for school expenses, or dreaming of a vacation, this multipurpose loan option can assist in managing personal finances and life goals more effectively over flexible periods of time. Customers who avail of a personal loan can benefit from low interest rates and affordable fixed monthly installment repayments for up to 36 months which makes budgeting much easier.

BDO's wide network of branches, which is strategically located in both urban areas and underserved rural communities, enables the Bank to reach a wide range of customers across various socio-economic backgrounds – from young professionals starting their careers to entrepreneurs launching or expanding their businesses. Loan offerings range from as low as ₱10,000 to as much as ₱2 million, ensuring a solution for every customer, regardless of their financial needs or life stage.

## CARDS ISSUING

BDO is the leading credit card issuer in the Philippines with a card in force count of 3.8M (8% higher vs. previous year). Growth in issuance is driven by BDO's focus on providing consumers with unsecured loan products that give financial flexibility, whenever, wherever. A significant share of newly issued cards was for first-time credit cardholders, aligned with BDO's financial inclusion thrust.

In line with BDO's digitization efforts, the Cards Issuing team's Customer Relationship Management (CRM) online card application platform launched in 2023 continues to provide customers with a more seamless, faster and convenient way to apply for a BDO credit card. Online application is as easy as clicking the "apply now" button at the BDO website or scanning a QR code available at bank branches, partner merchants, and BDO pop-up booths nationwide. Card application processed through the CRM platform also achieves operational efficiency through 1) reducing the consumption of paper, 2) faster paperless processing, and 3) digital storage of approximately 40,000 credit card applications monthly. Cards Issuing proactively provides customers with good credit standing the additional products and services to enhance their lifestyle in the form of additional credit or spend limit in order to participate in the promos; card upgrade for better benefits; and supplementary cards to share the credit facility with family.

In the ongoing efforts to transition from paper and manual transactions to digital, the Bank has continuously encouraged credit card clients to shift from printed to electronic statements of account (eSOA), which not only eliminates paper use, but also provides better personal safety and more convenience to customers. To date, 97% of card customers who have usage are 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. To reduce paper consumption, the

67%

Client Growth

37%

Female Personal Loan Borrowers

48%

Clients from Provincial Areas

3.8 million

Cards in Force

60%

Female Credit Cardholders

97%

Cardholders Enrolled in eSOA



Cards Acceptance Unit implemented process changes that eliminate printing and allow digital distribution and approval of requests related to additional card, annual enhanced due diligence review, as well as processing of requests for employee and secured cards.

To reduce carbon footprint, the team has allowed employees to work at BDO alternate sites that are close to their home. Finally, as part of corporate social responsibility and through the Bank's sustainability-themed employee volunteer program, team members volunteered for the Brigada Eskwela public school clean-ups and coastal clean-up drives.

## CONSUMER BANKING GROUP (CBG) MARKETING

### Transition to Recyclable Card Material

Upholding to the group's commitment to sustainability, CBG Marketing started to transition its card plastic material to 100% recycled plastic in 2024 with the relaunch of BDO ShopMore Mastercard. It is made of repurposed plastic from packaging and printing waste, resulting to a decrease in the production of new plastic. As of October 31, 2024, around 77,000 credit cards have been issued using this sustainable alternative. The group aims to extend this initiative by converting the rest of its credit card products to 80% recyclable material by 2026 as part of its effort to embed sustainability in its business footprint.

44%

Credit Cards issued are made from 100% Recycled Plastic

### Partnerships that drive Solar Energy Use

In 2024, CBG Marketing partnered with a full-service solar provider for residences to make the switch to solar energy more accessible and affordable to credit cardholders, allowing for 0% interest installment plans for up to 36 months. With a mature solar panel distribution and secondary market compared to five years ago, panels are now cheaper and can achieve return on investment (ROI) in as early as three to four years, compared to six to eight years ROI before the pandemic. CBG Marketing promotes embracing solar energy as a powerful step toward social and environmental responsibility through harnessing clean, renewable energy that promotes cleaner air and healthier communities for everyone.

### Shift to Digital Communications

CBG Marketing team shifted 80% of its ad placement allocations to digital, leaving only 20% for printed billboards placements. Digital ads greatly reduced the need for printing large format one-time use polyethylene tarpaulins. This is a continuation of the group's initiative to convert marketing materials from print (such as flyers, brochures and more) to digital, uploaded through the BDO website. This strategy allows flexibility and broader reach while decreasing the carbon footprint that printed materials would leave.



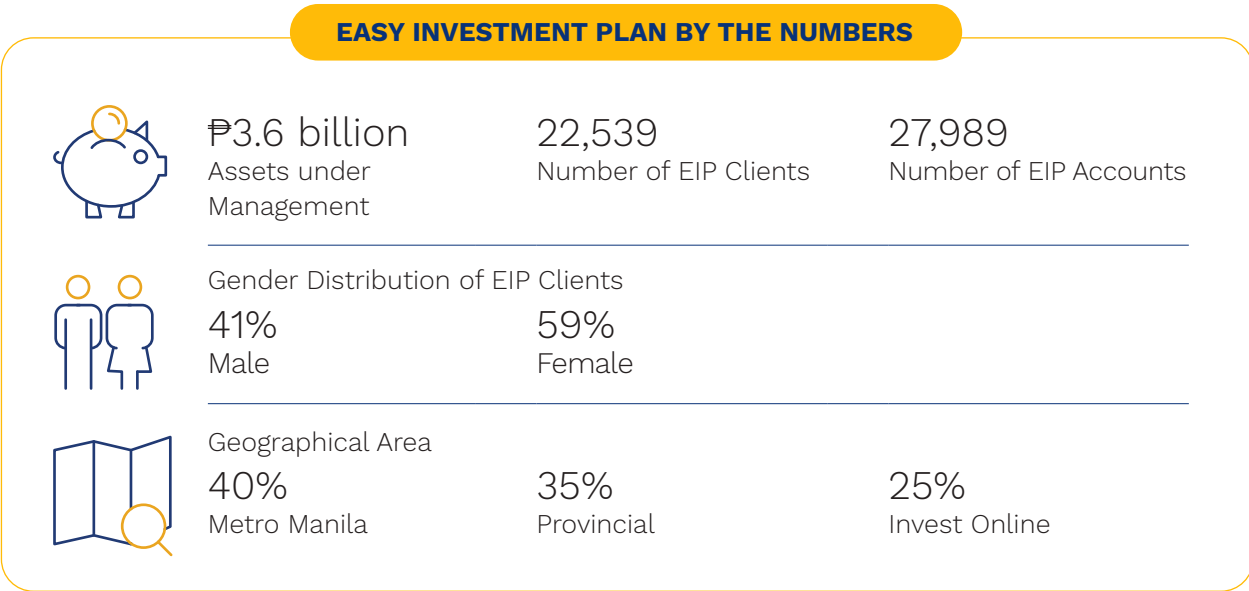
# Investments

## Enriching financial wellness by turning savers to investors: BDO Trust and Investments Group

BDO Trust and Investments Group (TIG) continued its strong financial literacy efforts in 2024, remaining true to its advocacy in promoting inclusive financial growth and wellness among Filipinos. Its dedicated team of certified investment trainers conducted 10 free financial education seminars attended by 708 participants from different audiences, teaching financial budgeting, wise investing habits and retirement planning. BDO TIG recognizes that financial literacy is essential to enable Filipinos to make sound plans and decisions to achieve financial independence at whatever stage in their lives. The goal is to 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. The use of technology enabled BDO TIG to reach participants across the country, carrying out its training and educational activities seamlessly.

### EASY INVESTMENT PLAN

To make financial independence a reality, BDO TIG believes that investments should be affordable, easy and simple to access. The BDO Easy Investment Plan (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 affordable investment amounts of ₱1,000 (US\$200 for dollar UITFs) per month, providing them easy 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.



Note: Data as of end-December 2024

## PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)

BDO TIG believes that long-term planning is vital for ensuring financial stability during retirement, particularly in the Philippines where pension for retirees from the existing mandatory government social security often falls short of covering their living and medical expenses during retirement years. Retirement planning is covered in one of the four modules of the BDO TIG financial literacy program to help Filipinos be financially prepared in facing the cost of living beyond their employment years.

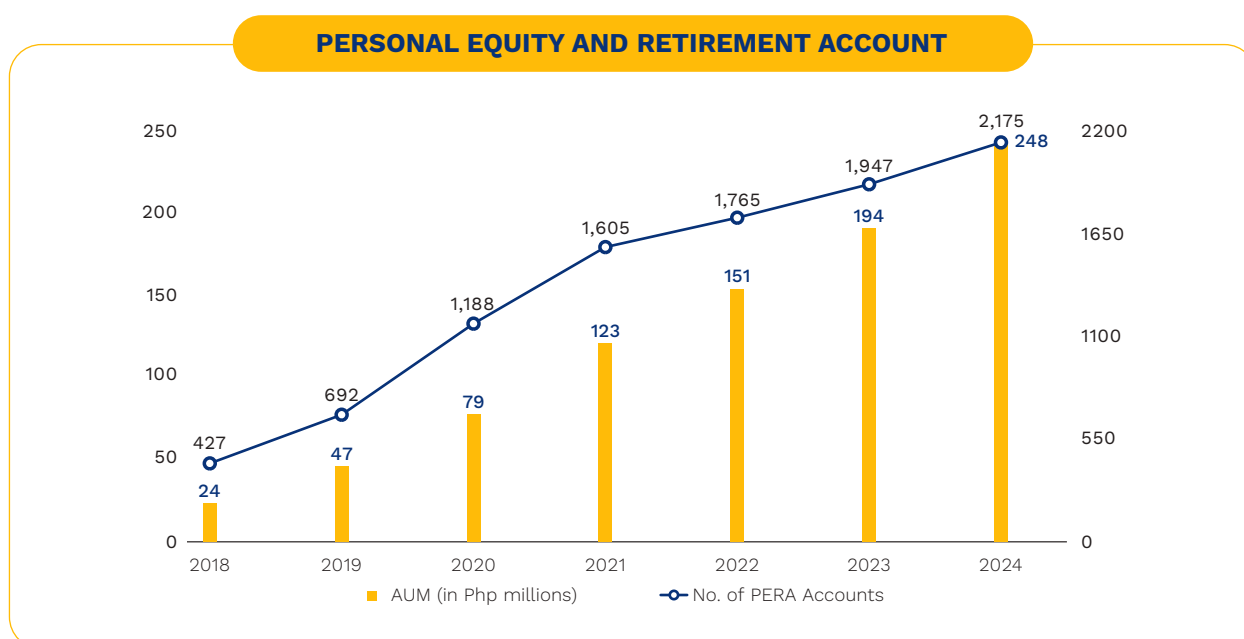
BDO TIG is the first trust entity to be accredited by the BSP and the Bureau of Internal Revenue to be an administrator of the Personal Equity and Retirement Account (PERA), a long-term voluntary retirement investment program aimed to augment future individual retirement benefits from the Social Security System, the Government Service Insurance System and/or from the employer's retirement plan. PERA boasts of generous exclusive tax benefits, such as a yearly tax credit of 5% of PERA contributions made, income tax exemption on investment earnings, and estate tax exemptions. BDO PERA instills the mindset of long-term planning for retirement for Filipinos.

**₱248 million**

PERA Total Assets Under Management

**12%**

Increase in PERA contributors



Since PERA's launch in 2016, BDO TIG remains at the forefront in making PERA accessible to more Filipinos, as the first to make PERA available online. 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 makes PERA funds of different fund providers accessible online, 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 was increased from ₱100,000 to ₱200,000 for local Filipinos and ₱200,000 to ₱400,000 for Overseas Filipinos, which helped attract PERA contributors to invest more.



Also, BDO TIG continues to support PERA's objective of improving Filipinos' lives by encouraging employers to sponsor PERA for their employees. BDO has done several roadshows to various employers who have shown desire in giving more, recognizing the value of their long-time employees. Through BDO, employers are able to find a retirement program that is not only affordable but also cost efficient through the exclusive tax savings offered by PERA. In addition, employers also see PERA as a valuable rewards and retention employee program for their companies. As a reliable partner, BDO TIG helps employers alleviate retirement concerns of their employees. BDO TIG's partnership with employers is not just a business strategy that is aimed at increasing PERA participation in the country, it also reflects BDO's advocacy to help in the overall financial well-being of Filipinos through financial wellness and inclusion.

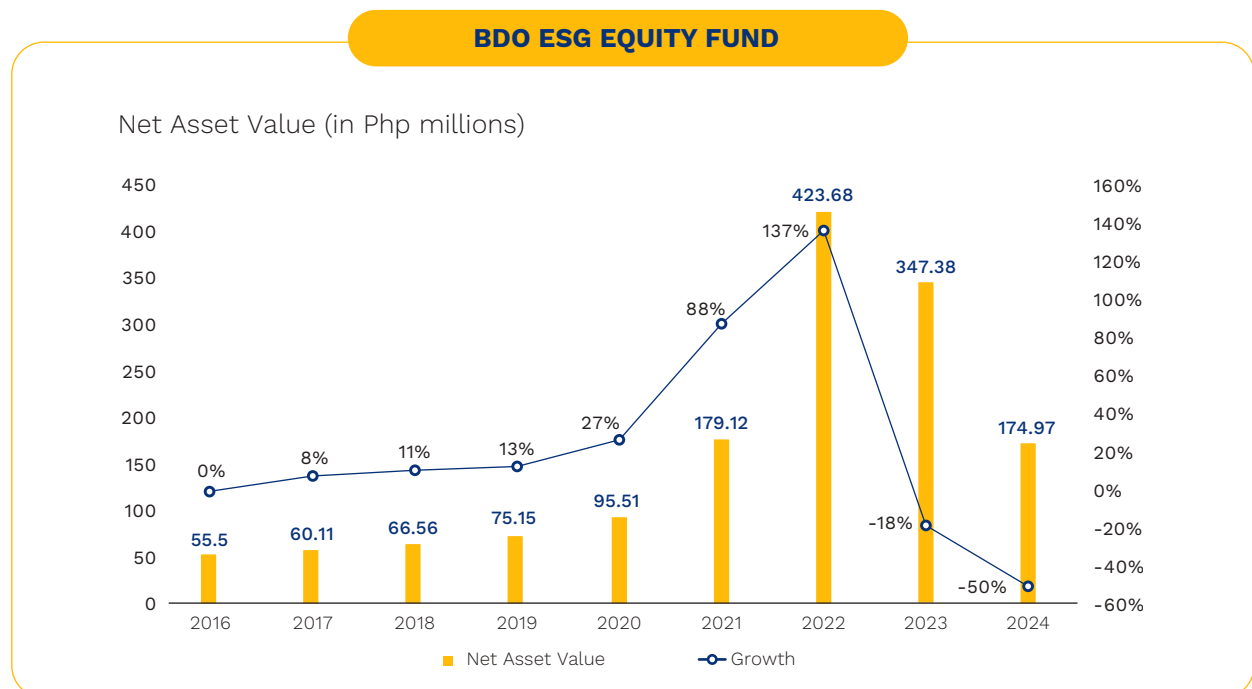
As of end 2024, PERA AUM increased by 28% or ₱54 Million, bringing the total PERA Assets under Management (AUM) to ₱248 Million. Total number of PERA contributors also increased by 12% YTD, which brings the total number of PERA contributors to 2,175. BDO continues to see high growth rates in both AUM and number of contributors as Filipinos become more aware of what PERA can offer to help them augment their retirement pay.

### ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) EQUITY FUND

BDO TIG is the first in the country to directly integrate environmental, social and governance (ESG) 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 are supportive of societal and sustainability goals primarily defined through exemplary ESG attributes – factors that measure the sustainability and ethical impact of an investment.

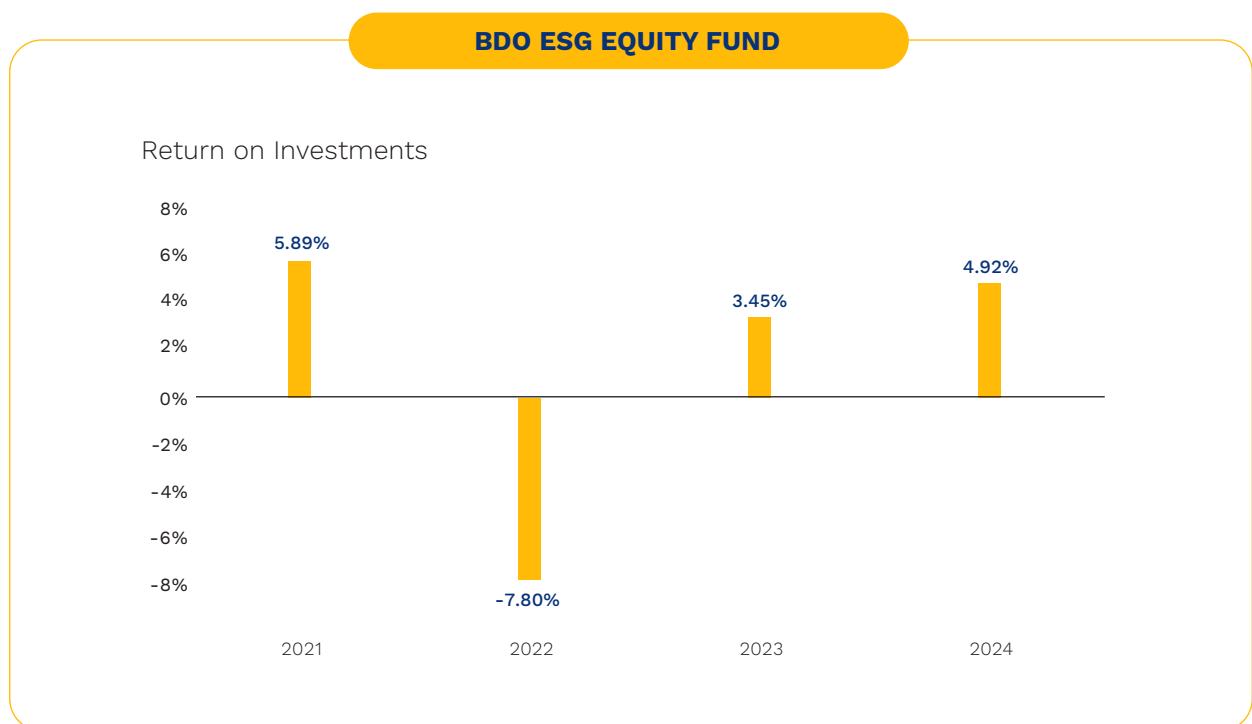
BDO ESG Equity Fund subscribes to specific guidelines set by the International Finance Corporation (IFC) for ESG investing. The Fund does not invest in companies with primary businesses of selling alcohol or tobacco, or engaging in gaming, mining and oil exploration, power companies deriving 5% or more 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.

As of end 2024, the Fund's net asset value (NAV) stands at ₱174.97 million. The decline in NAV was primarily affected by the general investor sentiment on the equities market brought about by high inflation and high interest rates macroeconomic environment. Nevertheless, the BDO ESG Equity Fund posted positive returns year-to-date, consistently outperforming the PSEi. Since the Fund's launch, the Fund provided robust long-term returns, outperforming the PSEi by more than 13.68% in a 5-year period and by 12.20% since its inception. The Fund also posted 0.97% CAGR since its inception compared to the benchmark CAGR of -0.34%.



<b>Past 3-Year Return on Investment</b>	<b>0.08%</b>
vs. Philippine Stock Exchange Index	<b>(vs -8.34%)</b>

BDO TIG continues to implement a more active approach in promoting the Fund to both retail and especially institutional clients. Schools, foundations, religious organizations, associations, and other non-profit organizations in particular seek for a long-term investment portfolio that is consistent with the institution’s values and purpose. 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 our clients, we believe that this will yield significant social return on investment in the long run.



## Investing in ESG: BDO Treasury Group

The BDO Treasury Group reinforced its commitment to the Bank’s Sustainable Finance Framework by actively growing its investment pool in green, social, and sustainability-linked bonds across the sovereign, financial, technology, and energy sectors. In 2024, despite key maturities over the past year, Treasury successfully expanded its portfolio of labelled bond investments to 14, up from 12 in 2023.

Treasury Group continued to prioritize issuers with strong adherence to globally-recognized ESG standards driving the achievement of UN SDGs in the use of proceeds, project evaluation and selection, reporting, and external ESG reviews. It ensured that the use of proceeds remained dedicated to advancing initiatives in renewable energy, clean transportation, biodiversity conservation, sustainable agriculture and forestry, climate change adaptation, green and affordable infrastructure, essential services access, food security, inequality reduction, employment generation, sustainable water management, socioeconomic empowerment, pollution control, and energy efficiency, among other critical areas.

The Group also intensified efforts to ensure overall portfolio resilience. In line with the Bank's commitment to rigorously assess all investments for sustainability risks, Treasury sought to improve its capability by teaming up with the Sustainability Office on environmental and social risk assessment of investment accounts. Simultaneously, the Group also conducted a comprehensive E&S review of its bond portfolio. Going beyond the bond-level, all current bond issuers are undergoing a thorough E&S risk evaluation using an internally-developed rating tool where issuers' progress vs. their stated ESG targets and compliance were evaluated. This review ensures that all investments align with the Bank's defined ESG risk parameters and tolerance levels per industry.

Looking ahead, the Group remains committed to broadening its universe of ESG-compliant issuers. Additional candidates, including those from financial, manufacturing, and technology sectors, are undergoing internal sustainability assessments. With increased confidence in the resilience of its portfolio to sustainability risks, the Group is poised to accelerate the expansion of its ESG-labeled investments.

## 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, BDO Unibank, in developing a system for managing its environmental and social (E&S) risks. As such, BDOPB follows the BDO Unibank Environmental and Social Risk Management System (ESRMS) that will help identify, assess, and manage E&S risks associated with its lending and investment activities, as well as its day-to-day operations.



## INTEGRATING SUSTAINABILITY PRINCIPLES

In order to better integrate sustainability principles and 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. To this end, BDOPB has undertaken various measures, including tracking and reporting of its energy and water consumption to its parent bank. Employees are also encouraged to take part in sustainability activities through volunteerism and in-house recycling and waste segregation initiatives.

BDO Private Bank supports sustainable national development through its investments in sovereign bonds. According to BloombergNEF's report on the Philippine Sustainable Debt Issuance Market as of December 31, 2024, the Republic of the Philippines accounts for 40% of overall issuances in the country, having raised US\$5.9 billion to date, primarily through its Sustainable Finance Framework to finance the Government's green and social projects.

On the business side, through its open architecture platform, BDOPB is able to make green, social and sustainability-related financial instruments available to its clients. In 2024, clients' investments in various green and sustainability bonds increased to ₱20 billion, compared to ₱3 billion in 2023). BDOPB clients were among the retail investors in BDO's oversubscribed second and third ASEAN Sustainability Bond issuances in January and July of 2024. The ASEAN Sustainability Bond proceeds are earmarked for renewable energy, green buildings, energy distribution infrastructure, water management projects, employment generation, and food security projects, among others.

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.

**₱20 billion**  
In Client Investments in Green and Sustainability Bonds

## Underwriting

### Working Towards Sustainable Capital Markets: BDO Capital & Investment Corporation

Investment banks have traditionally focused on capital-raising activities either through equities or debt with the primary objective of maximizing shareholder value. While this remains to be their bread-and-butter, investment banks are now integrating ESG principles into how they structure their deals to provide clients with sustainable financing solutions without compromising their target returns.

Capital market transactions now offer labels including, among others, clean and renewable energy, transportation and logistics with reduced carbon emission, and water and waste-water treatment projects. From plain vanilla bonds, it is not uncommon nowadays to come across green bonds, blue bonds, social bonds, gender bonds, and sustainability-linked bonds with the common objective of promoting sustainable development.

The increasing trend in issuing sustainability-related instruments was evident in the ASEAN market where a total of US\$56.50 billion of ASEAN-labelled Green, Social, Sustainability, and Sustainability-linked Bonds were successfully launched in the region as of September 30, 2024, up 37% from year-ago levels. The Philippines remained the second largest issuer accounting for 27% of the total with US\$15.04 billion, 50% higher than the previous period's volume.<sup>5</sup>

For its part, BDO Capital & Investment Corporation (BDO Capital) continues to integrate ESG factors into its underwriting, arrangement and advisory services, particularly on the environmental, social and governance impact of transactions that it brings to the market. BDO Capital promotes green and sustainable finance initiatives through its underwriting of green,



blue and social bonds, advisory for projects that promote investments in renewable energy, green buildings, and other infrastructure to support the country's transition to a more sustainable mode of economic development.

BDO Capital has significantly contributed to pioneering GSS+ Bonds, arranging, managing and/or underwriting many “firsts” in the local market, including the ₱5 billion Gender Bonds of ASA Philippines Foundation, Inc., awarded as Best Gender Equality Bond by The Asset; the ₱10 billion ASEAN Green Bonds of Energy Development Corporation; the ₱15 billion Blue Bond of Maynilad Water Services, Inc., and the ₱6 billion Sustainability-linked Bond of Ayala Land, Inc.

BDO Capital's other notable transactions in 2023 and 2024 that support sustainability strategies comprise of the following:

## 2024

- **Sustainable Infrastructure:** New Ninoy Aquino International Airport's Infra Corporation's ₱28 billion (Tranche 1) and ₱52 billion (Tranche 2) Term Loans
- **Renewable Energy:** Citicore Renewable Energy Corporation Advisory and ₱5.3 billion IPO
- **Clean Energy:** Energy Development Corporation's ₱10 billion Bonds
- **Renewable Energy:** Alternergy Holdings Corporation's ₱2 billion Green Loans

## 2023

- **Wind Energy Farm:** Alternergy Holdings Corporation's ₱1.62 billion Initial Public Offering (awarded Best Equity Deal and Deal of the Year-Small-Medium Cap by the Investment House Association of the Philippines or IHAP)
- **Renewable Energy:** ACEN Corporation's ₱25 billion Preferred Shares (awarded Best Equity Deal by The Asset; Best Equity Deal Award Highly Commended by the Finance Asia; Green Deal of the Year - PH by Asian Banking & Finance; and Best Equity Deal (Large Cap) by IHAP)
- **Financial Literacy and Inclusion/Nation Building:** Republic of the Philippines' US\$1.26 billion Retail Dollar Bonds (awarded Best Fixed Income Deal-Large Cap by IHAP)
- **Telecommunications:** Frontier Tower Associates Philippines Inc.'s ₱50 billion Term Loan (awarded 2023 Telecom Acquisition Deal of the Year by The Asset; Project Infrastructure Finance Deal of the Year by Asian Banking & Finance)
- **Sustainable Transportation:** SMC Mass Rail Transit 7 Inc.'s ₱100 billion Term Loan (awarded Best PPP and Blended Financing Infra Deal of the Year by Alpha Southeast Asia; Transport Deal of the Year by The Asset; Project Infrastructure Deal of the Year - PH by Asian Banking & Finance; and Deal of The Year-Large Cap and Best Project Finance Deal by IHAP)
- **Battery Energy Storage System:** SMGP BESS Power Inc.'s ₱40 billion Term Loan (awarded Renewable Energy Deal of the Year-Battery by The Asset)

In previous years, BDO Capital has supported the fund-raising efforts of ArthaLand Corporation via Green Bonds, with proceeds of which were used for the development of new green buildings, and acquisition and renovation of completed buildings, both commercial and residential, that are compliant following ALCO's Green Finance Framework.

BDO Capital has also provided advisory services to its parent bank BDO for all of the latter's Sustainability Bond issuances. Recently, BDO issued its third ASEAN Sustainability Bonds which raised ₱55.7 billion — 11x times oversubscribed from the initial ₱5 billion offer. Proceeds from the offer will finance or refinance eligible assets as defined in BDO's Sustainable Finance Framework.



#### CASE STUDY:

## Supporting renewables through the Alternergy IPO

BDO Capital was engaged as one of the joint issue managers and joint lead underwriters for Alternergy Holdings Corporation's (AHC) ₱1.62 billion (~US\$30 million) initial public offering (IPO) of its common shares on the Main Board of the Philippine Stock Exchange (PSE) in 2023.

Proceeds from the IPO were used by AHC for the following:

- Development and construction of the Solana Solar and Lamut Hydro projects;
- Payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. shares;
- Pre-development expenses of pipeline projects, namely Ibulao Hydro project, Tanay Wind project, Alabat Wind project, Calavite Offshore Wind project and Tablas Strait Offshore Wind Project;
- General corporate requirements, and
- Working capital to operationalize Retail Electricity Supply

The IPO received favorable demand from institutional investors and trading participants of the PSE, as the first equity issuance to debut on the local bourse in 2023 and one of the few pure renewable power companies listed at the PSE, during a turbulent and high-interest rate environment.

AHC was unique in its Triple Play approach where it has stakes across solar, hydro, and wind projects without any exposure to coal. This approach was carefully envisioned and carved out by its founders to provide AHC the ability to navigate through various weather and seasons of the Philippines allowing them to leverage on varying types of renewable energy that matches the season, providing a natural hedge against fluctuations to their energy output relative to rainy or dry season. The transaction was awarded Best Equity Deal and Deal of the Year-Small-Medium Cap by the Investment House Association of the Philippines.



Apart from the IPO, AHC issued a ₱2 Billion Green Loan Facility in May 2024. The proceeds were used by AHC to partially finance the development and construction of several renewable energy projects including, among others, the 101.4 MW Tanay Wind Power project and 62.4 MW Alabat Wind Power project. Both projects are under the Department of Energy's Green Energy Auction Program and aligned with AHC's Green Finance Framework, which has been evaluated by DNV (Thailand) Co., Ltd in its Second-Party Opinion.



## Brokering and Trading for Financial Investments: BDO Securities

BDO Securities Corporation (BDO Securities) is a Securities and Exchange Commission-licensed securities broker/dealer and a Trading Participant of the Philippine Stock Exchange and Philippine Dealing and Exchange Corporation. BDO Securities offers brokerage services for both online/mobile app trading and broker-assisted/traditional trading, providing clients access primarily to local equities such as common shares, preferred shares and real estate investment trusts, as well as local and global mutual funds and fixed-income securities (Philippine peso and US dollar-denominated corporate and government bonds, money market and multi-asset securities).

To promote financial literacy and assist existing and prospective clients make informed decisions, BDO Securities provides daily, weekly, and monthly research reports on market insights and relevant metrics on companies it covers. In addition, BDO Securities makes available market learning resources such as webinars and tutorials to guide novice and savvy investors on how to navigate the market; corporate series that talks about the plans and prospects of PSE-listed companies; and reading materials available at the Company's website for those who wish to learn more about stock market investing.

The TradeTalks webinars conducted by BDO Securities are designed to be accessible to investors with varying levels of experience by providing a more interactive venue for clients to learn more about the market. Guest speakers and hosts talk about timely topics, answer questions, as well as get direct feedback from attendees. For beginner investors, the Tutorial Series covers the basics of formulating investing strategies (risk and return, asset allocation, and diversification), technical analysis, and navigating the BDO Securities platform. The Outlook Series provides the latest updates and outlook on the Philippine stock market and specific sectors from the Research Team of BDO Securities. Meanwhile, the Corporate Series gives clients the opportunity to get to know PSE-listed companies straight from their management team as they talk about their company's plans and prospects.

### TradeTalks Tutorial Series

<p>February 28, 2024</p> <p><b>Investing in IPOs and How to Read the Prospectus</b></p> <p>Learn everything you need to know about investing in Initial Public Offerings (IPOs), from understanding the basics of IPOs to analyzing the prospectus and making informed investment decisions.</p>	<p>May 15, 2024</p> <p><b>Technical Analysis for Beginners</b></p> <p>Learn when to take a position and when to let go using Technical Analysis</p>
<p>May 22, 2024</p> <p><b>Selecting Stocks Made Simple</b></p> <p>Learn how to filter through market data and be guided on how to pick stocks that fit into your investment strategy using Fundamental Analysis.</p>	<p>June 26, 2024</p> <p><b>Basics of Fundamental Analysis</b></p> <p>Learn about the basics of Fundamental Analysis from one of parent BDO Capital's seasoned investment bankers and see how you can apply this in your stock investing strategy.</p>
<p>August 15, 2024</p> <p><b>What Type of Trader Are You</b></p> <p>Are you a momentum trader, a swing trader, a day trader, or have yet to figure it out? Learn more about the different types of traders and what fits you best in this webinar.</p>	<p>September 4, 2024</p> <p><b>Beginner's Guide to Investing</b></p> <p>Learn about trading with BDO Securities and gain the knowledge you need to navigate the stock market and the BDO Securities online trading platform.</p>

TradeTalks Corporate Series

January 23, 2024

ACEN Corporation (ACEN)

Learn from ACEN management team on the latest developments about the company.

May 27, 2024

Citicore Renewable Energy Corporation (CREC)

Get to know CREC, their plans and prospects in relation to their IPO.

October 2, 2024

Alternergy Holdings Corporation (ALTER)

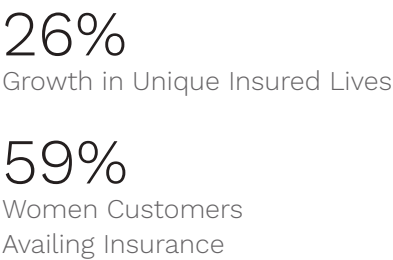
Hear from ALTER’s management team as they talk about the latest developments about their business and the renewable energy space.

As a broker/dealer of securities, BDO Securities relies on securities available in the market which may or may not promote sustainability. While this may be the case, BDO Securities ensures that it aligns itself with the ESG initiatives that its parent bank BDO advocates. Through financial literacy seminars, BDO Securities is helping both its clients and prospective clients learn more about diversifying their investments from the traditional “deposit-and-withdraw” scheme to the more sophisticated stock market and fixed income and funds investing where they will have the opportunity to earn more from a portfolio of securities vs. a single asset investment. In addition, by placing their eggs in different baskets, clients are able to ride through inherent volatilities in the markets.

Insurance

Leaving a Lasting Legacy for Future Generations: BDO Life

Breadwinners are the lifeline of every family: they work hard to provide for their loved ones, and often sacrifice their personal comfort and well-being to meet their family’s needs and provide a comfortable lifestyle. Yet, no matter how strong and resilient they appear to be, breadwinners remain susceptible to life’s unforeseen risks that threaten the financial security of those who rely on them for financial support. Despite an increase in insurance penetration in the country, from 1.63% in 2023 to 1.71% in 2024, majority of Filipino breadwinners are still left without adequate insurance protection to shield their loved ones when unforeseen risks occur. To help address this massive social protection gap, BDO Life continues to create campaigns and initiatives aimed at driving awareness and appreciation for the value of life insurance, while making affordable protection solutions available through various BDO channels.





## PROVIDING A PLAN B FOR EVERY PLAN A

Most breadwinners are conscious of formulating and executing a Plan A towards achieving financial independence. What excites people about having a Plan A is that it ensures a comfortable lifestyle, a dream home, a reliable car, and a continuing income that can sustain one's self beyond retirement, along with other life aspirations and preparations for the future. BDO's products and services make it possible for the breadwinner to achieve financial independence and attain all these. However, there will always be a need to prepare for life's uncertainties, such as critical illness, accidents, or premature death — all of which can put the breadwinner's Plan A at risk. When this happens, BDO Life can serve as the breadwinner's Plan B, injecting much-needed cash at a most appropriate time to keep the family going. To date, BDO Life has grown its count of unique insured lives by 26% from 2023, covering 1,039,534 Filipinos. Among customers with tailored, individual insurance solutions, 59% are females, underscoring the organization's increasing focus on ensuring equal financial stability for women, many of them sole breadwinners for their families.

BDO Life has also partnered with BDO's business units such as the Branch Banking Group, Transaction Banking Group, BDO Remit, and BDO Network Bank (BDONB) to bundle Plan B solutions as an add-on benefit to enhance the Bank's products and services. This bundling strategy solidifies the value proposition offered by BDO, empowering customers to realize their Plan A while enjoying the financial security offered by a Plan B.

- **Continuing Income** – BDO payroll clients are offered add-on Group Yearly Renewable Term Insurance (GYRT) or Group Personal Accident Insurance (GPA) that provides, in case of death, three months of adjustment income to the family. To date, this initiative covers over 100 BDO payroll accounts and 93,000 unique insured members.
- **Liquidating Debt** – Life insurance is bundled with BDO loan products – home loans, small business loans, personal loans, and others – to pay off any remaining loan balances in case of death, terminal illness, or total and permanent disability. This allows families to keep their home; small business funded through personal loans and small business loans are preserved; and seafarers' loans and OFW's Pabahay (housing) loans are liquidated, shielding their loved ones from having to deal with any financial fallouts.
- **Settling Final Expenses** – To protect overseas Filipino workers who regularly utilize BDO Remit's facilities to provide for their families back home and who maintain a healthy account balance, BDO Kabayan Savings enhanced its product offering with a free Group Yearly Renewable Term Insurance (GYRT). In the unlikely event of premature death, this program provides a "clean-up fund" to deal with final expenses that the family will incur.

Apart from overseas workers, BDO Life, in partnership with BDONB, offers simple and affordable life insurance to the underserved through BDO Life's Kabalikat Plan. For as little as ₱500 per year, should an insured member pass away or become disabled due to an accident, Kabalikat Plan will provide adequate cash to fund one's final expenses. This spares the family from financial worries at their time of grief. Additional benefits are provided for accidents while taking public transport, plus a modest hospital allowance benefit per day of hospital confinement. A ₱10,000 Burial Assistance Benefit is extended upon death due to any cause, as a



81,000  
Lives Covered

₱500  
Affordable Kabalikat Annual  
Premium for Death or  
Disability Insurance with  
Hospitalization Benefits

way to further help ease the financial burden resulting from their loss. Since its launch in 2021, BDO Life's Kabalikat Plan has covered over 81,000 lives as of year-end 2024, with 81 burial assistance claims paid, 89 hospital income claims released, and 8 accidental deaths covered.

With these initiatives in place, BDO Life customers are assured of easy, accessible, and affordable life insurance programs that enable their loved ones to preserve family unity and to maintain their financial dignity.

## FINDING WAYS TO EDUCATE ON SOCIAL PROTECTION

With the advent of TikTok, today's social media audiences have grown to prefer shorter, fast-paced, and eye-catching content over traditional, long-form media. With this in mind, BDO Life launched two 15-second ad campaigns that successfully showed how life insurance can serve as the family's financial safety net — or Plan B — through simple, everyday situations, while using relatable, everyday language like “May Plan B ka na ba?” (Do you already have a Plan B?) to effectively communicate its advocacy.

All digital campaign materials lead audiences to BDO Life's Get a Quote website, a page where they can browse through easy-to-understand life insurance products and get immediate quotes on their chosen plans. When they're ready, clients can visit their preferred BDO branch to complete their application. This approach enables more Filipinos to better understand how life insurance solutions can best work for them, while providing greater access to insurance products that can be tailored to their budget.



To further strengthen its Plan B advocacy, BDO Life launched Project Revitalize, an on-the-ground culture building internal campaign across all BDO branches where frontliners are trained to engage qualified customers with a simple Plan B question preparatory to endorsing them to a BDO Life Financial Advisor in the branch.

## De-risking Business and Individual Activities: BDO Insure

By actively engaging in various activities, BDO Insurance and Reinsurance Brokers, Inc. (BDOI) recognizes its potential to be a catalyst for sustainable practices, bringing clients along BDO's sustainability journey to foster economic development, environmental responsibility, and social inclusion and equity.

- **Advisory Role** – guides clients toward insurance products that promote sustainability, such as coverage for business that adopt environmentally friendly practices and social protection coverage.
- **Encouraging Risk Assessment** – emphasizes the importance of risk management strategies that consider environmental and social factors, helping clients understand their options and impact on sustainability.
- **Supporting Sustainable Business** – helps sustainable business access insurance to manage their risks, facilitate their growth, and contribute to economic development and responsible consumption.
- **Collaborating with Insurers and Reinsurers** – works hand-in-hand with its partners to develop tailored insurance solutions that address specific sustainability challenges faced by industries or communities
- **Due Diligence of Sustainability Practices** set by each insurance and reinsurance company that BDOI works with.



## INSURANCE AND SUSTAINABILITY

In navigating the complexities of today's rapidly changing world, BDOI is emerging as a vital focal point at the intersection of insurance and sustainability. Fast growing awareness of environmental challenges and social responsibility is reshaping client expectations and industry standards alike. The BDOI team provides both coverage and advisory services that help clients understand risks and their financial goals, while also educating them on the profound impact of their choices on the environment and society.

In 2024, BDO Insure collaborated with its insuring partners to drive sustainable insurance practices:

- **Secured license for Reinsurance Broker services.** At recent Singapore International Reinsurance Conference (SIRC), BDO Insure collaborated with foreign reinsurance partners to provide ready facility support coverage for Natural Catastrophic Cover for clients in the Philippines. This led to larger facilities support, both local and foreign insurance support, that the local market may not provide, especially on emerging risk.
- **Engaged clients in All Risk coverage.** The BDO Insure Package includes products aimed at shielding assets and businesses from the risks associated with climate change. For exposures that are not adequately addressed by traditional insurance, BDO Insure offers alternative solutions like Parametric Insurance to bridge the coverage gap.
- **Conducted risk assessment that cover climate change physical risk exposures** to determine clients' hazard risk and operational risk and mitigate the current exposure of clients' facilities.
- **Facilitated Electric Vehicle motor coverage including charging equipment** in cooperation with insurance partners Standard and Pioneer Insurance.
- **Served as lender insurance advisor to financial institutions** - BDO Insure collaborated with other BDO business groups for any property risk assessment for insurance purposes. Acted as advisor on construction and manufacturing risks, including how raw materials are sourced, manufactured and made, and if the process being used actually minimized carbon emission. BDO Insure offers insurance adequacy review for BDO Clients to comply with their lender's requirement. This is for their resiliency against fire, natural perils, environmental liability, and financial loss.

Internally, BDOI reduced its paper consumption by 15.6%, from 4,615 reams in 2023 to 3,931 reams in 2024. The team also launched a storage disk drive clean up across all BDOI business units, reducing the disk usage from 98% (7.1 terabytes) to 57% (4.7 terabytes) by deleting all non-critical files. The cleanup led to cost savings from additional file storage in terra bytes and additional database warehouse for BDOI files. It also eliminated heat emissions from storage due to very large files in the server. BDOI also implemented the use of existing online tools to monitor internal reports and drive paperless operations.

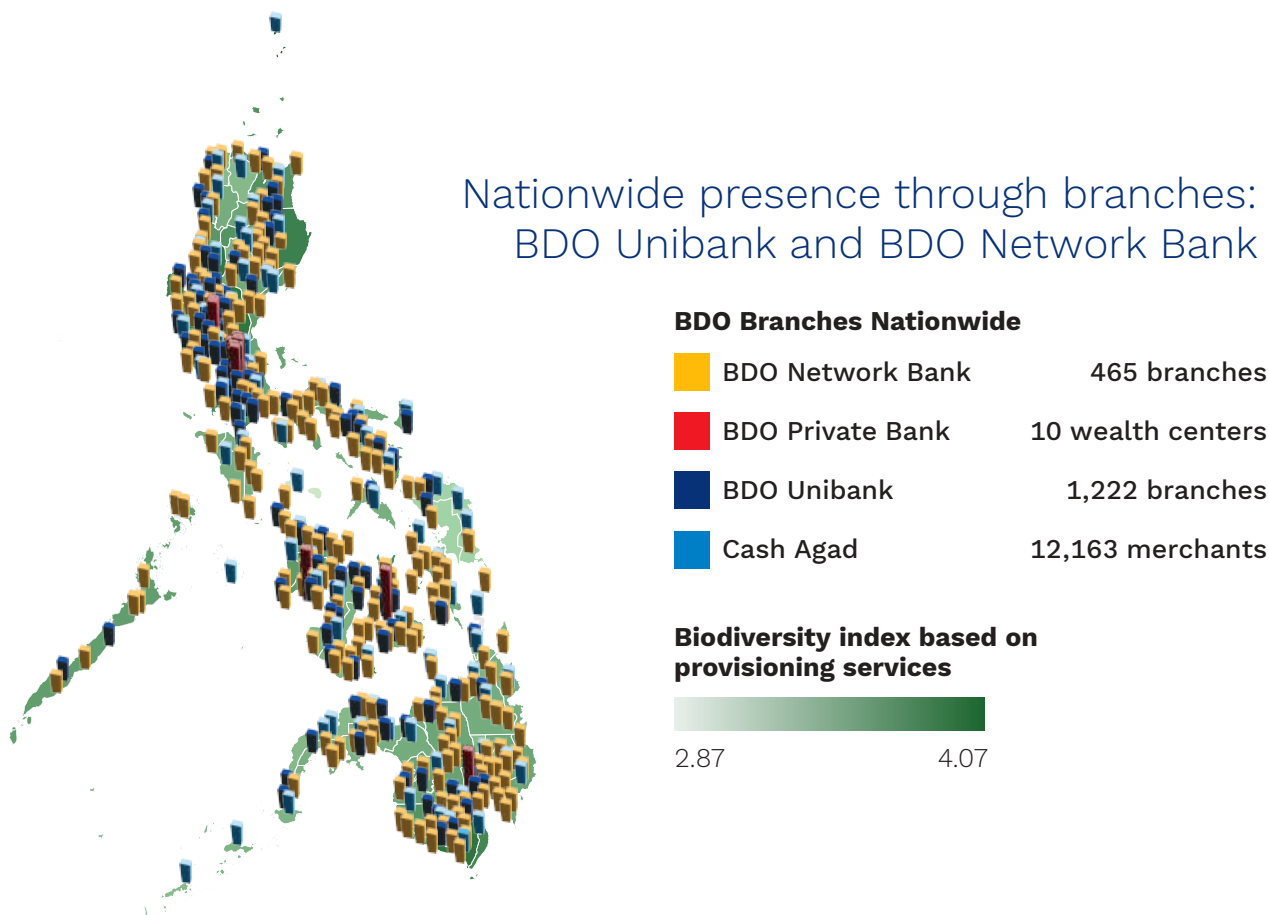
## RISK MANAGEMENT ADVISORY

BDOI also plays an increasingly crucial role in risk management advisory. This synergy between risk management and sustainability development is both an opportunity and a responsibility for insurance professionals, setting the stage for advisory to clients through Risk Management Reports:

1. **For high-risk industries,** BDOI's Risk Management team engages heavily in loss mitigation programs to seek full support and secure insurance programs for clients.
2. **For Renewable Energy construction,** the team advises on recovery and treatment of all materials installed during renewable energy construction e.g. solar panel disposal and recovery of electronic vehicle part and battery, solar inverters, and chemicals (Cadmium, Lithium, HCL, organic solvents).
3. **Interprets risk exposures at initial stage of construction** into insurance language, such as:
  - Design and installations of fire protection facilities
  - Design and installations of vital machinery and equipment
  - Compliance to local government, and applicable government agencies' environmental and safety requirements, etc.
  - Minimum design and other requirements for:
    - Sewage Treatment Plant
    - Materials Recovery Facility
    - Hazardous Waste Storage and Disposal
    - The required Pollution Control Officer interview

**4. Conducts onsite risk assessment on Operations, Renewable Energy:** performs broad analysis of client's existing hazards and recommends solutions to reduce and mitigate them. Operation specific recommendations include proper and regular maintenance of equipment and utilities that can reduce carbon footprint and improve quality of wastewater discharge. Recommendations are also in accordance with the most current Department Administrative Orders of the Department of Environment and Natural Resources (DENR). BDOI also provides insurance risk assessment support for clients engaged in renewable energy: solar, biomass, and hydroelectric power stations.

## Financial Services Presence and Impact



### Advancing the Phygital Banking Strategy: Branch Banking Group

**Phygital = Physical and Digital**  
combining domains where banks operate to reach its clients

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 Group (BBG) supports BDO clients who still prefer transacting in branches because they enjoy dealing with another person. BDO combines the warmth of human interaction with the benefits of digital technology through Phygital Banking. 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.

Branch innovations and self-service technologies for improved customer experience are part of BDO's digital transformation efforts to make its service delivery more efficient across all its channels:

- **Secured Way of Customer Identification** – the use of Customer Authentication Solution (CAS) as the new customer onboarding system, allows various digital authentication methods such as face identification, fingerprint, card+PIN when onboarding existing bank customers. These methods enhance account security to protect customers from unauthorized access to their accounts.
- **Self-Service Technology**
  - **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 paperwork processing.
  - **BDO ATMs are the first in the country to be equipped with QR and biometric technology** that allows for cardless money withdrawal.
  - **Deployment of more Universal Teller Machines (UTM)**, a combined ATM and Cash Deposit Machine (CDM), as an alternative channel for clients to accomplish financial transactions such as deposit, withdrawal (withdrawals via QR code or biometrics), bills payment, check deposit and smart passbook update. Clients can transact with UTMs rather than wait in line at the branch. This also lessens the branch lobby traffic and allows our employees to focus on more complex transactions.
  - The **Smart Passbook** allows customers to conveniently update their passbooks without the need to queue and wait in line at the branch, saving time for both the customer and the branch.
- **Instant Access to Debit Card Issuance** – The ATM Card Onsite Printer Machine will soon enable branches to print debit cards onsite, allowing customers to receive their cards instantly without needing a return visit to the branch.
- **Product Specialist on Demand** called BDO Connect, a platform allowing customers to immediately speak to a Product Specialist via live video call on-demand, to inquire on and/or avail of BDO products and services. The goal is to always put customer first, to be able to address and service our customers' need when they visit the branch and provide them with the information they need on the Bank's products.
- **BDO Connect** caters to the following products and services 1) CBG Secured Loans for Auto, Home, Multi-Purpose; 2) CBG Unsecured Loans for Credit Cards and Personal Loan; 3) Wealth Investment products for BDO Private Bank and BDO Securities; 4) Non-life Insurance, and 5) Transaction Banking Group-Cash Management Services-Small Medium Enterprise (CMS-SME).
- **My Buddy, Convenient Access to Internal Policies** – BBG built its own Knowledge AI Assistant named BUDDY to enhance employee access to its vast Policy Database. It is a chatbot-style AI tool that allows branch employees to type frequently asked questions and get immediate responses. The AI tool allows branches to effectively perform their daily functions faster.

1,222

Branches in the Philippines

1 Minute  
per  
Transaction

Time Saved per Transaction  
from Service Assist Machines

1,219

Branches with  
Service Assist Machines



BDO recognizes that building trust is important in digital transactions 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 by digital technology.

## FINANCIAL INCLUSION

BDO Basic Account was made available in all BDO branches in 2024. BDO Basic is a deposit account designed for financial inclusion of the unbanked sector by offering a deposit product with no initial deposit requirements. BDO Basic is offered to clients as a source or destination account for financial transactions done through electronic channels (i.e., New Digital Banking and BDO Pay applications) making the product very affordable and flexible for clients.

# Zero

Initial Deposit for  
BDO Basic

BBG supports the partnership of BDO Foundation and Don Bosco-One TVET Philippines, Inc., in incorporating financial education in Don Bosco's curriculum, to encourage technical vocational students to save for their financial goals. Selected BDO branches may open a savings account for students endorsed by Don Bosco-One TVET. They are also warmly welcomed by branch personnel, ensuring that the features of the savings account are properly explained. To practice what they learned in school and instill the habit of saving, the students are encouraged to maintain the required maintaining balance after a year. BBG also coordinates with BDO Foundation in conducting online financial literacy for college students of National University.



In 2024, BBG branches spearheaded the Community Marketing initiative, a group-wide marketing and business development activity in specific communities, meant to capture various market segments and advocate financial literacy and inclusion. The activities include social media campaigns culminating in a BDO Fiesta event, where there is an opportunity to cross-sell different BDO products and services. For the underserved sector of many communities, the opportunity to join in the culminating activity enables them to take a closer look at what the Bank can offer in a festive setting that is more familiar to them and less intimidating than visiting actual bank premises.

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.

## AVAILABILITY IN TIMES 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. It is a testament to BDO's commitment to provide convenient access to meaningful products and services to clients nationwide. This extends to adapting to the country's high vulnerability and exposure to disaster risk. The Bank continues to expand its presence on the ground and provide convenient access to cash and financial services, more so during times of unusual or hazardous circumstances happening within or near the branch premises:

- **Typhoons** - Adverse weather conditions disrupt services to the customers, cause operational delays, and affect overall productivity. BBG ensures continuity of service and operations through activation of Business Continuity Plans (BCP), such as:
  - **Advisories** - Released to employees on proper handling of safety reminders and instructions during emergency situations, including assistance to be provided to clients.
  - **Buddy Branch** - Deployment of manpower to identified nearest buddy branch to support client servicing.
  - **Call Tree** - Periodic testing of hierarchical communication model used to notify group members in the event of an emergency and recovery.
  - **Split Operations Support** - Ensure uninterrupted operations by deploying teams at 2 sites: BDO Towers Valero and BDO Corporate Center Ortigas.
- **Unusual Incidents** - may involve vehicular accidents which may destroy the façade and lobby of the branch, foul smell caused by sewer pipe leak, fire incident of nearby establishment, etc. 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.
- **Crowdstrike Disruption** - System downtime experienced across the Bank triggers rapid root cause analysis and cascade of resolution and restoration efforts. BBG and IT created a Task Force group chat to support branches.

In addition, clients visiting the branch are reminded about safety banking tips to protect clients from fraud-related activities. Branch personnel are trained to discuss Anti-Scam Tips and refer them to the Bangko Sentral ng Pilipinas (BSP) 1140 Advisory material displayed in the branch counters.

## RESPONSIBLE BRANCH OPERATIONS

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 limit paper consumption, clients are encouraged to request for soft copies of statements of accounts (SOA) by email. Printing of paper SOA is an exception and done only upon the client's request.

Working with the Facilities team, BDO branches have started using the decentralized disposal process in disposing of their furniture, fixtures, and equipment (FFE) due to wear and tear, obsolescence, or being beyond economic repair. Items for disposal include fax machines, typewriters, calculators, poster frames, permit holders, office chairs, and electric fans. These items are then sold to scrap buyers for recycling, or reuse.

2,087,228

Total New CASA  
(Current Accounts/  
Savings Accounts)

## Ensuring availability of Cash: BDO Cash Services

BDO Cash Services ensures the availability of fit banknotes and coins needed by the Bank's branches, automated teller machines, and clients. The Cash Services team operates a logistics network of 63 cash centers nationwide. An additional 9 cash centers are being built in the provinces to reach more remote areas.

Cash Services also manages the distribution of Cash Deposit Machines (CDMS) that can cater to the clients' cash deposit requirements and spare them time in queuing at the branch. The team likewise deploys Universal Teller Machines (UTMs) to provincial areas to offer other bank services such as check acceptance and passbook printing that further make banking easier. In terms of operations, the machines contribute to BDO's energy savings initiative as they significantly lower average power consumption to just 180 watts per machine during idle time, compared to 300 watts when in use.

Aside from the circulating fit banknotes and coins, BDO also supports the Clean Note and Coin Policy of the Bangko Sentral ng Pilipinas (BSP) by helping make sure 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
- 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 bank notes and coins.

## BDO AND THE CASH SERVICE ALLIANCE

BDO also supports the efforts of the BSP in making the circulation of currency more efficient through the Cash Service Alliance (CSA), 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 bank notes and coins exclusively from the BSP and deposited excess currency holdings only to the BSP. With the establishment of the CSA, BDO was tapped to supply other banks with their cash requirements, while it also rationalized its cash services by reducing armored car trips to and from BSP branches, resulting in lower gas emissions.



For the second consecutive year, the BSP named BDO as one of its outstanding institutional partners during its 2024 Outstanding BSP Stakeholders Appreciation ceremony held at the BSP Headquarters in Manila in August 2024. 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. As the BSP extended the CSA implementation to provinces, BDO has likewise signed up for participation in target provincial regions in 2024 and further in 2025.



## Facilitating access and inclusion: BDO Digital

### DIGITAL BANKING

BDO's digital channels enjoyed a 20% increase in users in 2024 compared to 2023, as the Bank continues to add enhancements for better security and upgraded features. These features primarily enable BDO to reduce its carbon emissions and transition to paperless practices. Information is now disseminated online through apps, online platforms, and on the website, and transactions that were mostly performed over the counter are now increasingly happening digitally.

**20%**  
Increase in  
Digital Banking Users  
in 2024

### BDO ONLINE

The BDO Online app continued to launch new transactional features in 2024. The US dollar to Philippine peso transfer feature empowers Overseas Filipinos (OFs) to seamlessly remit money to their beneficiaries. Together with BDO-to-BDO transfers, InstaPay, PESONet, and the use of QR codes, customers now have more ways to send money.

To further enable interoperability with other financial institutions and support BSP's roadmap, BDO also launched multi-proxy services for customers to link a mobile number to their account in order to receive money from other banks. The app also offers access to transaction history, electronic statements, and other account information, which reduce the need to call the contact center, visit the branch, or print statements, leading to reduced paper consumption and the overall carbon footprint.

All these were coupled with up-to-date security features that deter hackers and scammers from account takeovers. The new features for the BDO Online make it easier for BDO clients — whether in the big cities or rural areas — to view and manage all their BDO accounts and cards anytime, anywhere.



### BDO PAY AND BASIC ACCOUNT

The BDO Pay app now allows customers to avail of various installment offers straight from the app, giving them flexibility in their day-to-day expenses. BDO Rewards was also integrated into the app, which reduces the need for physical card printing and chip consumption. Customers can access their Rewards Cards with a tap, and are able to redeem vouchers and other gifts directly on the app. Interoperability through QR Ph also allows the use of BDO Pay across different stores and merchants nationwide, giving customers even more choices when they pay.

The BDO Basic Account, an account that requires no minimum maintaining balance or initial deposit, can now be opened in BDO branches or online via the BDO Pay app. Through the BDO Basic Account and the BDO Pay app, both existing and new customers of the Bank can enjoy a simplified way to make payments and perform transactions with just a few taps on their phone.



## BDO CHECKOUT AND MERCHANT PARTNERSHIP

Merchant Partnerships (MP) is actively working towards sustainability goals by implementing various features in its products services and maintaining safe and secure payment transactions:

- 1. BDO Checkout:** Offers safe and secure digital payment solutions to all types of merchant partners.
- 2. BDO Mini Point of Sale (POS):** This new payment device eliminates the need for thermal rolls, significantly reducing paper waste.
- 3. No Signature Program:** By avoiding the need for cardholder signatures, this program reduces the use of ink.
- 4. Reduction of Printed Sales Slips:** The number of printed sales slips has been reduced from three to two copies. Merchants are now required to retain the sales slips, eliminating the need for separate submissions to BDO. Additionally, BDO uses paperless slips and refers to digital images.
- 5. Use of Android POS:** Implementing Android POS systems contributes to more efficient and sustainable operations.
- 6. Electronic Cash Register (ECR) Integration:** The integration of ECRs with card payments supports reduced use of paper and ink, further promoting sustainability.
- 7. Mobile/Cashless Payment:** Enabled our physical devices and online platforms to accept cashless payments, especially for everyday spend and small-ticket transactions, further promoting sustainability.



The implementation of BDO mini-POS and Android POS systems offers customers the convenience of modern, digital payment solutions, making transactions smoother and more accessible. The Mobile/Cashless Payment options cater to the increasing demand for contactless payments, providing a safer and more hygienic way to conduct transactions, especially in the post-pandemic era. Offerings such as BDO Checkout, Web, and Electronic Sign-Ups facilitate paperless transactions, reducing the need for physical documentation, and making the process more streamlined and user-friendly. This not only enhances the overall customer experience but also demonstrates BDO's commitment to innovation and sustainability, which can foster greater customer loyalty and trust.

These sustainability initiatives significantly enhance customer satisfaction in several ways. Reducing the need for paper and ink through the No Signature Program and the Reduction of Printed Sales Slips help customers experience faster and more efficient transactions. More importantly, these align with growing consumer preference for ecofriendly practices, both for individual consumers and businesses that are increasingly conscious of their environmental impact. On the other hand, the cost impact of these initiatives is significant, as they reduce operational costs associated with paper and ink, and enhance efficiency through digital processes.

SHIFT TO DIGITAL COMMUNICATIONS

The team shifted 80% of its ad placement allocations to digital channels, leaving only 20% for printed billboards placements. Digital ads reduced the need for printing on one-time use materials such as polyethylene tarpaulins. The initiative converts marketing materials from print such as flyers, brochures, among others, to digital formats uploaded through the BDO website and BDO social media accounts. This strategy allows flexibility and broader reach, while decreasing the carbon footprint that printed materials, particularly plastic, would leave. While banks are excluded from the Extended Producers Responsibility Act of 2022 which requires large companies to adopt and implement policies for the proper management and recovery of plastic packaging wastes, BDO’s shift to digital ads contributes to less plastic use from ads and marketing collaterals.

80%  
of ad placements moved to digital channels

CASH AGAD AGENCY BANKING

Agency Banking’s Cash Agad aligns closely with the sustainability goals of the Bank, particularly in promoting economic growth and fostering sustainable communities through its network of over 12,163 cash agent sites nationwide. BDO’s Cash Agad solution is one of the earliest proponents of financial inclusion in the country, either extending or complementing BDO’s reach in areas where bank branches and ATMs are scarce. 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. These agents, located in both urban centers and rural areas, play a crucial role in reaching the underserved populations. With presence in 100% of provinces and 95% of municipalities across the Philippines, Cash Agad significantly increases the Bank’s outreach.

12,163  
Cash Agad  
Partner Agent Sites

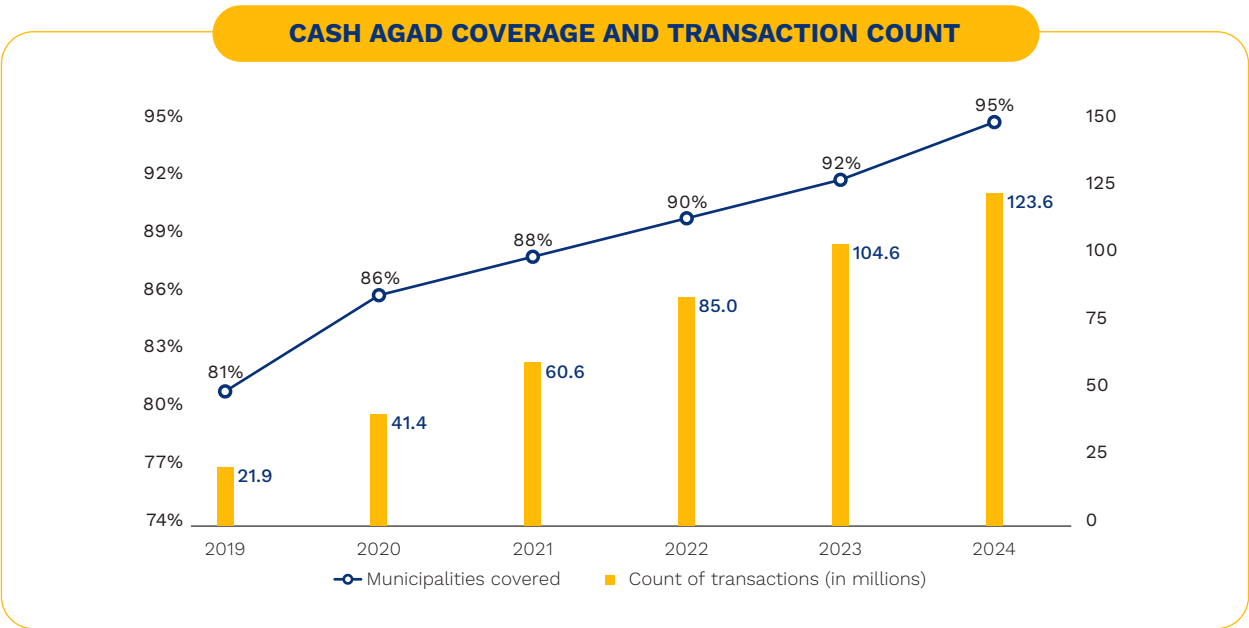
124 million  
Cash Withdrawal  
Transactions

₱532 billion  
Total Cash Withdrawn

To date, Cash Agad has successfully processed 124 million withdrawal transactions, totaling P532 billion in cash withdrawn. In a strategic move to enhance agent capabilities within local communities, Agency Banking has expanded its product offerings to include cash-in and bill payment services. Customers can now easily fund their BDO Unibank, BDO Network Bank, or other bank accounts, as well as pay utilities, credit cards, loans, and various bills at these agents.

100%  
Provinces Covered

95%  
Municipalities Covered



To further establish cash agents as vital financial hubs in their communities, Agency Banking has launched initiatives such as Agent Barangayans and Cash Agad Partner Agents Days. These events actively promote the agents in their respective areas through flyer distribution, store booth setups, and giveaways. Collaborating with BDO Remit and BDO Network Bank, representatives engage in account solicitation during these two-day gatherings at the agents' locations. From October to mid-November 2024, these efforts resulted in approximately 2,000 new savings accounts with an initial deposit value of ₱1.9 million, with 90% being Kabayan Savings Accounts aimed at Overseas Filipinos and their beneficiaries.

By bringing banking services closer to customers through cash agents, residents in barangays no longer need to travel to urban centers for their financial needs. This accessibility saves time, money, and energy while also reducing the community's carbon footprint. Cash agents benefit from transaction fees, which help them grow their businesses and increase their customer base, driven by the foot traffic generated by the Cash Agad initiative.

#### CASE STUDY:

### AJ General Merchandise Cash Agent Days

One of the most successful Cash Agent Day events in 2024 was in Kadingilan, Bukidnon, where 179 new accounts were opened. The store, owned by a married couple, is situated in a strategic location across the Kadingilan Public Market and offers a wide array of merchandise, from groceries to household goods. The couple are recognized as pillars in their community since they also operate another long-standing store in the area, a furniture shop, and a farming business. The new accountholders included local market store owners, their employees, government workers, and regular market patrons, with remittances primarily coming from the Middle East and Japan. The BDO branch nearest to Kadingilan is in the next municipality, 40 kilometers away.



## Enabling businesses towards cashflow management and financial inclusion: BDO Cash Management Services

BDO Cash Management Services (CMS) has long been essential to businesses, helping them streamline their finances, enhance liquidity, and improve overall efficiency. In recent years, the role of the Bank's CMS has expanded beyond simple financial management to now align more closely with global sustainability goals and the push for financial inclusion. By optimizing cash flow resulting to enhanced operational efficiency, reducing waste, and promoting more accessible financial systems, cash management services are increasingly becoming a key tool in fostering both economic and environmental sustainability.

The environmental benefits of CMS also go beyond corporate's internal operations. Through the adoption of digital cash management tools, CMS enables clients to contribute to broader sustainability targets. As the Bank moves businesses towards digital transactions, CMS significantly cuts down on the environmental costs associated with producing and distributing physical money. In addition, by automating processes like payroll, invoicing, and vendor payments, CMS also enables clients to minimize the need for energy-intensive manual processes and shift to more efficient, lower overall energy consumption in financial operations.

### FOCUS ON FINANCIAL INCLUSION AND SMES

One of the significant barriers to financial inclusion is the lack of access to traditional banking. In providing more accessible payment and financial solutions, CMS enables businesses and individuals to manage their finances through mobile apps, online platforms, and digital wallets. This helps the unbanked to enter the financial system with more ease and convenience so they can send and receive money, pay for goods and services, and save using mobile-friendly tools.

BDO CMS also offers various service packages to provide SMEs with the tools they need to manage their finances effectively. These include BDO Business Online Banking (BOB), BDO's online cash management portal, for payments, payroll with additional benefits, and easier access to financial services for the SME employees. All these reduce barriers to entry for entrepreneurs who might not have access to traditional financial services. CMS accelerates long-term economic growth by making financial services more accessible to SMEs and their employees and in the process, contribute to job creation and poverty reduction in underserved areas.

In 2024, BDO Cash Management Services processed a total transaction volume of 142 million, with a value of ₱19 trillion, for both collections. The Bank implemented around 66,000 new cash management deals, a 20% increase from last year. Total client base was at 168,552 with 96% of new clients coming from the sector of small and medium enterprises. CMS onboarded around 41,000 new SME clients in 2024, comprising 85% of CMS customer base by year-end 2024.

**₱19 trillion**  
CMS Transactions Processed

**142 million**  
CMS Transaction Volume

**20%**  
CMS Deals Growth



#### CASE STUDY:

### BDO Usapang Negosyo



Small and medium enterprises (SMEs) play a vital role in driving the local economy, contributing both to employment and economic growth. BDO Cash Management Services' thrust to help SMEs efficiently manage their cashflow and serve as an important financial inclusion tool was brought to life with the series of Usapang Negosyo (Business Talks) forums held in several areas in the country in 2024.

Usapang Negosyo forums were part of the Bank's community marketing program in 2024. These were first held in Laoag, Ilocos Norte (July); followed by Vigan, Ilocos Sur (August); La Union (October); and wrapped up with two sessions in Bacolod (November) through the joint efforts of Transaction Banking Group and Branch Banking Group. The forums gave the Bank a perspective on what SMEs need in each area, while SMEs learned ways to streamline their payments and collections. Majority of SMEs still go through time consuming manual processing for their payrolls, while their employees are unbanked and unfamiliar with banking services. CMS service packages include the creation of payroll accounts for the client's employees, with zero maintaining balance requirement. These accounts also become automatic savings accounts for employees, who are assured that their savings are safe and secured.

The forums also became a networking event where business owners met with other business owners and developed new acquaintances. BDO helped the local supply chain community to work better together.

## Taking Sustainability to the Next Level: BDO Finance

BDO Finance Corporation (BDOFC) serves as the leasing and financing arm of the BDO Group and provides financing alternatives not offered by BDO Unibank. Among these financial alternatives are 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 for them to acquire trucks, motor vehicles, machinery, and equipment they need without worrying about budget constraints.



In 2024, BDOFC stepped up its sustainability advocacy initiatives among its clients.

Account Officers (AOs) intensified the promotion of electric vehicles (EVs) to top tier clients as an energy-efficient and environment-friendly alternative over fossil-fueled cars. They successfully leased to senior executives from top construction, manpower services, food manufacturers, distributors of premium food brands, marine management services, and global technology and consulting companies who elected to acquire EVs.

A common physical risk for Philippine cities is flooding due to prolonged rains during typhoons, which in turn, brings about both health problems and waste management problems to affected communities. BDOFC supported waste management and disposal service providers by extending leasing facilities so they can procure garbage compactor trucks and vacuum trucks that can efficiently collect and treat waste, and ensure the safe disposal of waste materials. This prevents clogging of drainage systems, esteros or canals, and waterways, and avoids community exposure to health problems and diseases brought about by stagnant water and waste.

BDOFC also granted leasing facilities to a prime hospital to acquire a brand new medical linear accelerator, angiography system, and anesthesia machine as the hospital upgraded its medical facilities to improve services for the treatment of cancer and heart diseases, two of the top causes of death in the country.

With increasing power costs coupled by reduced prices of solar panels, tapping the renewable power of the sun has become a very viable low carbon energy source option for many corporates. A wholly-owned Philippine subsidiary of an international company was approved a leasing facility to purchase and install solar rooftop mounted panels on a hospital in Iloilo City to generate 535 kW of electricity. Similarly, one of the leading manufacturers and distributors of construction chemicals and high-quality adhesives for automotive and construction industry was granted a lease facility for a 164 kW grid tied roof mounted solar panel system.

Another example of its sustainability advocacy is BDOFC's Leasing Program for solar rooftop installations to BDO Group officers. The team is currently monitoring a lease for the installation of solar panels in one officer's home as a showcase to demonstrate the benefits of the program.

#### CASE STUDY:

### Timeless Green, Inc.

Timeless Green, Inc. (TGI) is a renewable energy developer and a wholly owned subsidiary of Timeless Green (TG) Sdn Bhd headquartered in Malaysia. TG, the parent company, has completed environmental and power projects including solar, hydro, and biomass, and to date, has delivered projects with a total capacity of 35,800 kW. TG expanded its renewable energy operations to Southeast Asia and incorporated TGI in the Philippines in 2018. TGI engages in the establishment, maintenance, and ownership of equipment and machinery to generate renewable energy for lease to its customers.



TGI embarked on a number of significant renewable energy projects in the Philippines, including the installation of solar panels on a hospital in Cagayan de Oro City that generates 200 kW of electricity, and on another hospital in Cavite with an 80 kW capacity. Its latest project is a 180-bed hospital in Iloilo City for the installation of solar panels to generate 535 kW peak electricity. TGI is sub-leasing the solar panel system to the hospital via a lease-to-own arrangement over 15 years. BDOFC extended a lease facility for the project payable over 60 months.

To further diversify its portfolio, TGI engages universities, shopping malls, commercial spaces, and government agencies for similar solar panel system undertakings. BDOFC will continue to be a strategic partner for TGI for these vital sustainable finance projects.

## Financial Inclusion

### Serving the Unbanked: BDO Network Bank

As the country's largest community bank and a subsidiary of BDO Unibank, BDO Network Bank (BDONB) serves the micro, small, and medium enterprise (MSME) segment, as well as government employees and the general public, particularly in the rural areas. BDONB brings modern, innovative, and relevant banking products and services to various underserved and unbanked communities in the country.

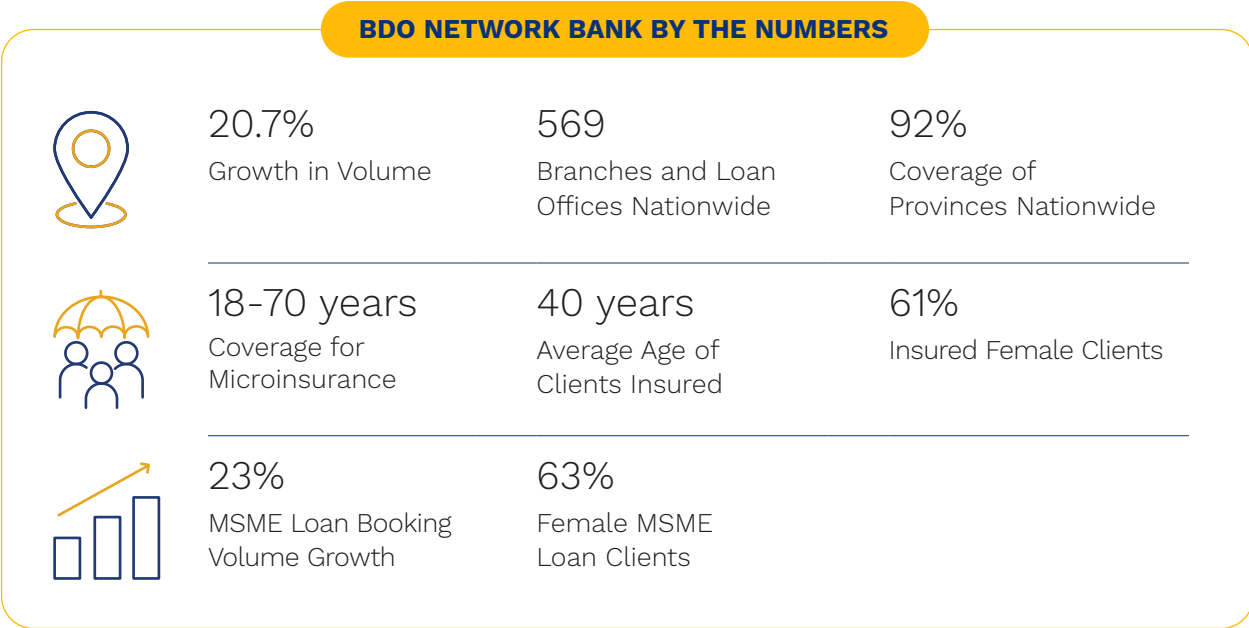
In 2024, BSP figures noted that 56% of adult Filipinos have a bank account, marking a considerable increase from just 23% in 2021. BDONB continues to provide financial inclusion through its network expansion across the Philippine archipelago by bringing its wide range of banking products that includes loans, deposits, remittances, microinsurance, bills payments, and other banking services.

In 2024, BDONB network expansion counted 569 branches and loan offices, an 11% increase from 2023. The Bank has reach and access to 4,923 BDO ATMs around the country — some located within BDONB branch premises and others in strategic high traffic areas that provide easy financial access to its clients. It also benefits from the 12,164 Cash Agad agents and 112 field tellers who provide secure account withdrawals and deposits services that extends the reach of branches. BDONB is currently present in 92% of total provinces in the country, with plans to add more presence in other provinces to reach and serve more people. In pursuit of a more paperless, more secured, and a more efficient system for sales and collections, BDONB also started its deployment and use of digital tablets for its personnel on the ground. This makes data collection and information updating more user friendly for clients. Following BDO's phygital strategy, BDONB's physical presence in strategic locations is complemented by its digital presence in social media and the BDONB website.



BDONB loan products are not just for the sake of lending, but also for capital buildup that help clients improve their lives and support communities to accelerate economic growth. BDONB values its clients, understands their needs, and strengthens relationships with them. As a result, BDONB posted a 23.6% increase in volume from the previous year.

BDONB also offers a low minimum initial deposit to encourage more people to open accounts and save. It cross-sells microinsurance that provides hospitalization allowance for clients ranging from 18 to 70 years old. The average age of clients insured is at 40 years, and 61% of those insured are female.



MSME FINANCING

In 2024, BDONB’s MSME loan bookings grew by 31% from 2023 figures based on volume, with a 5% increase in number of offices offering MSME loans. Female clients accounted for 63% of its total bookings. The MSME Teams not only sell loans but they likewise 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.

SALARY LOANS FOR GOVERNMENT EMPLOYEES

Teachers in Mindanao accounted for 38% of the total salary loan releases in 2024. Loan balance grew by 18%, even as BDONB’s customer base grew by 13% as it continues to expand to more rural areas nationwide. Salary loans reach was at 38%, with additional bank personnel servicing this segment up by 10%, allowing more people to serve the financial needs of government employees. The bank counts 79% of its total active clients for Salary Loans as female.

OTHER SUPPORT SERVICES FOR CLIENTS

BDONB continues to organize Financial Literacy discussions to help clients manage their money and to use their loan wisely, whether it be for school teachers and personnel, government employees, or public market vendors. For businessmen and entrepreneurs, BDONB has run over 30 Negosyante Days that focus on financial literacy talks. BDONB also works closely with the Department of Education (DepEd) and annually participates in its Brigada Eskwela (School Brigade) and Balik-Eskwela (Back to School) programs. For Brigada Eskwela, BDONB employee volunteers clean and rehabilitate public school classrooms and its environs in time for the opening of classes, while the bank provides school supplies to beneficiary schools for Balik-Eskwela. Together with DepEd, BDONB also supports Teacher’s Day Month and World Teacher’s Day celebrations in October. In 2024, BDO Foundation supplemented school provisions in order to reach more provincial public schools. BDONB also partners with the SM

Foundation to continuously bring medical and dental missions to areas that need health service support. The Bank also works closely with SM Supermalls to showcase its product offerings and financial literacy discussions through the weekly Sunday Market and its SM for MSMEs events.

### CUSTOMER FOCUS: BDONB BAYANIHAN

With the theme “Bayanihan Para sa Matatag na Paaralan” (Volunteerism for a Steadfast School), BDONB community events reflected the understanding that a strong school is built not just on bricks and mortar, but on the collective effort of everyone involved.

- In July 2024, BDO employee volunteers and other stakeholders held a Brigada Eskwela clean-up at Changco Elementary School in Barangay Siguel, General Santos City to join hands in revitalizing the school and create a brighter learning environment for its students. BDONB donated paints, painting materials, clocks, umbrellas, and other items. The BDO Support Team also led a Tree Planting activity, where each tree planted represented a promise of progress, growth, and resilience.
- The Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) may have seemed daunting at first, but the BDONB Support Team quickly discovered a warm and welcoming community for Brigada Eskwela at the Bangsamoro Stand Alone Senior High School in Cotabato City. From painting classrooms to planting of trees, members of the community lent a helping hand to pave the way for a welcoming and conducive educational environment for incoming BARMM students.

#### CASE STUDY:

### The Growth of S&D Scrap Trading

At the height of the pandemic in 2020, Deme Jay Alinab left his job as a medical representative to establish S&D Scrap Trading, a buy and sell business for scrap metal and other usable materials. With family members in a similar business, his familiarity with the scrap trading industry gave him an opportunity to build a business that could address the growing demand for collecting and transporting scrap metal while supporting his local community in Cebu.



Locally, scrap metal collection begins with informal workers, such as junk collectors who scour neighborhoods, construction sites, and industrial areas for discarded metal to sell to local junk shops for cash. This grassroots system provides the most basic livelihood opportunities but is often limited by the collectors' capacity to transport and process materials. S&D Scrap Trading bridged the gap between these informal collectors and large-scale processing plants.

The business began with a single ten-wheeler truck, servicing local junk shops and delivering scrap materials to metal processing plants. Despite limited resources, Deme Jay's drive

and business acumen led to rapid growth. Within months, he expanded his fleet and operations, eventually managing forty containers and two branches in Cebu. Recognizing the need for significant capital to sustain and grow his business, he sought financing from BDO Network Bank.

The partnership with BDONB provided the financial support necessary for Deme Jay to scale his operations effectively. With the loan, he expanded his collection space and acquired additional resources to accommodate increasing volumes of scrap metal. This growth allowed S&D Scrap Trading to establish itself as a reliable intermediary between local collectors and processing plants.

The business also became a vital contributor to the local economy. From an initial workforce of three employees, it now provides jobs to 24 individuals from the surrounding community. Additionally, S&D Scrap Trading engages 30 canvassers who collect scrap metal from nearby areas. By accepting even small quantities of scrap, the company not only amplifies the reach of informal workers but also ensures their efforts contribute to a more structured and sustainable supply chain.



The business also became a family enterprise, with Deme Jay's mother handling the day-to-day finances, book-keeping and manpower, while Deme Jay focused on high-level operations. The long-term vision for S&D Scrap Trading includes expansion into northern Philippines and ensuring the family business remains financially secure for future generations.

BDO's support has been instrumental in helping S&D Scrap Trading grow responsibly while addressing the capital-intensive nature of the scrap trading industry. By providing the necessary resources to scale operations, BDO has enabled the business to thrive, create jobs, and positively impact the community. S&D Scrap Trading's success exemplifies how strategic financial support and advisory, and a clear vision can transform a small venture into a thriving enterprise that benefits not only the entrepreneur but also the people and communities it serves.



#### CASE STUDY:

## Cel Store - Resilience and Growth in Cebu's Wholesale Industry

Cel Store stands as a compelling example of how strategic financial support, determination, and smart business practices can transform a small venture into a thriving enterprise. Founded by Jocelyn Maribao Tejas, a former overseas Filipino worker (OFW), the wholesale soft drink supplier has grown into a cornerstone business in Cebu, thanks in part to its financial partnership with BDO Network Bank.



Jocelyn's entrepreneurial journey began in 2004 when she and her husband returned to the Philippines to raise their growing family. Initially working as butchers selling pork in local markets, they soon realized that the physically demanding nature of the job made it difficult to balance work and family life. Seeking a more sustainable livelihood, they pivoted to the soft drink supply business in 2008. Starting small with just ten crates of soft drinks, they steadily reinvested their earnings, gradually expanding their operations. Through persistence and effective reinvestment, Cel Store grew to secure area contracts with major beverage companies, including Coca-Cola. The business scaled operations, acquiring delivery trucks and building a reputation as a reliable supplier for local stores.

In 2021, Typhoon Odette devastated Cebu, causing structural damage, delayed stock deliveries and halted local operations. Compounding this, a nationwide sugar crisis reduced the availability of soft drinks for several months, further straining operations. To recover and stabilize operations, Jocelyn turned to BDO Network Bank for a loan.

The loan proved to be a turning point. With financial support, Cel Store quickly resumed operations, restocked inventory, and addressed rising demand during annual events such as Christmas and the Sinulog Festival, a yearly cultural and religious festival held on the third Sunday of January in Cebu. This infusion of capital not only ensured business continuity but also allowed Jocelyn to maintain her workforce, invest in three delivery trucks, and expand her customer base.

Today, Cel Store employs eight workers and two drivers and serves as a reliable supplier for numerous stores in Cebu. Jocelyn credits her business success to her pragmatic financial management and her belief in the value of people. Drawing from her OFW experience, she prioritizes treating her employees fairly, fostering loyalty and dedication that directly contribute to the company's efficiency and reputation. For her, employees are the backbone of the business, and ensuring their well-being is key to the long-term sustainability of the business.



While content with the current scale of Cel Store, Jocelyn envisions a future where her daughter could continue steady growth and expand the business, building on its strong foundation. Cel Store's journey is a powerful example of how strategic decisions, perseverance, and community-focused values can lead to sustained success, even in the face of adversity.

## Building a stable financial future for Overseas Filipinos and families: BDO Remit

Dedicated to empowering dreams and securing futures, BDO Remit, through innovation and personalized service—Alagang Kabayan—simplifies banking to help OFs manage their money securely and confidently support loved ones back home.

### BEYOND REMITTANCE: FINANCIAL LITERACY AND COMMUNITY ENGAGEMENT

BDO Remit seizes every opportunity to help educate, engage and uplift its clients. The organization actively engages with communities to drive-up financial literacy and inclusion through initiatives such as the BDO Fiesta—a nationwide marketing caravan that combines fun with education. BDO Fiesta is designed to bring financial knowledge straight to the heart of the communities through localized festivities, games, and educational sessions. More than just an event, it serves as a fun and informative way to make banking products accessible, reinforcing BDO's role in the financial journey of OFs and their families.



### EXPANDING REACH, STRENGTHENING TRUST

In 2024, BDO Remit revitalized its community marketing efforts, extending its reach to remote areas to engage and connect with customers wherever they are. These initiatives aim to foster lasting relationships with Kabayans while reinforcing the trust they place in BDO. For existing account holders, the Bank strengthens these connections by offering tailored financial solutions designed for the OF market. Additionally, BDO Remit continues to collaborate with SM malls by participating in SM 3-Day Sale activities. This partnership allows clients to conveniently open accounts and inquire about other bank products and services. Since SM is a key location where OF families gather, these mall activations remain to be both strategically sound and highly effective.

BDO Remit has also strengthened its partnership with the Overseas Workers Welfare Administration (OWWA) by enhancing its financial literacy modules for OFs during Pre-Departure and Post-Arrival Orientation Seminars (PDOS/PAOS). Apart from savings and basic banking, these modules now cover insurance, investments, responsible borrowing, and fraud awareness, equipping OFs with practical financial management tools to navigate financial challenges confidently.

12%

Growth in Average Deposit of a Kabayan Customer

11%

Growth in Average Savings in Kabayan Accounts

9,367

Domestic and International Financial Literacy Lessons Conducted

288,124

Domestic and International Financial Literacy Lesson Participants

## BRINGING BANKING CLOSER TO OVERSEAS FILIPINOS

Beyond being a trusted remittance partner, BDO Remit embraces the rich diversity of the global Filipino diaspora. From Tokyo to Kuwait, France to the UAE; it remains deeply connected with OFs by actively participating in community events such as Philippine Independence Day and Taste of Manila celebrations. Over the years, these engagements reaffirm BDO Remit's commitment not just to celebration but to meaningful service. Last year, BDO Remit deployed roving expats to Italy, Canada, and Malaysia, who are knowledgeable in financial literacy and with a deep understanding of the unique needs of OFs in their respective regions. The expats help the clients facilitate their savings accounts, guide them on digital bank platforms like BDO Online and BDO Pay, and empower them to manage their finances securely and independently, regardless of the time zone. Through BDO Remit, the OFs, wherever they may be in the world, remain meaningfully connected to the Philippines.

## EXPANDING SOCIAL PROTECTION AND WELL-BEING

Through its collaboration with BDO Insure - the Bank's non-life insurance arm - BDO Remit provides free personal accident insurance for new Kabayan Savings account holders. Clients are then referred to insurance experts for affordable medical plans. BDO Remit also supports OFs' mental preparedness through Stress Management Workshops led by former OWWA Administrator Carmelita S. Dimzon, especially for domestic helpers headed to the Middle East. These workshops help them prepare mentally, emotionally, and culturally, giving them the confidence to work abroad and complete their contracts successfully.

## EMPOWERING OFs THROUGH BUSINESS OPPORTUNITIES

BDO Remit works closely with BDO Network Bank, Cash Agad, and other units of the Bank to encourage OFs to open accounts, granting them access to other banking products and services. Recognizing that many OFs aspire to start businesses, BDO Remit and BDO Network Bank have launched collaborative cross-selling initiatives to offer tailored financing through Kabayan Loan, which can be used to start small business ventures such as online selling and retail businesses; and Negosyante Loan, which empowers microbusiness owners by providing funds to scale up their operations. This collaborative service extends beyond Metro Manila with strong take-up in rural provinces and underserved areas like Isabela, Ilocos, Cebu, Negros, and Davao, helping OFs build sustainable livelihoods through entrepreneurship and contribute to economic resilience.



## GIVING BACK TO THE OVERSEAS FILIPINO FAMILIES

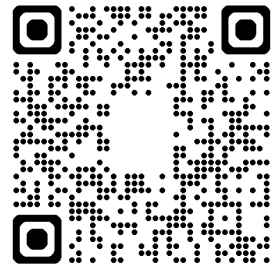
BDO Remit ensures that their sacrifices also come with added rewards. Through its synergy with SM Supermalls, BDO Remit has elevated the Kabayan Savings experience with Kabayan First Tuesday—an exclusive discount program for BDO Kabayan and BDO Network Bank Kabayan Savings account holders at selected SM affiliates nationwide.



## COMMITMENT TO FINANCIAL INCLUSION

Championing financial inclusion through impactful marketing and community outreach programs:

- **Pamaskong Handog:** On its 13th year, this annual Christmas event for OF families, held in partnership with SM Malls spreads joy and connections
- **Community Marketing Roadshows:** Organized alongside BDO Network Bank, bringing financial services closer to underserved communities
- **Partnership celebrations:** Supporting DMW and OWWA's Migrant Workers' Day, Family Day and Model Overseas Filipino Worker Family of the Year Award (MOFYA)



Scan to watch the heartwarming highlights of the 13th BDO Pamaskong Handog festivities

### CASE STUDY:

## Transforming OFs into Entrepreneurs

In a groundbreaking effort to advance financial inclusion, BDO Remit partnered with the Department of Migrant Workers (DMW) and OWWA to create opportunities for OFs who went home to rebuild their lives through Balik Kabayan Bazaar, a livelihood generation program to support them as they reintegrate into the local economy. BDO Remit supplied modular booths for OFs to sell products at the DMW headquarters, while DMW granted each participant with initial capital to launch their own business. BDO Remit also donated essential facilities needed for DMW's Balik Manggagawa (Returning Workers) area. Fostering self-sufficiency for OF families and economic resilience, this public-private partnership helps them build brighter, stable future.





# Empowering Women as Consumers and Entrepreneurs

Individual loans availed by women



49%  
of Home Loans

50%  
of First-time  
Home Loaners

56%  
of Mortgage  
Loans



46%  
of Auto Loans

37%  
of Personal  
Loans

51%  
of Car Leases



79%  
of Salary Loans

63%  
of Micro/  
Small/Medium  
Enterprise Loans

44%  
of Outstanding  
Multipurpose  
Loans by Sole  
Proprietors  
for Consumer  
Banking Group



Individual insurance availed by women



59%  
of Ordinary  
Life Insurance

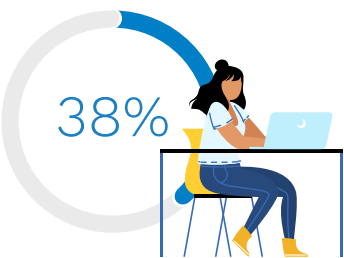
59%  
of Variable  
Life Insurance

47%  
of Accident  
Insurance



63%  
of Health  
Insurance

59%  
of Total  
Insured Lives



Bank accounts  
opened through online  
account application



Access to  
credit card facility



Investment plans  
availed by women



# 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.

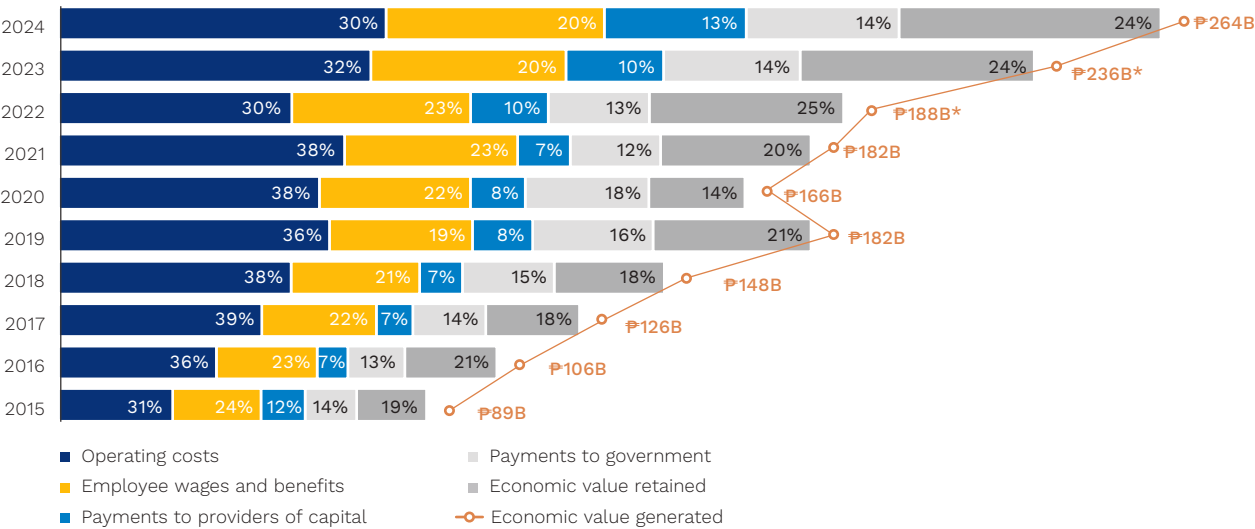


# Economic Impact 2-4, 201-1

BDO has strengthened its position as the country’s leading full-service bank, committed to serve the diverse banking needs of every Filipino. The Bank continues to expand its network, particularly in underserved areas, to broaden financial inclusion. Additionally, it enhanced its digital capabilities to improve the accessibility and ease of use of the Bank’s products and services. These initiatives have allowed BDO to generate and distribute economic values, supporting economic activity across the country.

## Economic Value Table 201-1

Figures in %



\* Adjustments were made to make the 2024 financial statements more comparable to regional standards per auditors’ recommendation, with 2022 and 2023 numbers restated. The SEC Financial Statements are basis for the table above.

## Economic Value Table 2-4, 201-1

In 2024, BDO’s direct economic value generated (DEVG) increased by 12% year-on-year, reaching ₱264 billion. This growth was driven by increased consumer and business activities arising from sustained economic expansion.

The Bank distributed 76% of its generated economic value, amounting to ₱202 billion, 13% higher than the previous year. Of the distributed value, 20% or ₱53 billion was allocated to wages and benefits for BDO’s workforce of over 44,000 employees, which in turn boosted consumer spending. Additionally, other operating expenses rose by 5% to ₱79 billion.

BDO’s total tax payments reached ₱36 billion, contributing to the government’s tax revenues and supporting economic growth. The company’s community investments totaled ₱212 million, which was used to support financial education programs, provide relief to disaster-stricken communities, and rehabilitate and rebuild rural healthcare delivery systems through BDO Foundation, the Bank’s corporate social responsibility division.

## Good Governance to Create a Sustainable Future

Corporate governance in BDO Unibank, Inc. (BDO) encompasses effective oversight, strict regulatory compliance and sustainable value creation. These core values are designed to safeguard and promote the best interest of all stakeholders, ensuring a balanced, ethical, and forward-looking approach to business operations and governance.

BDO's steadfast commitment to the highest standards of corporate governance is applied across the institution through consistent implementation of the principles of accountability, fairness, integrity, and transparency. This approach has built BDO's market reputation on the solid foundation of an upstanding 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 applies 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 corporate governance, risk management, and compliance 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 the delivery of various banking products and services that are sustainable, inclusive, equitable, environment-friendly, and socially relevant.



# Our Board of Directors and Governance Structure

The responsibility for good governance ultimately rests with the Board. It is tasked with providing effective leadership and overall direction to ensure the long-term success of the Bank. It oversees the business affairs of the Bank, including review of the strategic plans, performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices. The Board periodically reviews the Bank's strategic objectives ensuring their continuous alignment with the Bank's corporate mission and vision. It is also responsible for overseeing management performance, enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, and the continuing education of directors. Additionally, the Board manages the succession planning for itself, the Chief Executive Officer (CEO), and senior management.

In its commitment to sustainable banking practices, the Board considers sustainability issues related to the environment, social, and governance factors. This holistic approach ensures that the Bank achieves financial success, while contributing positively to society and the environment.

## Board Composition 2-9, 2-11

The Board is composed of eleven (11) members and aided by four (4) advisors. It is led by a Non-Executive Chairperson with seven (7) Independent Directors, three (3) Non-Executive Directors including the Chairperson, and one (1) Executive Director who is the President and CEO.

With Independent and Non-Executive Directors of the Bank comprising 91% (10 of 11) of the Board, its current composition surpasses the minimum regulatory standards for independent and non-executive directors to form the majority. As seven (7) of the eleven (11) Board seats are currently occupied by independent directors, the Bank goes beyond the 1/3 minimum requirement of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC). Independent, objective, and balanced judgment on significant corporate matters is attained and sustained as independent directors chair eight (8) of nine (9) board-level committees, namely Board Audit, Corporate Governance, Risk Management, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. This ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.

Board advisors are considered integral to the Board, with their opinions and recommendations highly valued by the Board members. The four (4) advisors are experts in their own fields and provide valuable insights and independent perspectives to the Board. The presence of a female Board advisor complements the three (3) female non-executive directors in the Board, one of whom is an independent director.

**2024 Update:** On August 31, 2024, former Department of Trade and Industry Secretary and University of the Philippines President Alfredo E. Pascual was appointed Independent Director enhancing the Board's diversity and insight. He filled in the vacancy due to the resignation of former director Walter C. Wassmer.

## BOARD COMPOSITION



Teresita T. Sy



Nestor V. Tan



Dioscoro I. Ramos



George T. Barcelon



Estela P. Bernabe



Vipul Bhagat



Franklin M. Drilon



Alfredo E. Pascual



Vicente S. Pérez, Jr.



Jones M. Castro, Jr.



Josefina N. Tan

## Screening of Directors 2-10

The Board, through the Nominations Committee, is responsible for screening and evaluating new director nominees. In line with the Bank's Board Diversity Policy, it leads the process of identifying and assessing potential candidates against determined roles and key attributes that would balance the skills, knowledge and experience of the existing Board membership and the requirements of the Bank. The Nominations Committee also receives recommendations for potential candidates, and to the extent possible, engages external search firms or external databases (i.e., Institute of Corporate Directors List of Members) in selecting a pool of candidates for the new members of the Board. The Nominations Committee then recommends the most suitable candidate to the Board, for appointment or election as director. This process was followed with the election of the new independent director in 2024.

For re-election 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 function of the Board.

## Board Diversity 405-1

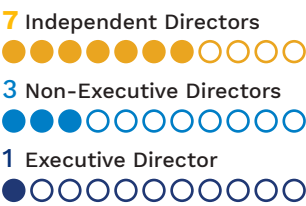
BDO views diversity as an essential element in maintaining strong corporate governance through an active and effective Board. The Bank's Board Diversity Policy reflects its recognition that diversity in skills, experience, gender, sexual orientation or preference, age, education, race, religion, business, and other related expertise among its directors will foster representation, critical discussion, and balanced decisions by the Board. As a whole, the Board, through its members, should possess all the necessary skills, experience and functional expertise to oversee the fulfillment of the strategic direction of the Bank. The Nominations Committee uses the Bank's Diversity Policy as primary reference to maintain and annually review an appropriate diverse and inclusive balance in the Board composition.

The present members of the Board have extensive experiences in banking, credit management, investment management, accounting and finance, insurance, legal management, business management, and 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.

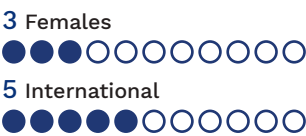
**2024 Update:** The addition to the Board of Director Alfredo E. Pascual, a new independent director elected in 2024 who has extensive experience in the private, public, and academic sectors, further enhanced the diversity in the Bank's Board. The Board believes that its current size and composition provide sufficient diversity among its directors. Such composition will enable the Board to bring about effective leadership and maintain strong corporate governance that is attuned with the Bank's growth, complexity, and scope of business.

## Board Snapshot

### DIRECTOR INDEPENDENCE



### DIRECTOR DIVERSITY



### DIRECTOR AGE



### BOARD SKILLS DIVERSITY



## Selection and Appointment of Senior Executive Management

The Board is also responsible for approving the selection and appointment of a competent senior 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 Audit Executive. Fit and proper standards are applied in the selection of key officers and utmost importance is considered on 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, approves and updates the Bank's mission, vision, objectives and strategies on a continuing basis. It also oversees management's implementation, 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 and keeps up with material changes in the Bank's business and regulatory environment to ensure that the Bank has beneficial influence on the economy. The Board similarly governs the implementation of policies relating to major areas of the Bank's operations and holds special meetings to discuss strategic matters and critical concerns.

## Improving Board Effectiveness 2-18

### Board Performance

The Corporate Governance Committee oversees the conduct of an annual Board assessment that focuses on the performance of the Board, directors, Committees and senior management. The annual assessment is facilitated by an external firm which is more than the regulatory requirement for an assessment every three (3) years. To the Committee, engaging an independent party every year, rather than every three years as recommended by the SEC, provides more governance inputs to the Board and allows a more effective comparability and continuity on Board performance. The Bank re-engaged Isla Lipana & Co./PwC Philippines (PwC) as external facilitator for the Bank's 2023 Board Effectiveness Evaluation (BEE) through questionnaires. PwC also facilitated and conducted a peer and self-evaluation process on the Board, Board-level Committees and individual directors, with additional insights from selected senior management officers.

Based on the assessment report by PwC, the Board has proactive involvement in crucial governance area and Board members bring varied skills and perspectives, enabling comprehensive analysis and robust strategic guidance leading to effective governance and sustainable business practices. The results further indicate strong oversight and engagement by the Board with senior management. The Chairperson and CEO consistently demonstrate exceptional leadership and competence effectively implementing board decisions and fostering a culture of excellence and innovation. The Board-level Committees, were assessed to have generally strong performance of their mandates. They also consistently demonstrate a high-level of engagement and oversight with senior management which ensures that strategic objectives are met, and that the organization remains on course. Evaluation results also highlight the strong leadership exhibited by the Board-level Committee chairpersons, who effectively guide their respective committees, foster collaboration, and drive impactful decision-making. Their leadership is instrumental in maintaining the Board's overall effectiveness and ensuring robust governance practices.

**2024 Update:** A new category was introduced in the 2023 questionnaire on the topic of Board Oversight of Sustainability/ESG, which will be carried forward in the next iterations of the BEE. Since 2018, the Board has actively performed oversight and provided directions on Environmental, Social, and Governance (ESG) initiatives, including comments/suggestions on further enhancing ESG and sustainability practices.



## Continuing Education for Directors and Senior Management <sup>2-17</sup>

To ensure the enhancement of directors' skills and knowledge, the Board undergoes a continuing education program. Each year, all directors and key officers are updated, briefed and required to attend a corporate governance seminar on relevant topics to ensure that they are attuned with the developments in the business and regulatory environments, including emerging opportunities and risks in the financial industry. All incumbent directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours in 2024.

**2024 Update:** Directors attended the in-house Corporate Governance Seminar held on July 26, 2024 along with members of the Bank's senior management, directors, and key officers of entities in the BDO Group. Global consulting and service partners of the Bank provided updates and insights on banking trends, emerging computer systems capabilities or intelligence and cyber threat landscape for banks and financial services, and insurance. The topic highlighted Resilience, Productivity and Synergies as the top strategic technology trends for 2024 and underscored how a collective governance approach may address the risks and concerns that come with these new developments and future proof the Bank. The seminar also highlighted the emerging major global cyber threats for financial industries, their impact on the business and provided insights on the available digital risk protection that can be considered in strengthening security measures that are already in place.

## Chairperson of the Board <sup>2-11</sup>

The Chairperson holds the pivotal role of guiding the Board, ensuring its optimal performance through visionary leadership, cultivating productive relationships among directors, and fostering an environment conducive to open, critical discussions and constructive debates on key issues and strategic matters. The Chairperson also ensures that the Board of Directors maintains a robust oversight of the Bank's operations and the performance of senior management. Additionally, the Chairperson spearheads efforts to uphold the Board's high standards of governance and independence, with unwavering support from all directors.

## Independent and Non-Executive Directors' Meeting

Independent and Non-Executive Directors (INED) regularly convene meetings with the heads of the control functions (i.e. Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive) as well as the external auditor. These meetings are held without the presence of management or any bank executive, allowing for candid discussions on various matters outside the formal Board Audit Committee and Risk Management Committee meetings. Additionally, the INED engage with the heads of business and operating units to gain deeper insights and foster more comprehensive discussions with the Bank's management. These meetings are chaired by the Lead Independent Director, ensuring structured and effective dialogue.

**2024 Update:** In 2024, the INED conducted three (3) sessions, and the results of these sessions were discussed with the Bank's Executive Directors in two (2) separate sessions. Recognizing the vital role of branch banking and consumer banking businesses to the Bank's success, the INED held a focus session with the Group Heads of these units of the Bank to discuss, among others, the strategy of the Bank for addressing digitalization challenges and taking advantage of growth opportunities. The INED also asked for updates on: new accounting regulations; developments on audit management systems and enterprise AML system; manpower resources, succession/transition; Internal Audit Group (IAG)'s priorities/focus areas, challenges, and initiatives; overview of the Bank's Risk Management Group (RMG) framework, function, plans and initiatives; and, Financial Action Task Force (FATF) grey list/Hong Kong and Macau Anti-Money Laundering (AML) practices.

## Board-level Committees 2-12, 2-16

The Board, in aid of discharging its duties and responsibilities, has established nine (9) committees. 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, 2024, eight (8) of nine (9) board-level committees are chaired by Independent Directors.

For the functions and composition of the standing committees of the Board, please refer to the 2024 BDO Annual Report,

### Executive Committee (ExCom)

**2024 Update:** ExCom approved the following:

- loans and credit facilities for clients for their various financing requirements.
- proposals to resolve/remediate problem accounts.
- leases and acquisitions of branch sites in support of the Bank's expansion and operational efficiency

On sustainability oversight, the Executive Committee required an environmental and social risk assessment for all new and refinanced accounts for lending and investment, as an overlay on current credit risk assessment, following the Bank's ESRMS policy. The E&S risk assessments will be done in phases until all client accounts are covered. The ESRMS guides BDO bankers to identify, assess, and manage E&S risks and opportunities associated with the Bank's credit, investments and administrative operations.

### Board Audit Committee (BAC)

**2024 Update:** The BAC conducted a comprehensive self-assessment of its performance for the year 2023, in accordance with its Terms of Reference and ensuring that all aspects of its mandate were evaluated. The BAC assessment indicated that the Bank's internal controls, financial reporting processes and systems are generally adequate and effective.

### Corporate Governance Committee (CorGov)

**2024 Update:**

#### ■ Annual Continuing Education of Directors

The Corporate Governance Committee ensured that all incumbent Board members successfully met the SEC's mandatory 4-hour requirement for the 2024 Annual Corporate Governance Seminar. The seminar was also well-attended by the respective directors and key officers of BDO's subsidiaries, reflecting the Bank's commitment to inclusive and comprehensive governance education across its entire corporate structure. The seminar received an above-average rating of 4.82 (with 5 as highest) from participants, indicating its effectiveness. Topics discussed were on generative AI concerns in banking, major cyber threats, and the evolution of ransom ware and its impact to the Bank. Presenters highlighted collective governance for efficient and effective risk mitigation.

#### ■ Adherence to Corporate Governance Standards

Throughout the year, the Corporate Governance Committee implemented several initiatives to elevate corporate governance standards. The Committee approved the 2023 Integrated Annual Corporate Governance Report and the Bank's report on compliance with leading governance practices, which were incorporated into the 2024 Information Statement (SEC Form 20-IS). The

Committee endorsed the revised 2023 ASEAN Corporate Governance Scorecard (ACGS) Self-Assessment Document, providing guidance for ACGS assessors to identify the Bank's disclosures aligned with ACGS recommendations. Demonstrating its unwavering commitment to exemplary corporate governance, the Bank was honored with the prestigious Five (5) Golden Arrows Recognition from the Institute of Corporate Directors (ICD) on September 19, 2024 for its 2023 corporate governance practices.

#### ■ Revision of key governance documents

The CG Committee approved and endorsed several revisions to key governance documents. For more details on the revisions to these documents, please refer to the 2024 BDO Annual Report.

- BDO Code of Conduct and Business Ethics
- Personal Trading Policy
- Interlocking Positions Policy
- Corporate Governance Manual
- Board Level Committees Terms of Reference

#### ■ Sustainability Oversight 2-12

The Corporate Governance Committee reviewed the Bank's key initiatives for sustainable finance and BDO operations with sustainability impact. Sustainability Matters is a permanent agenda item in every CorGov Committee meeting and the Head of the Sustainability Office presented in all seven (7) CorGov meetings in 2024. Among the matters discussed were: the status of implementation of the Environmental and Social Risk Management System (ESRMS); the engagement with a third party provider to account for the Bank's carbon emissions on projects financed by the Bank and reporting such based on the recommendations of the Task Force for Climate-based Financial Disclosures (TCFD); the contents of the 2023 BDO Sustainability Report; and, the Bank's Environmental, Social, and Governance (ESG) Dashboard. The Committee also tackled updates on the benchmarking results of BDO with other companies in terms of its sustainability progress and initiatives and the several global and regional awards and recognitions that the Bank received. Other updates were on the benchmarking results related to the Bank's inclusion in TIME World's Best Companies 2023; Brand Finance's ranking for the most valuable brands in the Philippines and the financial sector, including the brand valuation of BDO's sustainability brand. CorGov was also updated on local and international recognitions received related to sustainability /ESG: The Retail Banker International Asia Trailblazer Award 2024, the Euromoney Excellence Awards 2024, Asia Corporate Excellence & Sustainability (ACES) Awards 2024, The Asset ESG Corporate Awards 2024, and the Five Golden Arrows from the ASEAN Corporate Governance Scorecard Awards, among many.

The Corporate Governance Committee also discussed the Impact Report on the full allocation of the Bank's first ASEAN Sustainability Bonds (ASB) proceeds and provided recommendations for effectively communicating these impacts to stakeholders for succeeding impact reports. See details of the ASB Impact Report in the section on Mainstreaming Sustainable Banking in this Sustainability Report.

#### ■ Board Effectiveness Evaluation

The Corporate Governance Committee engaged PricewaterhouseCoopers (PwC) as the independent assessor for the 2023 Board Effectiveness Evaluation (BEE). The executive summary of the 2022 BEE results provided the Committee valuable insights on the strengths and areas of improvements of the Board, Board Committee, Directors and Senior Management as whole. Preliminary results of the 2023 BEE were discussed during the Committee meeting on August 28, 2024, highlighting areas of strength and opportunities for improvement. The Board's performance was evaluated in ten (10) areas, namely: (i) Board responsibilities, (ii) Board composition, (iii) Board conduct, (iv) Board interaction and communication, (v) Chairperson, (vi) Chief Executive Officer, (vii) Board administration process, (viii) strategic Board meeting sessions, (ix) Board oversight of risks, and the new category on (x) Board Oversight of Sustainability/ESG.

## Trust Committee (TrustCom)

**2024 Update:** Significant matters taken up by the Committee in 2024 included, among others, the Trust and Investment Group's (TIG) investment outlook and business strategy; financial targets for the year; business performance evaluation; institutional accounts opened and closed, funds flow, the conduct of account, product and administrative reviews. See the 2024 BDO Annual report for more details.

## Risk Management Committee (RMC)

**2024 Update:** In accordance with its mandate, the Committee conducted regular discussions on the Bank's exposures to various risks, i.e., credit portfolio risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk (including business continuity risk, IT risk, information security risk, data privacy risk and social media risk), as well as consumer protection risk and environmental & social risks, including mitigation strategies, where necessary and applicable.

Regular discussions of the Committee covered large exposures and credit risk concentrations, asset quality, results of credit stress tests and its impact on capital adequacy, results of the BSP-mandated stress tests (i.e. BSP Uniform Stress Test and Real Estate Stress Test); updates on compliance to BSP Circulars 1159 and 1174 on the implementing rules and regulations and prudential reports relative to the mandatory Agriculture, Fisheries & Rural Development (AFRD) Financing Enhancement Act of 2022; environmental & social risk management system (ESRMS) exposures; country risk exposures; liquidity gaps and results of liquidity stress tests; regulatory reports on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); macroeconomic and market updates and forecasts; mark-to-market of the investment portfolio, trading portfolio exposures, asset & liability management (ALM) exposures, Value-at-Risk (VAR), Earnings-at-Risk (EAR), results of market risk and interest rate risk stress tests and impact on capital adequacy; results of performance monitoring of all implemented risk management models; operational risk profile of the Bank, significant operational risk incidents, operational losses and impact on capital adequacy, results of Business Continuity Plan (BCP) testing, any information on security breaches, cybersecurity updates, and any data privacy incidents in relation to Republic Act No. 10173, otherwise known as the Data Privacy Act (DPA); Trust risk management reports; general profile of client inquiries/requests/complaints and resolutions/actions taken in compliance with BSP Circular 857 on Consumer Protection; and social media risk report in compliance with BSP Circular 949 on the Guidelines on Social Media Risk Management.

The Committee also tackled in detail the sustainable financing and investments of the Bank which can be applied as its compliance with the mandatory credit allocation that is required under Republic Act 11901 or "The Agriculture, Fishing and Rural Development (AFRD) Financing Enhancement Act of 2022." The Head of the Sustainability Office worked with Regulatory Compliance Department and business units to identify green and social financing that may qualify for compliance based on the government's sustainable finance taxonomy and framework.

## Nominations Committee (NomCom) 2-10

**2024 Update:** The Nominations Committee reviewed the profiles of various individuals as directors for the term 2024-2025, including incumbent regular and independent directors. Notably, this exercise included the evaluation of Mr. Alfredo E. Pascual, prior to his election as BDO's newest Independent Director. These nominations bring diverse expertise and perspectives to the board, essential for robust governance and strategic decision-making. Additionally, the Committee approved the interlocking and concurrent positions of certain directors, ensuring that their roles in other entities do not conflict with their responsibilities at BDO Unibank. See the 2024 BDO Annual Report for more details on key senior leadership appointments.

## Compensation Committee (CompenCom)

**2024 Update:** To enhance governance, the Committee approved and endorsed a revised Terms of Reference (TOR) to the Board of Directors. The revision allows the appointment of Advisors to provide independent, expert advice. Advisors must have relevant education, skills, and experience, and will not have voting rights. They must recuse themselves from discussions with potential conflicts of interest to ensure adherence to best governance practices while maintaining independence and integrity.

## Information Technology Steering Committee (ITSC)

**2024 Update:** In 2024, the IT SC made several key decisions to enhance the Bank's IT infrastructure, security measures, and overall operational stability. They approved and endorsed revised Terms of Reference, defining the roles and participation of advisors. The ITSC also focused on Technical Contingency Plan (TCP) testing and resolving audit findings to maintain the Bank's readiness to promptly address issues and enhance IT operations' stability. These decisions improved IT governance, infrastructure, and security at the BDO Group, reflecting the ITSC's commitment to maintaining high standards of operational stability and reliability.

## Related Party Transactions Committee (RPTC) 2-15

**2024 Update:** The RPTC conducted a meticulous review and approval process for various material credit and non-credit related party transactions, endorsing them for Board approval. This rigorous oversight ensured that all transactions were thoroughly evaluated, maintaining arms-length transactions with related parties, transparency and compliance with regulatory standards. The Committee also reviewed all non-material related party transactions annually before Board confirmation, ensuring that even minor transactions met the necessary governance standards. See the 2024 BDO Annual Report for more details on related party transactions.

# Compliance with the SEC Code of Corporate Governance

Publicly listed companies (PLCs) are advised to disclose in their Annual Report the company's compliance with the Code of Corporate Governance. In cases of non-compliance, PLCs shall identify and explain the reason for such an issue. The Bank confirms that as of December 31, 2024, it has substantially complied with the recommendations of the Code, with two exceptions: 1) Policy on retirement age of directors and 2) Disclosure of executive remuneration on an individual basis.

On the retirement age of directors, the Board does not have a Board retirement age policy since it recognizes that chronological age is not the primary determinant of a director's effectiveness in fulfilling their duties and responsibilities. The wisdom and experience of senior directors are invaluable assets which continue to benefit the Board, while also adhering to the legal standards that prohibit age discrimination. This balanced approach allows the Board to leverage the expertise of all its members, ensuring effective governance and compliance with anti-discrimination laws.

On the disclosure of executive remuneration on an individual basis, the Bank presents the figures for key executives in aggregate. This approach addresses potential security and competition issues that may arise from disclosing individual remuneration details.

By adhering to these principles, the Bank ensures that it maintains a balance between transparency and the protection of its directors and executives, while continuing to uphold the highest standards of corporate governance.

## Independent Control Functions

### Compliance

BDO's Compliance Group, led by the Chief Compliance Officer (CCO), oversees the design and implementation of the Bank's compliance system and framework through a comprehensive compliance program, and promotes their effective implementation. Reporting directly to the Board Audit Committee, the Compliance Group ensures that the Bank adheres to all relevant laws, rules, and regulations, as mandated by the BSP and other regulatory bodies. This includes managing compliance risk, fulfilling prudential reporting obligations and providing compliance training.

The compliance system integrates processes, people and policies to ensure that the Bank's operations align with industry standards, regulatory and legal requirements. This commitment to compliance safeguards the Bank and its stakeholders. As outlined in its Charter, the Compliance Group conducts independent compliance tests and reports any significant issues or breaches to the Board Audit Committee.

The Anti-Money Laundering Department (AMLDD) under the Compliance Group, together with the Anti-Money Laundering Committee (AMLC), focuses on the enforcement of the Bank's Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF) and Combating Proliferation Financing (CPF) program, in accordance with the Anti-Money Laundering Law as amended, Terrorism Financing Prevention and Suppression Act, and Anti-Terrorism Act (ATA) and their respective Implementing Rules and Regulations (IRRs).

The Bank also adheres to BSP and Anti-Money Laundering Council (AMLC) rules, regulations and directives. The AML Program of the Bank is articulated and carried out through its Board-approved Money Laundering, Terrorist Financing and Proliferation Financing Prevention Program (MTFP) Manual, which covers AML/CTF/CPF policies, giving special focus on the five (5) pillars of AML/CTF/CPF compliance namely: (i) customer onboarding, risk assessment and due diligence, (ii) customer/transaction monitoring, (iii) regulatory reporting such as Covered and Suspicious Transaction Reporting, (iv) record-keeping, and (v) AML/CTF/CPF training.

The Bank's Board Audit Committee receives monthly reports on AML compliance and monitoring from the AML Department (AMLDD), and all material AML concerns are escalated to the AML Committee, a management group comprised of select key senior officers of the Bank whose main duty is to oversee the Bank and its affiliates' effectiveness in complying with anti-money laundering laws, regulations and the Bank's AML/CTF/CPF program.

The Sustainability Office (SO) also reports to the Chief Compliance Officer, aligned with its role to lead ESG governance with oversight on sustainable finance transition, ESG risks and opportunities, compliance, policy formulations and programs oversight, and sustainability advisory across the BDO Group. The SO produces the Bank's annual Sustainability Report aligned with global reporting standards, and collaborates with external partners on strategic sustainability projects supporting the Bank's Sustainable Finance Framework and the UN Sustainable Development Goals. The SO works across all levels of the organization from the Board to employees in order to execute BDO's sustainability strategies. The SO is also tasked with stakeholder communication on behalf of the Corporate Governance Committee, and in this role, articulates the Bank's sustainability initiatives to stakeholders in various external channels and forums.



The Compliance Group, through its comprehensive compliance program, strives to protect the Bank's franchise, and manage compliance risks. Simultaneously, it supports the Bank's business goals and growth by offering valuable compliance insights and regulatory guidance. This dual focus ensures safeguarding of the Bank and its stakeholders, fostering a secure and compliant operational environment.

## Internal Audit 2-24, 403-8

The Internal Audit function covers the entire BDO Group, including local and foreign subsidiaries and offices. It adheres to the principles required by the International Standards for the Professional Practice of Internal Auditing (ISPPA), COSO Internal Control Integrated Framework, Control Objectives for Information and Related Technologies (COBIT), and the Internal Audit Definition and Code of Ethics.

IA 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 of the BDO Group's adherence to the BDO Sustainable Finance Framework, regulatory issuances, and regulatory reporting requirements.

IA provides value to senior management and governing bodies as a source of independent advice by keeping abreast of relevant changes and updates in regulations and the Group's sustainability initiatives in compliance with, but not limited to the following:

- Bangko Sentral ng Pilipinas (BSP) Circular No. 1085, series of 2020 – Sustainable Finance Framework
- BSP Circular No. 1128, series of 2021 – Environmental and Social Risk Management System (ESRMS)
- BSP Circular 1149, series of 2022 – Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks
- Securities & Exchange Commission (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, report 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.

## 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.

## 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.

## Disclosure of Sensitive/Confidential Matters to Management (Whistleblowing)

BDO firmly believes that long-term sustainability and success are deeply rooted in maintaining a strong reputation and good name in the marketplace. To achieve this, the Bank is dedicated to upholding the highest standards of ethical values, integrity, honesty, accountability and transparency in all business operations.

The Bank's Policy on Disclosure of Sensitive/Confidential Matters to Management ensures that any incident, situation, circumstance or problem involving fraud and/or policy violation is promptly reported for further investigation. This policy aims to prevent or mitigate monetary loss and protect the Bank's image.

Reports can be made through various channels, including SMS text, letter, email or phone call directly to the Office of the President (OP) or the appropriate Head of the Unit concerned. If the concern involves the President and the other Executive Directors, the report should be directed to the Board of Directors through the Office of the Chairperson. For issues on Related Party Transactions (RPT), any report should be addressed to the Chairman of Related Party Transactions Committee.

## 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 2024, there were 12 decided cases of cash abstraction (internal fraud) involving six (6) Bank employees who were then dismissed accordingly, consistent with the existing labor laws, all under BDO Unibank Inc. The Bank undertook to file legal cases against these 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 Proliferation Financing <sup>2-23</sup>

BDO's Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and Counter-Proliferation Financing (CPF) compliance program is 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 (AMLDD) of the Compliance Group. AML concerns are escalated to the AML Committee, a management group responsible for oversight on 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 is composed of representatives from Compliance, Corporate Governance, Legal, Branch Banking, and a Head Office Senior Officer who meet every three months or more frequently as needed.

The AMLDD is in charge of ensuring that the Bank's Money Laundering, Terrorist Financing and Proliferation Financing Prevention Program (MTFP) 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 AML Department. 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 <sup>2-23</sup>

BDO's 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 asset service providers. The Bank prohibits transactions with designated individuals and/or entities included in the sanctions lists of the United Nations Security Council (UNSC), the Office of Foreign Assets Control (OFAC) and the Philippines' Anti-Terrorism Council. The same rule applies to countries identified as High-Risk Jurisdictions subject to a Call for Action by the Financial Action Task Force (FATF) (i.e. "Black list") and likewise to jurisdictions subject to comprehensive sanctions by the OFAC. BDO complies with the directives of OFAC, FATF, and UNSC sanctions rules and subjects all its clients, including beneficial owners of its juridical customers, to mandatory watchlist name screening process.

BDO categorizes its clients based on the overall risk they pose as they undergo the corresponding Customer Due Diligence (CDD). For clients who pose normal risk, average due diligence is carried out, while enhanced due diligence (EDD) is employed for clients who classify as high risk. The Bank's MTFP outlines a list of high-risk clients and industries which are subject to close monitoring and annual EDD.

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 AML Department. BDO protects the confidentiality of Suspicious Transaction Report (STR) filings and any other information that could lead to the discovery of an STR.

The Bank conducts a bi-annual enterprise-wide Institutional Risk Assessment (IRA) which identifies and assesses the Bank's ML/TF/PF and operational landscape together with the level of controls

which the company has, to address the management of ML/TF/PF risks. The IRA serves as the Bank's reference to enhance and adopt appropriate AML/CFT/CPF controls that are commensurate with the identified ML/TF/PF risks and ensure compliance with the Anti-Money Laundering Act (AMLA) of the Philippines, its Implementing Rules and Regulations (IRR) and BSP Circular No. 706, as amended by BSP Circular No. 950 and BSP Circular No. 1022.

## AML Training 2-23

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 validation 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 typologies of money laundering involving the FI'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 lockdowns in the Philippines, face-to-face trainings resumed and beginning 2023, at least 37 customized-classroom-type trainings have been conducted by AMLD which increased AML engagement and awareness within the Bank.

## Anti-Online Sexual Abuse and Exploitation of Children (OSAEC)

The Bank recognizes the increasing risk posed by OSAEC and implements measures and controls to mitigate risks arising from this crime. It has reinforced its ongoing monitoring process for its alert scenario parameters under its transaction monitoring system to effectively detect human trafficking/ 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 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 also developed training specific to OSAEC (AMLA 109 – Combating Online Sexual Abuse and Exploitation of Children (OSAEC) and made the trainings mandatory for client-facing units. The goal is to ensure awareness of the ML/TF risk exposure from OSAEC and related activities and appropriate AML/CFT controls which bank employees 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, environmental, 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

29,349

Employees trained  
in 2024

11

Courses Available  
in e-Learning Module  
(AML 101-111)

AMLA 109

Combating Online Sexual  
Abuse and Exploitation of  
Children (OSAEC)

AMLA 110

Combating Money Mules

AMLA 111

Designated Non-Financial  
Businesses and Professions

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 <sup>207-4</sup>

### **BDO Unibank, Inc. and Subsidiaries** **Geographical Segment Reporting** **As of December 31, 2024** **(in Php millions)**

	The Group				Total
	Philippines <sup>1/</sup>	Singapore Branch <sup>2/</sup>	Hong Kong Branch and Hong Kong Subsidiary <sup>3/</sup>	Rest of the World <sup>4/</sup>	
Net Interest Income	184,696	1,153	876	(129)	186,596
Fee and commission income	55,292	336	115	173	55,916
Other non-interest income	21,577	43	70	132	21,822
Total Income	261,565	1,532	1,061	176	264,334
Total Expenses	145,257	575	488	293	146,613
Impairment Losses	14,062	(17)	(15)	—	14,030
Profit before Tax	102,246	974	588	(117)	103,691
Income tax expense	21,225	154	92	—	21,471
<b>Net Profit</b>	<b>81,021</b>	<b>820</b>	<b>496</b>	<b>(117)</b>	<b>82,220</b>
<b>Attributable to:</b>					
Shareholders of the Parent Bank	80,820	820	496	(117)	82,019
Non-controlling Interests	201	—	—	—	201
	<b>81,021</b>	<b>820</b>	<b>496</b>	<b>(117)</b>	<b>82,220</b>
Total assets before goodwill and intangibles	4,734,837	76,122	51,747	2,113	4,864,819
Goodwill and intangibles	11,230	1	—	—	11,231
<b>Total Assets</b>	<b>4,746,067</b>	<b>76,123</b>	<b>51,747</b>	<b>2,113</b>	<b>4,876,050</b>
<b>Non-current assets</b>	<b>3,015,070</b>	<b>28,316</b>	<b>35,009</b>	<b>1,616</b>	<b>3,080,011</b>

<sup>1/</sup> Net profit reported under Parent Bank (excluding BDO Hong Kong and Singapore Branches) and Subsidiaries operating in the Philippines

<sup>2/</sup> Net profit reported under the Singapore Branch

<sup>3/</sup> Net profit reported by the Hong Kong Branch and the Hong Kong Subsidiary

<sup>4/</sup> 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 2024 identified cyber insecurity risks as the 4th risk in a 2-year scenario and 8th risk in a 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

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 to Republic Act No. 10173, otherwise known as the Data Privacy Act (DPA) of 2012. This framework is based on the National Privacy Commission's (NPC) Five Pillars of Data Privacy Accountability and Compliance as follows:

- 1. Appointment of Data Protection Officer (DPO).** The Bank has a Data Protection Officer (DPO) who is registered with the NPC.
- 2. Conduct of Privacy Impact Assessment (PIA).** PIA is conducted for all new and existing programs, projects, or processes that have privacy impact. All business and support units of the Bank are required to perform and update their PIAs at least on an annual basis.
- 3. Privacy Management Program and Privacy Manual.** The Bank's DPMP is contained in the Bank's Data Privacy Manual which serves as a reference manual for all units of the Bank in complying with the DPA.
- 4. Implementation of Data Privacy and Protection Measures.** BDO, in its commitment to data privacy and protection, adheres to the general principles of Transparency, Legitimate Purpose, and Proportionality, in processing personal and sensitive personal information of its customers in all phases of the data life cycle as follows:
  - **Transparency.** The Bank provides its customers clear and concise privacy provisions as incorporated in its bank forms/documents, such as the BDO Group Data Privacy Statement and the BDO Group Data Privacy Consent, to ensure that customers are well-informed of the purposes of data processing, the parties involved, and the rights of individuals.
  - **Legitimate Purpose.** The Bank's data processing activities are aligned with the declared purposes communicated to its customers for services or transactions requested, allowed, or authorized by them.
  - **Proportionality.** The Bank only processes personal data that is relevant, adequate, and commensurate with the declared and specified purposes, consistent with its commitment and dedication to respecting the rights of individuals and limiting data processing to what is only essential.

Each business and support unit has its own Compliance Officer for Privacy (COP) which coordinates with the DPO to ensure the proper implementation of the Bank's DPMP across the BDO Group.

- 5. Data Privacy Breach Reporting Procedures.** The Bank has a data privacy breach reporting procedure in place. The DPO conducts training on a regular basis to enhance the Bank's awareness on data privacy risks, which includes breach reporting procedures consistent with regulatory requirement of NPC.

The Risk Management Committee (RMC) has oversight over data privacy risk. The DPO updates the RMC with respect to the Bank's compliance to the Data Privacy Management Program on a regular basis.

## Cybersecurity

Cybersecurity is a top priority for BDO Unibank, as it is an essential part of its business to help clients achieve their financial goals. With this priority, the Bank is committed to safeguarding its clients' information and assets entrusted to it, by continuing to invest in cybersecurity and fraud management technologies to give its clients the confidence they would expect from the largest bank in the Philippines.

The Information Security Strategic Plan (ISSP) outlines the overall cybersecurity direction for the bank. The Information Security Program (ISP) aligns with the business strategy of the bank and details the strategic programs, operations, technologies and resources needed to ensure alignment to ISSP. Both ISSP and ISP support the business and provide the assurance that its direction and intent are reflected in the cybersecurity posture of BDO.

The Bank utilizes a structured approach following international standards and industry best practices such as ISO 27001 and NIST Cybersecurity Framework in implementing its cybersecurity program. BDO continuously conduct security testing and drills to adhere to the regulatory requirements set forth by the Bangko Sentral ng Pilipinas (BSP).

Oversight for cybersecurity resides in three key groups which report to senior management and the Board. The Information and Cybersecurity Office (ICSO) is responsible for the effective implementation and oversight of the ISSP and ISP. The Risk Management Group (RMG) manages and reports the risks, while the Information Technology Group (ITG) handles the implementation and monitoring of the technical controls.

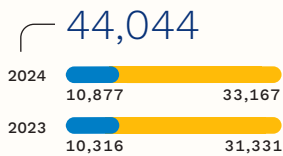
BDO strongly supports the Bangko Sentral ng Pilipinas (BSP) in its mandate to keep abreast with the adoption of technologies that will strengthen the BSP framework for risk supervision. The Bank continuously commits to providing accurate and timely information to BSP for a responsive and effective banking supervision. BDO also 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 employees and clients.

# Employee Profile

■ Male ■ Female

## Employee Count

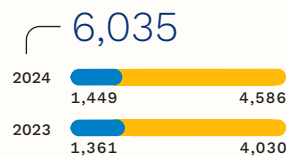
(Permanent)



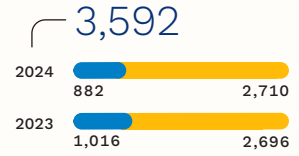
(Fixed-Term)



## New Hires

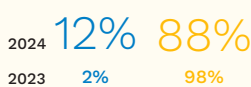


## Employee Separations

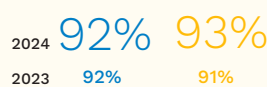


## Leave Availments

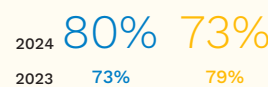
Parental Leave (out of total availments)



Vacation Leave

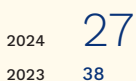


Sick Leave



## Training and Development

Average Training Hours Per Employee\*



Sustainability Training Hours

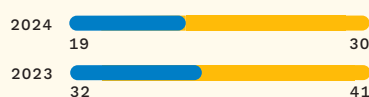


84%  
Anti-Corruption Training

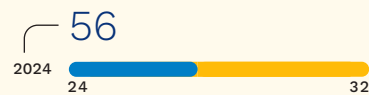
100%  
Return to Work Rate (after Parental Leave)

100%  
Remain to be employed 12 months after return to work from Parental Leave

By Gender



Transition Assistance Programs



99.7%  
Code of Conduct and Business Ethics Training

43%  
Employees covered by Collective Bargaining Agreement

99%  
Senior Officers hired from local community

## Skills Upgrade

Officership Development Program (ODP)



Management Development Program (MDP)



Relationship Manager Training Program (RMTP)

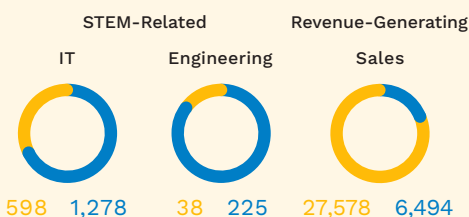


20.7%  
Occupational Health and Safety Training

59%  
Female Senior Officers

9.4%  
Open Positions Filled by Internal Candidates

## Employee Functions



## Workers who are not employees

Janitorial and concierge services

2,039

Security personnel on fixed post

5,246

Ratio of standard entry level wage compared to local minimum wage

Male 1.04:1  
Female 1.04:1

100%

Percentage of security personnel received formal training on occupational health and safety 403-9



## By Location

■ Luzon ■ Visayas ■ Mindanao ■ Abroad

### EMPLOYEE COUNT

(Permanent)

2024

34,286

4,480

5,129

149

2023

32,466

4,180

4,887

114

(Fixed-Term)

2024

52

1

0

0

### NEW HIRES

2024

4,733

614

645

43

2023

4,153

651

559

28



## Occupational Health and Safety

■ Male ■ Female

### Incidents of work-related Injuries 403-9

2024

10

0 Fatality as a result of work-related injury

### Lost-time injury (hours)

2024

264 384

### Safe man hours

Based on 1 million hours worked

2024

3,696,000 2,808,000

### Total hours worked

Based on 1 million hours worked

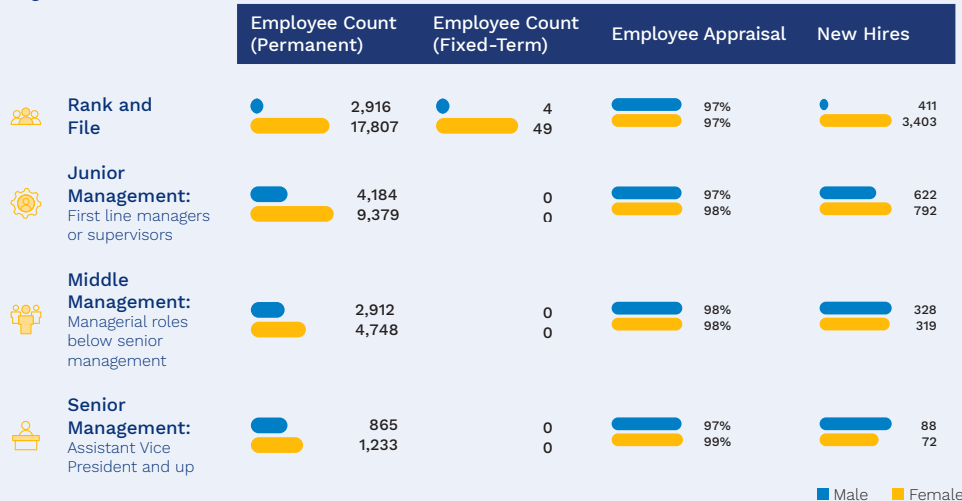
2024

14,000,000 54,000,000

2024

38 Number of safety drills conducted for the year

## By Level



### Employee Appraisal

97%

Of Total Eligible Employees



## By Age Group

Employee Count (Permanent)

14,834 25,713 3,497

<30 30-50 >50

Employee Count (Fixed-Term)

53 0 0

<30 30-50 >50

New Hires

4,625 1,358 52

<30 30-50 >50

Employee Separation

1,700 1,615 277

<30 30-50 >50

## Promotions

■ Male ■ Female

1,371 6,689

2023

1,704 6,919

2024

## By Type

■ Voluntary ■ Involuntary

### Employee Separations

3,283 428

2023

3,127 465

2024

# 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

BDO is well-known for its “We find ways” mantra, which lies at the heart of BDO’s culture of service, excellence, and innovation. It is also 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.

In 2024, the Bank’s Human Resource Group continued to cultivate a sustainability mindset among its employees through performance management, various HR programs, trainings, and seminars ensuring that a positive and inclusive culture exists.

## Labor Relations 2-30

The Bank's Collective Bargaining Agreement (CBA) with its labor union 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. The Union is affiliated with Associated Labor Unions (ALU).

The Bank has not suffered any labor strikes in the past 31 years and considers the maintenance of harmonious relations with its employees and the Union as one of its key human capital agenda.

## Driving Career Progression

The Fast Track Program that was launched in 2016 aimed to support Business Groups to retain, develop, and accelerate qualified and high performing Staff and Junior Assistant Manager employees. In 2024, the Fast Track Program was relaunched as the Career Accelerator Program (CAP) and was enhanced to run for an 8-month period instead of the previous 16-month period. The accelerated program provides for a streamlined Talent Development Program for high potential Junior Managers. In its pilot run, CAP yielded 45 successful graduates from various business groups. This was a marked 200% increase from the previous year's 15 graduates under the Fast Track Program. Through CAP, the Bank maintains its thrust to develop, nurture and sustain talented and high-performing employees, creating a skilled workforce that drives innovation and productivity enabling future leaders to emerge.

Other Talent Development Programs that continued to be implemented in 2024 were the following:

- Officers Development Program for junior officers, with 830 female graduates and 160 male graduates
- Management Development Program for mid-managerial level, with 379 female graduates and 211 male graduates
- Relationship Manager Training Program to prepare for full-pledged relationship manager role
- Branch Manager 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. This also enables the Bank to sustain inherent institutional knowledge and work culture synergy, while reducing "new hire" adaptability risks and external recruitment costs.

## Building HR Capability

Looking at internal capability, HR launched its HR Learning Sessions during lunch breaks across HR teams to discuss key information on business products and services, as well as revenue generation by each business. The goal of the HR Learning Sessions was to hone the team's business acumen and better anticipate the business' human capital needs.

**86%**  
Of CBA members  
are female

**45**  
graduates from  
the Career  
Accelerator Program

**990**  
graduates from  
the Officers  
Development Program

**590**  
graduates from  
the Management  
Development Program

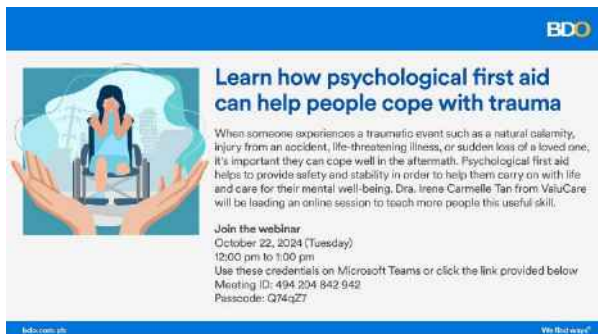
## Value Proposition in Employee Performance and Promotion Management

As part of the continuing efforts to enhance employee experience, the Bank's online Performance Assessment platform called PARonline was upgraded to allow for easier navigation and more intuitive access to performance assessment records for individuals and teams. Behavioral norms were reinforced in the performance management process in support of incorporating the Bank's Sustainability goals in employee mindset and behavior. Parameters for promotion recommendations were revisited to ensure substantiated promotions are implemented into meaningful expanded roles.

## Promoting Employee Health and Well-being 403-6

The Bank ensures that employee health and well-being are among its topmost priorities in creating a safe, healthy and positive work environment. In 2024, several programs were administered in response to this:

1. Regular release of Health Watch advisory via eNewsgram that provides information and guidance on health-related issues and offering recommendations
2. Monthly Health Webinars conducted by medical experts on a variety of health conditions and topics
3. Immunization Programs for employees and their dependents
4. Annual Medical Check Ups with BDO On Premise Personalized Laboratory Services (PALS) Program where an out-patient blood extraction, as prescribed by the doctor, is available at BDO In-house Clinics
5. Mobile Blood Donation Drive in partnership with the Philippine Red Cross



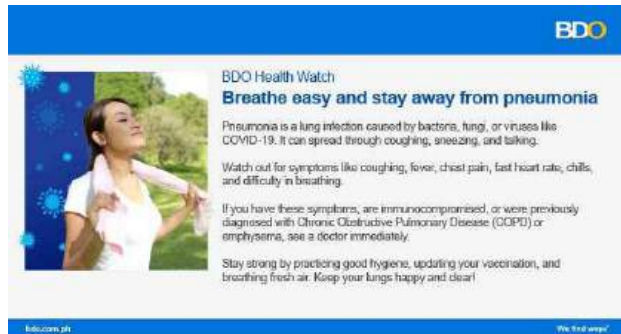
**BDO**

### Learn how psychological first aid can help people cope with trauma

When someone experiences a traumatic event such as a natural calamity, injury from an accident, life-threatening illness, or sudden loss of a loved one, it's important they can cope well in the aftermath. Psychological first aid helps to provide safety and stability in order to help them carry on with life and care for their mental well-being. Dra. Irene Carmelle Tan from ValuCare will be leading an online session to teach more people this useful skill.

**Join the webinar**  
October 22, 2024 (Tuesday)  
12:00 pm to 1:00 pm  
Use these credentials on Microsoft Teams or click the link provided below  
Meeting ID: 494 204 842 942  
Passcode: Q74qZ7

bdo.com.ph We find ways®



**BDO**

### BDO Health Watch

#### Breathe easy and stay away from pneumonia

Pneumonia is a lung infection caused by bacteria, fungi, or viruses like COVID-19. It can spread through coughing, sneezing, and talking.

Watch out for symptoms like coughing, fever, chest pain, fast heart rate, chills, and difficulty in breathing.

If you have these symptoms, are immunocompromised, or were previously diagnosed with Chronic Obstructive Pulmonary Disease (COPD) or emphysema, see a doctor immediately.

Stay strong by practicing good hygiene, updating your vaccination, and breathing fresh air. Keep your lungs happy and clear!

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**BDO**

### Understanding the symptoms of Monkeypox

Early detection of the Monkeypox (Mpox) virus can help protect both yourself and the people around you. Here's how you can tell if the symptoms you are experiencing are signs of Mpox.

	Monkeypox	Chickenpox	Measles
<b>Cause</b>	Monkeypox virus	Varicella-zoster virus	Measles virus
<b>How it spreads</b>	Physical contact	Close contact	Airborne
<b>Rash symptoms</b>	Classy, well-defined and deep red bumps	Soft, fluid-filled blisters	Flat red spots
<b>Development</b>	Slow	Fast	Rapid
<b>Distribution</b>	More lesions on face, present on palms and soles	More lesions on back, all over on palms and soles	Starts on face and spreads
<b>Other symptoms</b>	Fever (3-5 days), Swollen lymph nodes, Enlarged Lymph Nodes, Death	Fever (1-2 days), Swollen lymph nodes, Absent, Death (Up to 10%)	Fever (2-3 days), Swollen lymph nodes, Occasional, Death (Virtually none)

If you are diagnosed with Mpox, here are tips to prevent transmission:

- Stay at home if you have symptoms
- Consult with your doctor immediately
- Wash your hands often with soap and water
- Avoid touching items in shared spaces
- Avoid crowded places

bdo.com.ph We find ways®



**BDO**

### Nobody is too old to be vaccinated

Getting vaccinated as an adult is as important as getting vaccinated as a child.

Vaccines may offer protection in the following ways:

- Prevention of diseases and possible complications for you and your family
- Boosting of community immunity
- Compliance with workplace and travel safety measures

To learn more about adult vaccination, join the webinar on April 23, 2024, 12:00PM to 1:00PM, with guest speaker Dr. Nicole Hernandez of ValuCare.

To join, use these credentials or click on the link provided below.  
Meeting ID: 490 832 236 154  
Passcode: JRFwQS

bdo.com.ph We find ways®

Alongside physical health, mental health is also crucial to employees' overall well-being. The Bounce Program for mental health wellness continued to offer free online peer support for employees, facilitated by professional counselors and mental health professionals. Bounce offers a safe space for employees to have someone to talk to or turn to for help. The program was originally launched in response to mental health challenges brought about by the pandemic.



## Promoting Employee Engagement

Relaunched in 2024 post-pandemic, the BDO Sportsfest is a chance to promote physical and mental health, teamwork, and collaboration among employees who gather together as teams to compete in various sports against other business units. The BDO Sportsfest relaunch was held at the Mall of Asia Arena with approximately 9,000 participating employees. Much like a mini-Olympics, the program launch featured a parade of teams, a team muse contest, and a street dance competition. The Sports leagues were divided into four tournament categories for basketball, badminton, volleyball, and bowling, with games that ran from June to September 2024.



## Sustaining a Safe Work Environment 403-1, 403-2, 403-2, 403-4. 403-5. 403-6, 403-7, 403-8

BDO's Health & 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) 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 conduction 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 (Human Resources, Branch Banking Group, Consumer Banking Group, Security & Investigation Division, Premises and Security Management Department, Risk Management Group and the employees' labor union), meets regularly to monitor the implementation progress of OSH programs and address OSH issues. The DOLE, BSP, and Bureau of Fire Protection routinely audit the OSH programs of the Bank.

## New Policy on Confidentiality of HR Information

The HR Confidentiality Policy was approved on 25 July 2024 to establish guidelines in handling and protecting confidential HR information in response to queries, requests and surveys received by the Bank from a non-BDO person or entity. The creation of the HR Confidentiality Policy ensures all employee information assets are preserved against possible loss, theft, destruction, or unauthorized use.

## Best Employer Brand for 2024 LinkedIn Talent Awards

In 2024, the Bank was honored as the Philippines' Best Employer Brand at the annual LinkedIn Talent Awards. LinkedIn is the world's largest social platform for professionals who want to learn, connect, and hire/be hired. Its Talent Awards recognizes companies that have demonstrated exceptional talent management practices by leveraging on data and technology that drive positive talent experience and promote talent engagement. The award reflects the Bank's unwavering commitment to provide employees with opportunities for professional growth, career development, and innovation, ultimately cultivating a healthy, positive, and inclusive workforce.



## Q&A with Graduates of the 2024 BDO Career Accelerator Program

The Career Accelerator Program or CAP fosters career development, long-term professional growth, and employee engagement. Graduates of the 2024 CAP share their insights and experiences:

### HOW DID YOU BECOME PART OF THE CAREER ACCELERATOR PROGRAM (CAP)?

**Alvin M. Agravante, Trust and Investments Group:** I became part of the Career Acceleration Program largely thanks to my supervisors, who recognized my potential and nominated me for this opportunity. I was incredibly grateful for their support and excited to take on the challenge for learning and growth.



**Angelica C. Canlas, Branch Banking Group Nueva Ecija Munoz Branch:** My manager asked me to participate in the Program. She explained the details to me and informed me that if I passed, I would be promoted to an officer position. Initially, I was hesitant and doubted if I can pass, as it required a high passing rate of 90%. However, I was also grateful for being offered such an opportunity. It means a lot to know that someone believes in my capabilities and trusts me to take on this challenge, so I seized the opportunity.



**Laura Melissa P. Saquing, Transaction Banking**

**Group – Cash Management Services:** My former boss, who consistently supported my professional growth, nominated me for the program, recognizing my potential and commitment to my role. When I found out I'd been selected, I felt a mix of excitement and gratitude. Being chosen for CAP fueled my motivation to push myself even further.



#### **DESCRIBE YOUR EXPERIENCE WITH THE PROGRAM.**

**Alvin:** The Program was an intensive and rewarding experience. Over the course of eight months, the participants worked closely with one another through group projects, individual and group presentations, and discussions. I felt like I was back at school, but with a real-world focus on practical skills and knowledge that could be immediately applied in my current role. It deepened my skills and connected me with colleagues from across the BDO community, giving me a broader perspective on the Bank's synergy and the reason why it is a leading financial institution.

**Angelica:** I found it to be a challenging opportunity that required me to step out of my comfort zone and perform at my very best in every activity it offered. With the high passing rate, the program demanded a high level of commitment and effort to succeed.

**Laura:** CAP was an intense yet highly rewarding journey that was really transformative for me. It's not just a program you complete—it's one that challenges you to look at your role, and even your career, in a new light. Each session brought unique insights, from strategic decision-making to enhancing our analytical mindset. We engaged in practical exercises that pushed us beyond our comfort zones, encouraging us to apply what we learned directly to our roles. Each session built on the last, helping me connect the dots between our team's daily work and the Bank's strategic goals. My supervisor's guidance throughout the training was very helpful and encouraging throughout.

#### **WHAT HAVE YOU LEARNED THAT YOU THINK WILL IMPROVE YOUR ROLE AND CONTRIBUTE TO YOUR TEAM'S PERFORMANCE, AND OVERALL, TO THE BANK?**

**Alvin:** I gained valuable skills in collaboration, adaptability, and leadership that will directly enhance my role and my team's performance. Overall, CAP equipped me with a stronger skill set that will help me contribute to BDO's business performance better.

**Angelica:** The Program taught me valuable lessons on becoming an effective and efficient supervisor. As a staff member, my primary focus was contributing to the branch's targets. However, the program helped broaden my perspective, giving me the knowledge and skills to lead a team effectively.

**Laura:** CAP enhanced my skills in strategic thinking and project management, which I'm already applying to my work. For instance, in our current data project, I now focus on planning with long-term impact in mind. The program also emphasized the importance of correlating external factors to our clients' needs, a skill that I now use to anticipate challenges and propose proactive solutions.

#### **WHAT ADVICE CAN YOU GIVE TO YOUR COLLEAGUES?**

**Alvin:** Wholeheartedly embrace the opportunity with an open mind and a willingness to learn. Engage actively with your peers, as collaboration is a key element and crucial to the experience. Don't hesitate to share your perspectives and insights, since the diverse experiences of your colleagues can greatly enrich your learning journey. Lastly, savor the experience; it's a fantastic chance to grow your skills and expand your professional network!

**Angelica:** The journey is not easy, but it is worth it. Do not hesitate to step out of your comfort zone and embrace the challenge. The 90% passing rate should not deter you; if you believe in your abilities, are willing to improve, and are committed to growth, then seize this opportunity. It is a once-in-a-lifetime chance, so make the most out of it.

**Laura:** Dive in and embrace it. CAP will push you, but it's worth every challenge. Approach the program with a willingness to learn and to stretch yourself. Prioritize open communication with your mentors and peers and approach each session with curiosity. CAP is as much about networking and learning from others as it is about personal development. It is a chance to grow into someone who drives meaningful impact within your role and the BDO organization.



## Nurturing Learning and Development

### 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. Various trainings on products, services, systems and processes continued to form part of the overall learning solution for the Bank. 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.

To address a key challenge in reaching the geographically widely distributed BDO workforce, the Bank continued to explore a mix of learning modes: face-to-face trainings for relevant courses were preferred, and these were organized in areas nearer the employee work areas for convenience and a smaller carbon footprint. The Bank also provided options for virtual training and on-demand training through the iLearnHub courses. The Bank continues to find ways for the best learning solutions to empower employees to effectively perform their respective roles in supporting the business and responding to customers' needs.



## Pilot Integration of Sustainability Key Result Areas

Consumer Banking Group's Multipurpose Loan (MPL) Unit was the first to develop and integrate sustainability metrics into the Key Result Areas (KRA) of all employees within the MPL team. By embedding sustainability into their performance metrics, MPL ensures that every team member contributes to the Bank's overarching sustainability objectives.

The KRA framework for MPL employees has been meticulously designed to include specific sustainability targets. These targets are aligned with BDO's Sustainable Finance Framework and the UN SDGs. Each employee's performance is evaluated based on their contribution to sustainability initiatives, ensuring that the Bank's commitment to sustainable practices is a shared responsibility across the team.

### Key Areas of Focus

- 1. Environmental Impact:** Employees are assessed on their efforts to reduce the environmental footprint in operations. This includes initiatives such as promoting paperless transactions, reducing energy consumption, and supporting green projects.
- 2. Social Responsibility:** This KRA includes metrics related to community engagement and social impact. Employees are encouraged to participate in community outreach programs, support financial inclusion efforts, and contribute to social development projects.
- 3. Governance and Compliance:** Adherence to sustainability-related regulations and internal policies is a critical component of the KRA. Employees are evaluated on their compliance with environmental, social, and governance (ESG) standards, ensuring that BDO operations are conducted ethically and responsibly.

# Capability-Building in Environmental, Social, and Governance (ESG) and Sustainability

## Sustainability Capability-building

Throughout 2024, the BDO Sustainability Office (SO) conducted numerous workshops on sustainability and ESG among employees across the business units, subsidiaries, and affiliates nationwide and in its branches in Singapore and Hong Kong. The overall objective remained the same: to generate awareness, understanding, and application of the Bank's Sustainability Framework, the Board-approved Environmental & Social Risk Management System (ESRMS), and auditable ESG data in sustainability reporting. HR Training helped track the attendance and feedback from all participants from offices and branches in Metro Manila, South Luzon, Visayas, and Mindanao. Given the 44,000-plus workforce, the SO team prioritized relationship managers, account officers, credit analysts, and senior managers for the workshops. At the same time, the SO team also conducted workshops for participants from specific business units and support groups, such as BDO Private Bank and Internal Audit for more focused discussions on the ESRMS application for their groups.

Apart from formal workshops, the SO team also conducted targeted briefings on the Bank's Board-approved Environmental & Social Risk Management System (ESRMS) to the management teams of business units and branch officers in Hong Kong and Singapore.

36

Number of Workshops Conducted

2,161

employees trained on Sustainability Workshops



## Executive Briefing Series



In 2024, the SO launched the Sustainability Executive Briefing Series, a monthly one-hour discussion for senior BDO executives with external experts on key and emerging sustainability topics. The Executive Briefings aimed to provide senior leaders with a comprehensive understanding of sustainability at a strategic level, from local, regional, and global external experts with valuable insights, best practices, and real-life experience on the field. The series focused on environmental, social, and governance risks and opportunities that influence decisions on credit, investments, underwriting, insurance, and administrative operations. The Briefings aligned with BDO's commitment to integrate sustainability principles in all aspects of its business, from decision-making to relationship-building to product creation.



The Briefings covered the following topics, as speakers became available:

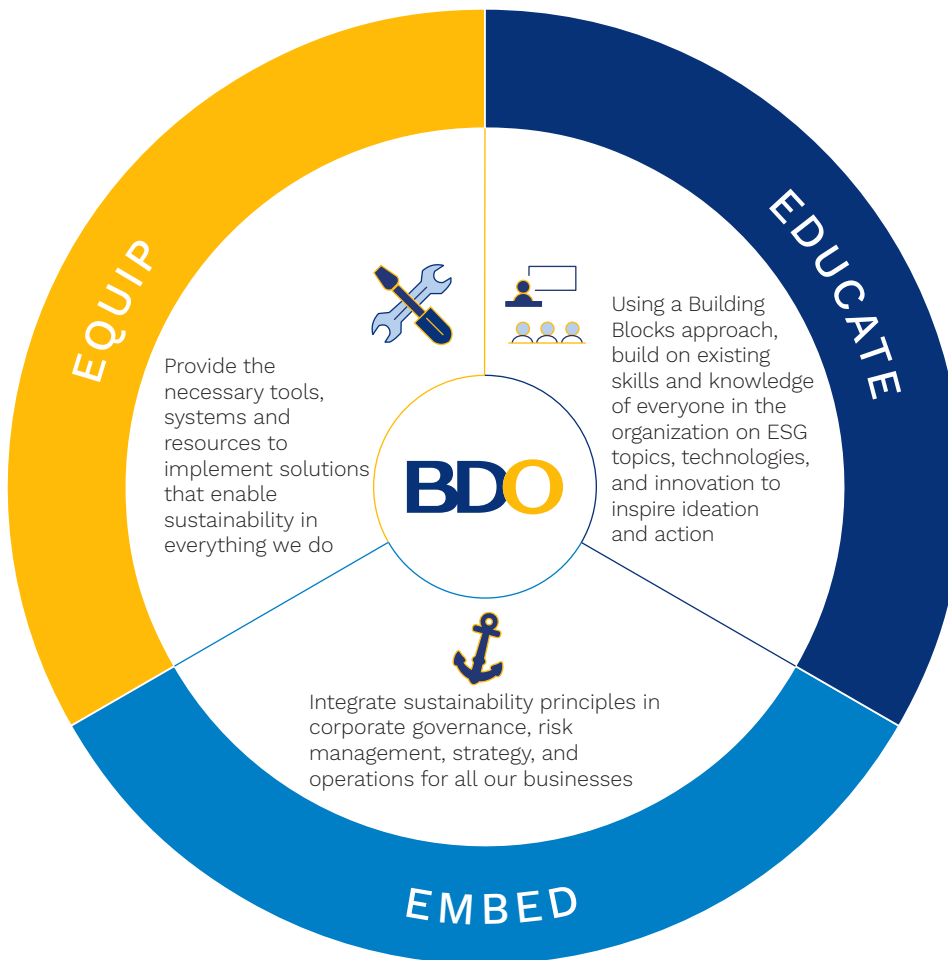
- **Nature and Biodiversity Loss** - S&P Global
- **Nuclear Energy: Microgrids and Peaceful Uses** - Philippine Nuclear Research Institute
- **Offshore Wind Technology** - Copenhagen Instructure Partners
- **Blue Finance for the Blue Economy** - International Finance Corporation
- **National Adaptation Plan** - Government of the United Kingdom and Boston Consulting Group
- **Carbon Markets and Carbon Credits** - Pollination Group
- **Philippine Space Strategy and Technology** - Philippine Space Agency

Members of the BDO Management Committee and key senior officers attended the Briefings which were conducted in hybrid format – in person and online to accommodate officers nationwide. The Executive Briefings align with mandate set by the BSP to bolster the capabilities of financial institutions' senior management in effectively assessing and managing E&S risks and identifying business opportunities.



## 3Es Strategy

The Sustainability Office continued to apply the 3Es Strategy in engaging the organization to integrate sustainability principles within the Bank. The team developed internal sustainability workshops, while simultaneously availed of available learning resources offered by its partner organizations and institutions. With the rapid evolution of sustainability topics, information, and technologies, the 3Es strategy provides a recurring and ever-changing cycle of knowledge development and practical application.



## Environmental Impact

### Energy and Emissions 302-1,302-2,302-3,303-4,303-5

As the largest bank with the widest network of branches, facilities, data centers, and corporate offices nationwide, BDO recognizes the significant amount of energy required to support its daily operations. In aligning its operations risk management with its sustainability goals, the Bank has prioritized energy efficiency as a pillar of its operational sustainability strategy.

BDO has sought to diversify its energy sources by integrating cleaner and renewable energy into its energy mix. In 2022, BDO began sourcing renewable energy to partially support its daily energy requirements. At present, five of the Bank's largest buildings with the highest energy consumption are supplied with renewable energy, derived from both geothermal and solar energy sources. By the end of 2024, the Bank sourced 12,002 MWh of renewable energy, which is 24% of its operational requirements, and equivalent to meeting the energy demands of two of

**12,002**

MWh of Renewable Energy Sourced for Operations

**24%**

Of Electricity Consumption Sourced from Geothermal and Solar Sources



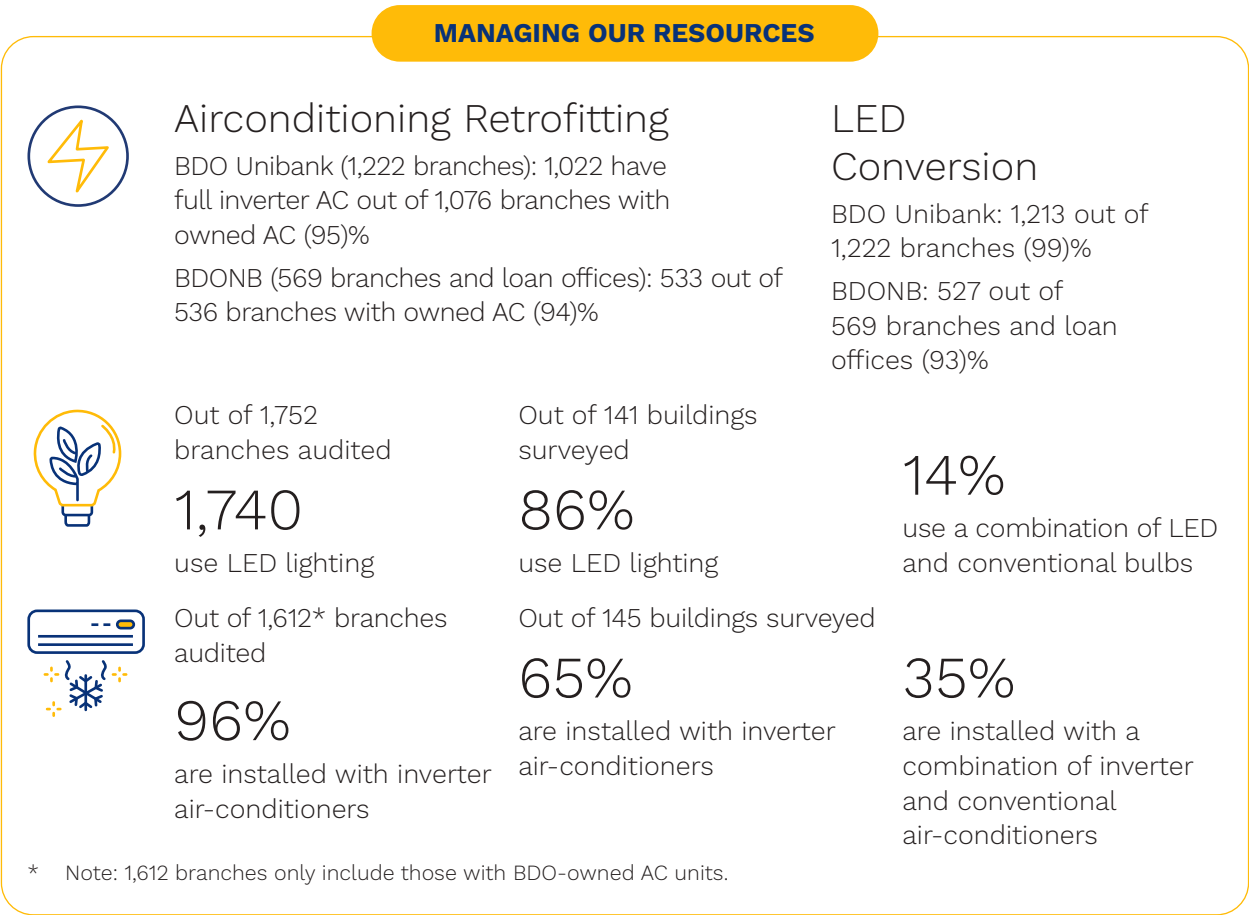
the Bank’s largest buildings. BDO will continue to explore other opportunities through discussions with retail electricity suppliers, as it identifies more sites that can be switched to Retail Competition and Open Access (RCOA) and/or installed with solar panels. As part of its commitment for sustainable operations, the Bank is committed to transition more buildings to use renewable energy in the coming years.

For the past five years, the Bank already broadly integrated energy-efficient practices across its facilities, including the use of energy-efficient lighting and equipment, and resourceful use of air conditioning and heating systems in order to optimize resource consumption, while maintaining operational effectiveness. In 2024, the Bank implemented retrofitting programs with the replacement of aging air-conditioning units with inverter models and end-of-life light fixtures with LED technology, all aimed at improving electricity consumption across offices and branches.

### Driving Energy Management across operations

Alongside internal energy efficiency programs, BDO proactively complies with applicable existing and emerging environmental laws and regulations. In 2024, the Bank engaged a third-party consultant on energy and engineering to develop an Energy Management System (EnMS) framework in compliance with the implementing guidelines of Republic Act (RA) 11285 or the Energy Efficiency and Conservation Act currently enforced by the Department of Energy (DOE). Developing the Bank’s Energy Management System (EnMS) Framework included the creation of an EnMS Manual and Energy Policy that outlines clear objectives, energy-saving targets, and energy-efficient practices for implementation across all operations. Beyond compliance, the Bank submits increasingly more comprehensive annual reports to the DOE for applicable facilities, providing transparency on its energy consumption.

In 2024, BDO engaged a third-party consultant to expand its energy audits to additional large facilities with energy consumption of at least 50,000 kWh, as required by the DOE’s expanded provisions. These audits identified consumption patterns and opportunities for further energy savings. The Bank will commence integrating EnMS methodologies to streamline data collection and enhance energy performance in 2025.



#### CASE STUDY:

### Solar Panel Installation at BDO Corinthian Gardens

In the fourth quarter of 2024, BDO worked on the installation of a solar panel system at its BDO Corinthian Gardens building, with a large stand-alone branch near a commercial and residential area in Metro Manila. The solar power system was designed to supply 95kWp of renewable energy to the branch for the next 25 years, aligning with BDO's energy efficiency and emissions reduction objectives. Acquired at the cost of ₱5.3 million, with a projected payback period of 4.11 years, this investment demonstrates both environmental and economic value. The BDO Corinthian Gardens building is set to implement a net metering system, which will enable surplus energy generated by the solar panels to be fed back into the national energy transmission grid, further optimizing energy use and cost savings. This pilot initiative is expected to serve as a benchmark for broader implementation across BDO's facilities, with insights and data gained from this project meant to inform the expansion and scaling of solar energy solutions to at least 10 other facilities in 2025.

₱5.3 Million

investment in solar panel system

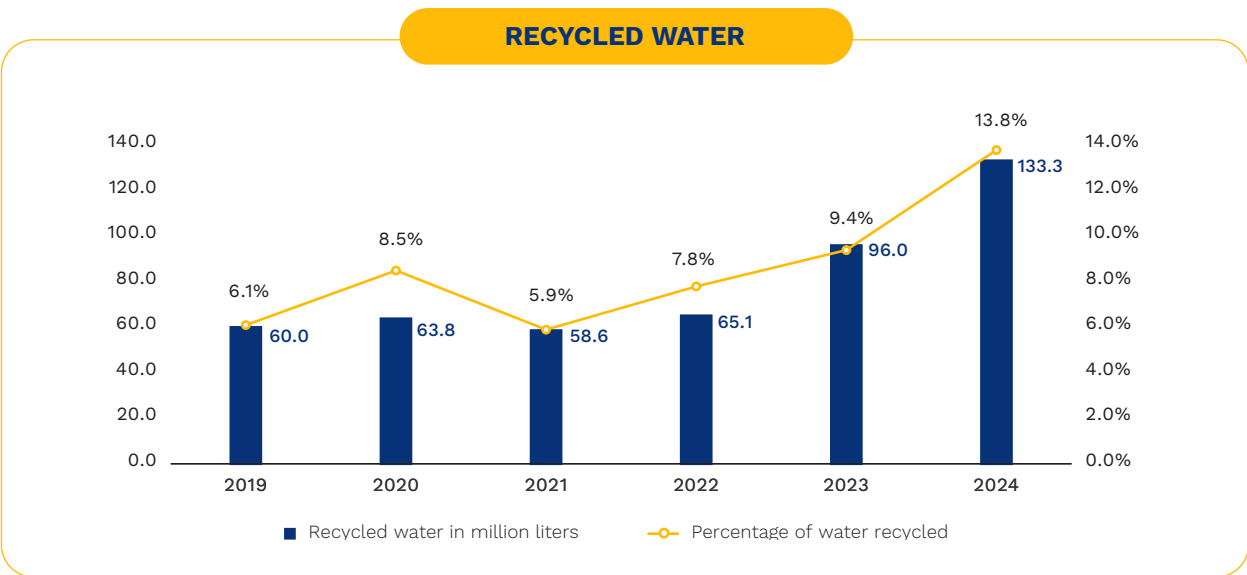
4.11 years

payback period



## Water Consumption, Discharge, and Effluents

BDO recognizes the importance of responsible water management to minimize environmental impact and ensure sustainable operations. BDO Corporate Center Ortigas (CCO) features rainwater and condensate harvesting systems, which recycle significant volumes of water for office use. In 2024, BDO CCO recycled 133,304 million liters of water, marking a 39% increase from 96 million liters in 2023.



Elsewhere, the Bank sources its water primarily through local water districts, drawing from freshwater resources to meet operational needs. Conservation efforts include the installation of waterless urinals in select buildings, effectively reducing water usage. To address water discharge impacts, BDO implemented water effluents systems across its facilities to manage effluents responsibly. Buildings are equipped with septic tanks and sewage treatment facilities to process and filter wastewater prior to discharge. Some facilities are also connected to external services that treat wastewater before releasing it into lakes or freshwater outlets. For facilities where such services are not available, BDO engages third-party services to siphon and maintain septic tanks annually, ensuring compliance with environmental standards. Looking ahead, the Bank is committed to integrating more advanced and efficient water conservation mechanisms in its future flagship facilities, reinforcing its dedication to environmental stewardship and resource efficiency.

**133.3**  
million liters  
Of Water Recycled

**39%**  
Increase in Volume of  
Water Recycled

## Fuel Consumption

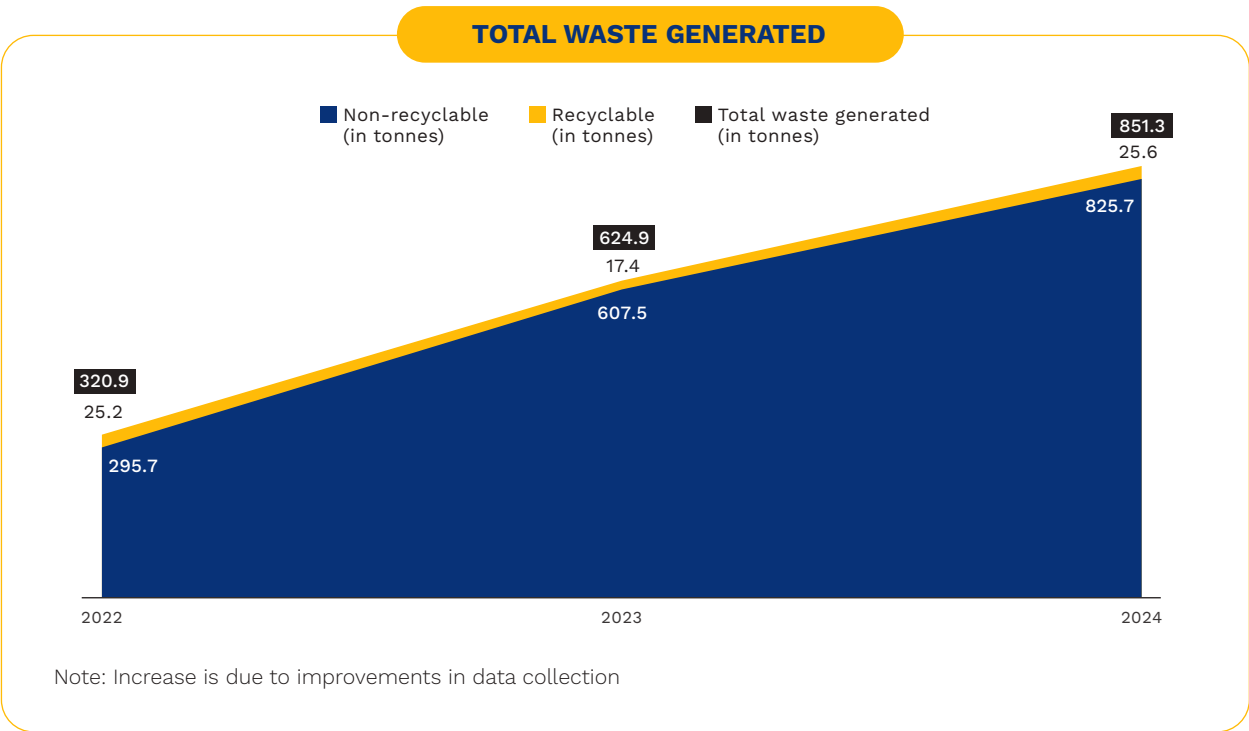
Diesel consumption is driven by generators in each of the Bank’s branches and corporate offices. The generators are on standby as an emergency power supply source to ensure that power remains ready and reliable for branch operations. In order to avoid downtime, generators that run on diesel are regularly run and tested as part of preventive maintenance activities. The Bank’s liquid petroleum gas (LPG) consumption comes from the supply provided to the tenants in the cafeterias which provide food to the Bank’s employees. Shuttle service to and from BDO corporate offices in Ortigas and Makati are also provided by the Bank to encourage personnel carpooling instead of using individual bank cars 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

Led by its Facilities Unit, BDO implements a structured waste management program which oversees daily operations to ensure compliance with local, regional, and national laws such as Republic Act 9003 or the Ecological Solid Waste Management Act. Facilities coordinates waste collection and segregation at source, and disposal through third-party service providers. Proper waste segregation at source is enforced through designated bins in common areas and personal workstations. Non-hazardous waste is categorized into recyclable dry papers, plastics, metals, and glass, as well as non-recyclables like food waste and soiled packaging. Hazardous waste, such as used generator oil, busted lights, and e-waste are safely stored until collected by DENR-accredited haulers for proper treatment and disposal in alignment with RA 6969 or the Toxic Substances and Hazardous & Nuclear Wastes Control Act of 1990. Random inspections are conducted to maintain cleanliness and ensure proper waste handling. Waste management performance is periodically reviewed during weekly Technical Working Group (TWG) meetings to identify opportunities for reduction and recycling.

Waste segregation and monitoring are carried out by third-party janitorial service providers, who weigh and record the volume of waste collected. These records are maintained by the assigned facilities managers for each site. In 2024, BDO generated 825.7 tonnes of non-recyclable waste and 25.6 tonnes of recyclable waste. This shows an increase of 36% in non-recyclables and increase of 47% percent of recyclable from the previous year. The increase in recyclables may be attributed to sustained program initiatives for the Waste Busterrr campaign and the X-trash Challenge. BDO continues to enhance its waste management practices through education initiatives such as the Waste Busterrr campaign, which encourages employees to adopt waste management habits. The Bank remains dedicated to reducing waste generation, maximizing recycling efforts, and aligning with national guidelines to minimize environmental impact.



The Bank's janitorial service provider also manages the upkeep and segregation of the Bank's materials recovery facility, ensuring waste is handed over to accredited haulers. Recyclable materials are processed by third-party vendors who convert paper waste into bond papers or seed papers and transform plastics into products like furniture, pallets, and trash bins. In exchange for these materials, vendors issue recycling certificates and plant trees on behalf of the Bank. These measures help divert and minimize waste from landfills, supporting the Bank's commitment to bring down its contributions to landfill emissions from methane, a greenhouse gas responsible for an estimated 30% of the rise in global temperatures since the Industrial Revolution.<sup>[1]</sup>

825.7

Tonnes of Non-recyclable  
Waste Generated

25.6

Tonnes of Recyclable Waste  
Generated, up 47% from  
2023

#### CASE STUDY:

### BDO and DHL as Partners in Sustainability

BDO partnered with DHL for its GoGreen Flyer Recycle Box program as part of our commitment to managing wastes for sustainable operations. This initiative is not just about reducing our environmental footprint; it is also about creating a positive impact on our partner communities.

GoGreen Flyer Recycle Boxes were placed in the following BDO offices:

1. BDO Juan Luna
2. BDO Corporate Center Ortigas
3. BDO Salcedo Tower
4. BDO Towers Valero

BDO employees drop used DHL pouches in these boxes which DHL collects to create Ecobricks made from plastic bottles stuffed with used plastic pouches. The Ecobricks are then donated by DHL to chosen beneficiaries, for use in their construction or gardening needs. By partnering with DHL, the Bank also lessens its greenhouse gas emissions. Every 1 kilogram (kg) of plastic that is recycled through this program prevents the release of 3.1 kg of carbon dioxide into the atmosphere.



<sup>[1]</sup> Understanding methane emissions: Global Methane Tracker 2023, Analysis, International Energy Agency, <https://www.iea.org/reports/global-methane-tracker-2023/understanding-methane-emissions>

## Managing internal consumption

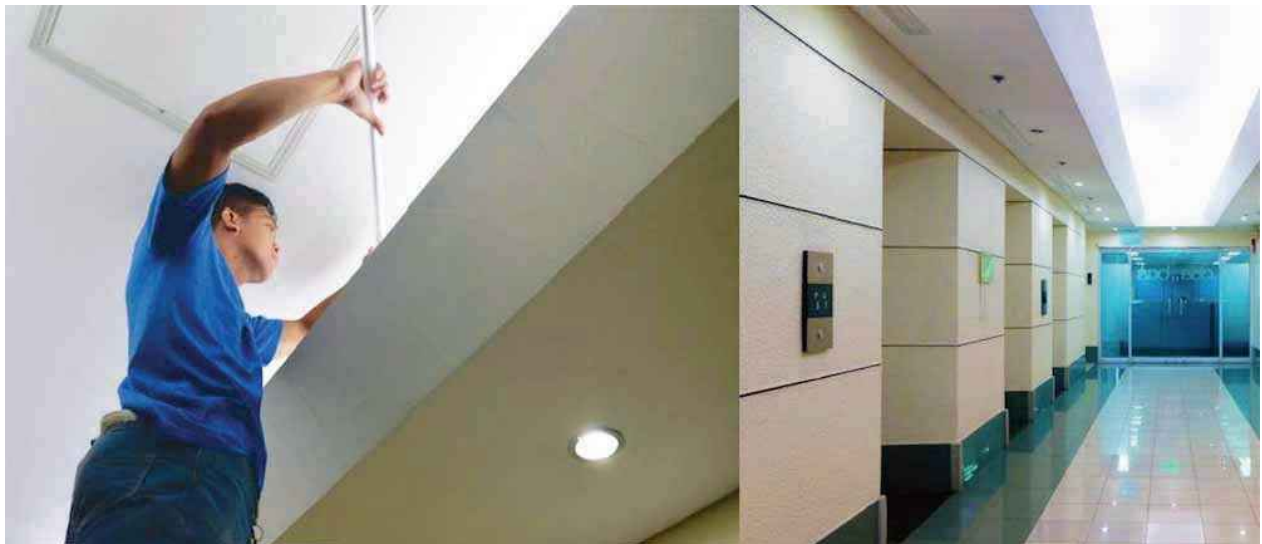
To manage the footprint of internal consumption of materials such as papers, toners and cartridges, BDO initiated the digitization of its procurement process through the Electronic Forms Management System (eForms) and the Electronic Purchase Order and Delivery System (EPODS). These platforms streamlined the procurement process by allowing internal clients to lodge purchase requests for items and services using standardized unit costs.

EPODS further improves efficiency by consolidating and creating purchase orders per supplier. Suppliers benefit from the system's ability to facilitate real-time viewing of orders, provide updates on service status, and generate billing statements for completely served requests. By minimizing the reliance on hardcopy requests, the system reduces paper usage and simplifies transactions. Suppliers are also required to consolidate multiple requests served into a single invoice to further optimize the use of resources.

In line with the Bank's commitment to sustainability, the procurement of energy efficient items has been prioritized. Key milestones include the acquisition of inverter type air-condition units in 2010, led monitors in 2013, LED light fixtures in 2014, and energy efficient inverter refrigerators in 2015. In addition, the Bank encourages more efficient resource utilization through reallocation of returned to warehouse standard furniture, fixtures, and equipment (FFE) in good condition to its subsidiaries or donates the to the BDO Foundation's beneficiaries.

Sustainable printing practices are implemented through printer leasing, where payments are made only for the use of new or remanufactured toners, and cartridges, which are pulled out by the suppliers for refill and reuse. Used batteries are traded in with accredited suppliers for proper disposal. Since 2012, annual employee giveaways have featured BDO-branded items, with a peso donated to BDO Foundation for every item purchased by employees. In the past three years, giveaway options have included recycled materials such as multipurpose boxes made from acrylic shields and dividers used during the pandemic.

Electronic delivery of Statement of Accounts (SOA) for BDO Credit Cards and BDO Securities is pursued to further reduce printing and delivery via courier. In 2024, printing and delivery of credit card SOA was further reduced by 14.8% while BDO Securities by 11.3%.



## Circularity in operations

**₱3,612,743.19**

total earned from recycling

**₱47,380,801.37**

total in cost avoidance



### Paper

**1,028,399.50**

kilos for recycling  
by paper mill



**120**

trees planted on  
behalf of BDO at Cebu  
Province

### FFEs/IT Equipment

**100,633**

disposal requests for 50,685 IT items and  
Furniture, Fixtures, and Equipment (FFE) items



**45,178**

consumable items processed through accredited  
service provider for recycle, reuse and resale

## Non-IT FFE and IT equipment



**1,966**

items donated to various  
health centers and schools via  
BDO Foundation

**40**

non-IT FFEs (ex. sofa and  
chairs) donated to various rural  
health units

**3,129**

various non-IT FFEs reissued  
to BDO Unibank

**₱8,490,694.14**

total cost avoidance

**398**

various non-IT FFEs allocated  
to subsidiaries

**₱1,527,745.18**

total cost avoidance

**326**

workstations and accessories  
reallocated to BDO Unibank

**₱5,483,472**

total cost avoidance

**26**

equipment reallocated to BDONB

**₱694,648**

total cost avoidance

**788**

units of IT equipment reissued  
to BDO Unibank

**₱20,216,967.05**

total cost avoidance

**58**

units of IT equipment  
reallocated to BDO Life

**16**

units of IT equipment reallocated  
to BDO Finance

**4**

units of IT equipment reallocated  
to BDO Insurance

**12**

units of IT equipment reallocated  
to BDO Private Bank

**5**

units of IT equipment reallocated  
to BDO Securities

**71**

units of ATM enclosures, 19 units of  
Cash Deposit Machine enclosures  
refurbished and reallocated to  
offsite and within BDO branches

**8**

units of various accessories (ex.  
glass door and panels, wood door,  
transaction counter, insulation, fire  
exit stairs) cleaned/refurbished/  
repaired and reallocated to  
different BDO buildings

**₱1,180,000**

total cost avoidance

**6**

units of vault doors  
reused to various  
BDO branches

**₱549,000**

total cost avoidance

**13**

units of air-condition reused by  
various BDO and BDONB branches

**₱1,161,275**

total cost avoidance

**14**

units of generator sets reused by  
various BDO and BDONB branches

**₱8,077,000**

total cost avoidance

## CASE STUDY:

# Update on the Waste Busterrr Program 2024

The BDO Waste Busterrr campaign, launched in the fourth quarter of 2022, is a testament to the Bank's commitment to environmental stewardship. This initiative, aimed at educating employees about the importance of waste segregation, has not only fostered a culture of sustainability within the organization but also contributed to the Bank's broader Sustainability Contributions Strategy.

This campaign encourages employees to become waste management champions by segregating waste at source and 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 included 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.

This initiative aligns seamlessly with the bank's Sustainability Contributions Strategy, which supports the achievement of national economic goals through financial inclusion and impact financing in infrastructure, eco-friendly solutions, green facilities, and disaster resilience initiatives. By promoting waste management best practices, the Waste Busterrr campaign contributes to these goals by promoting eco-friendly solutions. By year-end 2024, the Bank was able to collect 7.47 tonnes of recyclable waste across all included facilities.

Waste Busterrr supports the Bank's paperless campaign by encouraging employees to take tangible steps towards reducing its paper usage and transitioning towards more sustainable workplace practices. Through this campaign, BDO is not only making a positive impact on the environment, but also contributing to the achievement of national economic goals and setting a benchmark for other organizations in the industry.

## 26

Facilities and  
Branches Covered

## 26

Materials Recovery Facilities  
(MRFs) Constructed

## 7.47 tonnes

Recyclable Waste Collected  
through Waste Busterrr  
Program



#### CASE STUDY:

### Update on X-Trash Challenge 2024

Since the X-Trash Challenge's launch in 2021, BDO continues to be an active competitor along with other local companies in collecting recyclable materials such as paper, plastic, and metal wastes. The competition, sponsored by the Philippine Business for Social Progress (PBSP) and Basic Environmental Services Technology (BEST), aims to foster a collaborative mindset with local businesses to reduce waste at scale. Over the years, BDO has consistently achieved podium finishes every time, reflecting the Bank's dedication to environmental stewardship and commitment to reducing waste.

In 2024, BDO encouraged its employees to participate by bringing their recyclable wastes from their homes to select BDO offices. This call to action complements the current Waste Busterrr campaign which reinforces the discipline of segregating and disposing trash properly through employee education. The Bank's efforts resulted in the collection of 18.1 tonnes of recyclables, with 1,604kg or 8.9% of total from the efforts of employees.

The recyclables were exchanged for a total of 55,703 environmental points, which will be donated to BDO's chosen partner community. In 2023, the donated proceeds were used in support of BDO Foundation and East-West Seed Foundation's (EWSF) partnership project called Gulayamanan (a word play on Filipino words for vegetables and riches). The converted points went to the purchase of various construction materials to build a meeting area and shelter for the Lian Vegetable Growers Association (LGVA) community in Batangas province. The Gulayamanan project, which started in 2022, aims to develop vegetable gardens in economically disadvantaged communities in the Philippines. This initiative aims to bolster food supply within those communities while creating income-generating opportunities for residents who lack access to stable employment.

## 18.1 tonnes

Recyclable Waste Collected  
through X-Trash Challenge

## 55,703

Environmental Points Earned  
and Donated





# BDO Resource Consumption

## Fuel Consumption (in liters)

### Diesel (in liters)



### Gasoline (in liters)



### LPG (in kg)



### Refrigerants (in kg)



## Electricity Consumption 302-1 (in '000 kWh)

61,090

2024

### Branches



### Offices



### Non-renewable



### Renewable



## Electricity Consumption of Tenants and Leased Assets (in '000 kWh)

2024 60,344

### Renewable

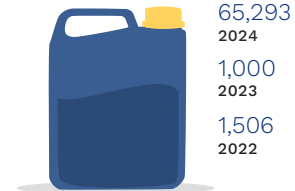


### Non-renewable



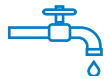
## Fuel Consumption of Tenants and Leased Assets

### Diesel (in liters)



## Water Consumption 303-5 (in '000 cu.m.)

965.7



■ Branches ■ Offices

## Recycled Water 303-4 (in '000 cu.m.)

133.3



## Gasoline (in liters)



345  
2024

## Hazardous Waste 3-3, 301-1 to 3, 306-1 to 5 (in tonnes)

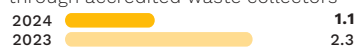
1.1

2024

### Wastes directed to disposal



### Wastes diverted from disposal (recycled) through accredited waste collectors



## Non-hazardous Waste 3-3, 301-1 to 3, 306-1 to 5 (in tonnes)

851.3

2024

### Wastes directed to disposal



### Wastes diverted from disposal (recycled) through BDO's MRF

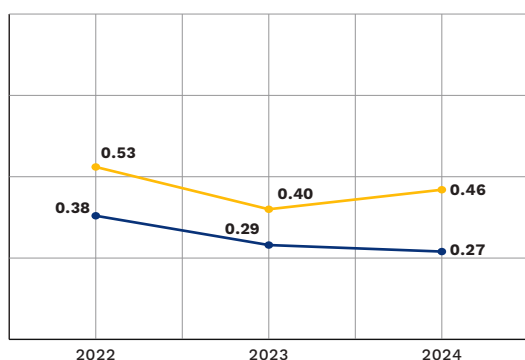


### Wastes diverted from disposal (recycled) through X-Trash





## Carbon and Energy Intensity 302-3



Carbon Intensity  
(in tonnes CO<sub>2</sub>e/£1 million  
in revenue)\*

Energy Intensity  
(in MW/£1 million  
in revenue)\*

\* Restated due to adjustments  
in reported revenue

## GHG Emissions (in tonnes CO<sub>2</sub>e)

2024 **72,562** 2023 70,638  
2022 74,867

### Scope 1

2024 **2,276**  
2023 1,237  
2022 500

### Scope 2

2024 **35,377**  
2023 66,784  
2022 71,488

### Scope 3

2024 **34,909**  
2023 2,617  
2022 2,879

The overall emissions reported above includes BDO Private Bank's and Dominion Holdings' fuel, electricity, and water, as well as its greenhouse gas emissions.

## BDO Network Bank Resource Consumption

### Fuel Consumption (in liters)

2024 **42,130**

### Diesel (in liters)

2024 **42,130**

### Electricity Consumption (in '000 kWh)

2024 **1,243**

### Offices

2024 **1,243**



### Non-renewable

2024 **1,243**

### GHG Emissions (in tonnes CO<sub>2</sub>e)

2024 **1,172**

### Scope 1

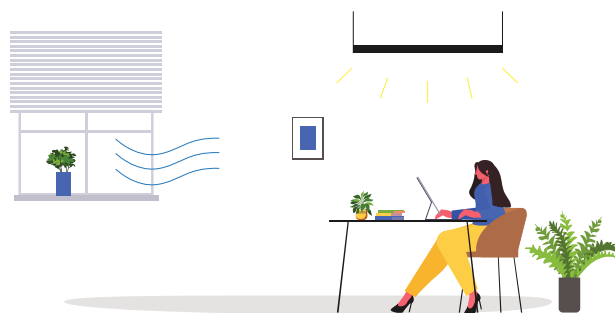
2024 **113**

### Scope 2

2024 **1,055**

### Scope 3

2024 **4**



### Water Consumption (in '000 cu.m.)

2024 **18.5**



### Offices

2024 **18.5**

### Non-hazardous Waste (in tonnes)

2024 **7.9**

### Wastes directed to disposal

2024 **6.8**

### Wastes diverted from disposal (recycled) through BDO's MRF

2024 **1.1**



## Breakdown of BDO Emissions for Scope 1, 2, 3

	Luzon	Visayas	Mindanao	Abroad	Total
<b>Within BDO</b>					
<b>Fuel Consumption</b>					
Diesel (in liters)					
Generator Sets	88,889.8	9,392.8	10,431.4	-	<b>108,714.0</b>
Transport Vehicles	218,448.1	1,627.3	40,134.8	-	<b>260,210.2</b>
Gasoline (in liters)	48.0			-	<b>48.0</b>
Heating and Cooking: LPG (in kilograms)	8,061.5			-	<b>8,061.5</b>
Refrigerants (in kilograms)					
R-410A	455.5	-	-	-	<b>455.5</b>
R-134A	94.5	-	-	-	<b>94.5</b>
<b>Scope 1 Emission (in metric tonnes)</b>					
CO <sub>2</sub>	1,845.8	29.5	135.3	-	<b>2,269.6</b>
CH <sub>4</sub>	3.2	0.1	0.5	-	<b>4.0</b>
N <sub>2</sub> O	1.8	0.1	0.3	-	<b>2.4</b>
<b>Total CO<sub>2</sub>e</b>	<b>1,850.7</b>	<b>29.7</b>	<b>136.1</b>	<b>-</b>	<b>2,276.0</b>
<b>Electricity consumption (MW)</b>					
From non-renewables	41,096.2	3,387.2	4,603.6	-	<b>49,087.1</b>
From renewables	12,002.8	-	-	-	<b>12,002.8</b>
<b>Scope 2 emission (in metric tonnes)</b>					
CO <sub>2</sub>	29,104.4	2,349.0	3,923.2	-	<b>35,376.6</b>
CH <sub>4</sub>	-	-	-	-	<b>-</b>
N <sub>2</sub> O	-	-	-	-	<b>-</b>
<b>Total CO<sub>2</sub>e</b>	<b>29,104.4</b>	<b>2,349.0</b>	<b>3,923.2</b>	<b>-</b>	<b>35,376.6</b>
<b>Outside of BDO</b>					
<b>Fuel and electricity consumption and waste disposed</b>					
Diesel (liters)					
Generator sets	51,058.1	6,181.2	8,053.9	-	<b>65,293.2</b>
Gasoline (in liters)	86.9	258.6	-	-	<b>345.5</b>
Electricity (MW)					
From non-renewables	42,250.8	3,446.2	2,130.8	176.0	<b>48,003.8</b>
From renewables	12,319.0	-	-	-	<b>12,319.0</b>
Non-hazardous waste (kg)					
Directed to disposal	795,557.9	15,600.0	15,693.0	-	<b>826,850.9</b>
Diverted from disposal	24,023.5	391.0	1,145.0		<b>25,559.5</b>
<b>Scope 3 emission (in metric tonnes)</b>					
CO <sub>2</sub>	30,521.3	2,416.1	1,846.7	94.2	<b>24,908.1</b>
CH <sub>4</sub>	0.5	0.1	0.1	-	<b>0.7</b>
N <sub>2</sub> O	0.3	0.04	0.05	-	<b>0.4</b>
<b>Total CO<sub>2</sub>e</b>	<b>30,522.1</b>	<b>2,416.2</b>	<b>1,846.8</b>	<b>94.2</b>	<b>34,909.2</b>

## 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

The Bank is committed to embodying a We Find Ways mindset as an integral part of its Customer Experience Philosophy. This principle underscores BDO's dedication to creating a banking experience that extends beyond basic transactions, by offering a diverse range of products and providing personalized services. This is achieved through a comprehensive understanding and anticipation of its customers' financial objectives and life circumstances.

### Board and Management Oversight on Customer Concerns 2-26

The Board is primarily responsible for maintaining an effective oversight of the Bank's consumer protection policies and programs. Senior management is tasked with implementing strategies approved by the Board and ensuring that appropriate control mechanisms are in place. Governance and oversight functions are further reinforced through the various roles that involve ownership, management, or provision of independent assurance regarding 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, along with the corresponding corrective and preventive measures, are reported to the Board on a quarterly basis. This ensures that Consumer Protection-related risks and concerns are mitigated, compliance with Consumer Protection standards and requirements is maintained, and any other significant developments affecting the Bank's consumers are disclosed.

### Consumer 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 established specialized teams, including Customer Service, complaint resolution or service fulfillment teams, tasked with implementing and supervising CAMS. These dedicated teams manage consumer inquiries, requests, and complaints, collaborating to address issues accurately, promptly, and efficiently.
- **Monitoring and Reporting:** A tracking system is established to record and oversee client interactions, complaints, and resolutions. This enables the Bank to identify trends, evaluate service level performance, and address emerging issues. Regular reports provide management with insights to assess the effectiveness of CAMS.

- **Continuous Improvement:** BDO regularly reviews and enhances the CAMS, incorporating feedback, adapting to regulatory changes, and aligning with industry best practices. This commitment to ongoing improvement ensures that the system remains relevant and effective in addressing customer needs and 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 are required to complete the Financial Consumer Protection eLearning course. This training is designed to acquaint them with the concept of CAMS, its procedures, customer service standards, and applicable regulatory requirements. The training is based on the Consumer Protection Standards of Conduct, which outlines the expected behavior of Bank employees when interacting with customers.

## Listening to Customer Needs 2-25,2-26

To deliver exceptional banking services, we collect and utilize valuable input 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 resolutions 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.
- **Social Media Engagement:** Active monitoring of social media platforms enables 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 accordance with BSP Circular 1160, particularly under the Protection of Client Information standard, and in alignment with the Bank's Data Privacy policy, BDO's Customer Contact Center (CCC) ensures that all customer-related data are collected, stored, and utilized solely for the purpose of effectively assisting customers with timely responses and appropriate solutions to their inquiries 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 digitalization 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.

As part of BDO's ongoing commitment to enhancing customer experience, the Bank implemented a new customer service hotline number, 8888-0000, effective July 2024. The introduction of additional self-service options within the Interactive Voice Response (IVR) menu, along with other modernization efforts, has contributed to a significant improvement in the Contact Center's answer rate during the last quarter of the year. This enhancement has been positively noted by customers, who have shared their feedback on various social media platforms.

In 2024, Customer Assistance Management System logged some 7 million customer cases of which only 7% were problem-related in nature. The majority of the cases were inquiries at 3.8 million and requests at 2.7 million.

## Supply Chain and Approach to Procurement 204-1, 408-1, 409-1, 414-1, 414-2

All procurement suppliers go through the standard accreditation process which ensures legitimacy according to compliance with standard government registration or certification and supplier capability to provide the established needs of BDO. While the Bank does not implement a specific policy in favor of sourcing from local suppliers, 95% or 1,533 out of 1,610 of BDO's suppliers are local.

To maintain company standards during the vendor accreditation process, suppliers are screened on their environmental and social impact. Each supplier is required to submit standard regulatory registrations alongside additional certifications to ensure compliance. Service providers handling hazardous waste must be accredited by the Department of Environment and Natural Resources (DENR), with certifications verified through the DENR website. Outsourced manpower providers must comply with the Department of Labor and Employment (DOLE) requirements and submit certificates verified via DOLE's registry of contractors. Security providers are also required to submit proof of payment of wages and statutory benefits for personnel deployed to BDO. Any issues regarding labor violations, such as delayed or unpaid wages, lead to a suspension of services until the matter is resolved.

To further streamline operations, BDO has digitalized its procurement process through a web-based catalog requisition to payment system that consolidates requests of Bank units per supplier and location, reducing redundancy and increasing efficiency. Requisition schedules are tailored to the needs of different locations, with weekly schedules for head office units and quarterly schedules for satellite offices and co-located head office units. For provincial units, suppliers deliver items to accredited forwarders for consolidation and shipping to Metro Manila. Once served, suppliers bill and invoice BDO using a consolidated order and single-invoice process, eliminating inefficiencies.

# 8888-0000

New Customer Service  
Hotline

## 95%

of suppliers are local

## SPECIAL REPORT

# Sustainable demolition paves way for construction of landmark BDO Corporate Center Makati

On November 15, 2024, BDO Unibank marked the beginning of construction of the new BDO Corporate Center Makati (CCM) at the heart of the Philippines' premier business district. The Makati complex is one of three BDO main office complexes, alongside the existing BDO Corporate Center Ortigas in Mandaluyong City and the nearing-completion structure of BDO Corporate Center Cebu in the Visayas region.

Faithful to the Bank's commitment to "integrate sustainability principles in everything we do," sustainability is a key priority to the building concept, design, and execution. Construction of BDO CCM will drive practices that not only address environmental concerns, but also enhance human comfort. This project is expected to reduce operational costs and contribute to a more resilient structure which will be enjoyed by future generations of BDO bankers and customers.

All these thoughtful considerations contribute to the Bank's efforts to mitigate climate change and create healthier and more inclusive communities.

Combining five separate prime plots into a unified business campus on Paseo de Roxas Avenue corner Villar, Valero, and H.V. Dela Costa Streets, BDO CCM will be comprised of two towers and an annex building. Both towers will feature an innovative exoskeleton structure, allowing open, flexible spaces without the need for conventional pillars. Embodied carbon and whole lifecycle carbon management have been integrated into the design. The lightweight structural system will not only reduce the concrete content of the buildings by over 65,000 tonnes; it will also simultaneously improve safety performance given the country's seismic environment.



In addition, operational energy will be reduced by more than 40 percent, with radiant cooling systems drastically reducing energy demands. Over 70 percent of potable water will be recycled and reused on site with its own water management system, a similar feature at BDO Corporate Center Ortigas. The overall design features 75% of its rooftops covered in greenery. There is also an urban farm, an auditorium, and event areas — all of which contribute to making the center a positive and inclusive addition to the city of Makati.

With the building's flexible office spaces, trading floors, and business hubs, its workspaces inside will encourage collaboration and interaction. BDO CCM will also include areas for client engagement to facilitate a more personalized approach.

Designed by British architectural firm Foster + Partners, known for their sustainable approach to architecture, all the structural and environmental engineering, landscaping, and



“The goal is to recover as much embodied carbon emissions as possible through the recycling process.”





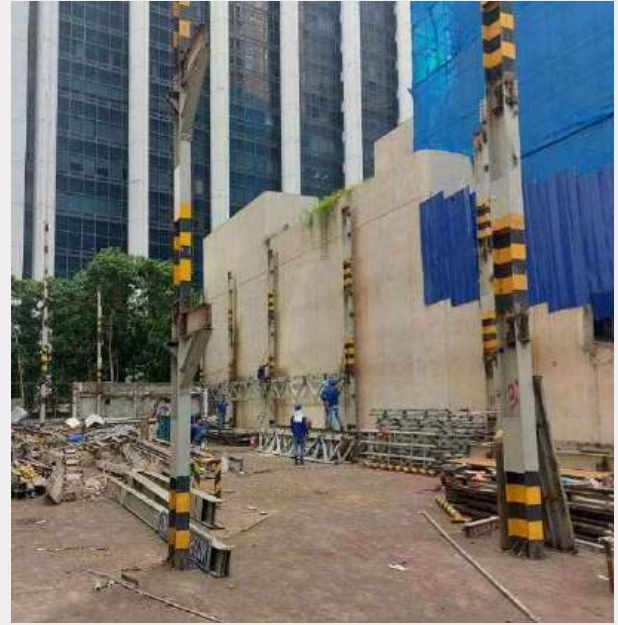
interiors support the vision of a structure that will be carried into the future. Construction is led by DATEM, a Philippine firm known for its experience with green buildings.

The new BDO Corporate Center Makati represents its commitment to creating physical spaces that support clients, employees, and the surrounding community.

### Foster + Partners' Sustainable Design for BDO

BDO CCM is tailored to meet the Bank's current and future needs. Departing from the typical model of air-conditioned high-rise office towers in the city, the design learns from vernacular architecture that relates to the local environment and culture and is highly responsive to the humid tropical climate of the Philippines. The project makes a positive contribution to Makati City by transforming five separate urban plots into a singular integrated campus. Following multiple studies, the site's existing buildings were demolished, as it would result in a higher amount of embodied carbon to strengthen and retain them.

The process of demolishing the former BDO North and South towers — along with the lower rise Gercon Building — began in 2021 and was completed in 2024. Working closely with the demolition contractor, Foster + Partners ensured that salvageable materials were carefully sorted and weighed on site for recycling. Each salvage truck was weighed before and after loading to ensure accurate measurement of the materials being



recycled. Materials, especially metals, were carefully collected, removed, and sorted into different categories. This meticulous process ensured that valuable materials were recovered efficiently.

It is estimated that the construction of the three buildings produced 22,403 tonnes of embodied carbon emissions. The goal is to recover as much carbon as possible through the recycling process. However, some materials such as concrete, lose their structural properties during demolition, meaning that the carbon used to create them cannot be recovered. Despite these challenges, the aim was to recover approximately 3,177 tonnes of carbon, which is equivalent to powering the new campus for eighteen months. In addition, 35% of the building's concrete was recycled as part of BDO's ambition to achieve Green Mark Platinum status for the project. Recycling efforts resulted in many innovative methods of recycling the buildings' materials, such as using demolished concrete debris for new roads in Pasig City. The steel carpark next to BDO South Tower was taken down piece by piece and fully reassembled and recreated elsewhere, rather than demolished and turned to scrap metal. Laminated glass from the North and South towers were used to build small structures on the building site, such as an office for the project management team and a pavilion.





# 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.



# BDO Foundation

Beneficiaries in 2024    Beneficiaries to date

## Handog sa 'Yo ng BDO Foundation Christmas Gift-Giving Initiative

50,000 families

149,900 families



## Blood Center

1,328 population covered



## School Buildings Built

19 in Elementary schools  
15 in High schools  
1 in College

## Classrooms Built

63 in Elementary schools  
60 in High schools  
4 in College

## Beneficiaries per year

15,800 Elementary students  
16,788 High schools students  
1,589 College students



## Financial Education

5,448,671 students  
523,359 OFWs  
225,308 teachers and non-teaching personnel  
8,246 members of the general public  
16,181 armed forces  
5,227 fisherfolks  
298 civil servants, CSC and LGU personnel  
3,126 firefighters  
1,956 relocatees  
810 farmers



326 lesson exemplars uploaded in DepEd's learning portal

Photo c/o BSP



## Relief Operations

72,282 families  
154 schools

877,543 families  
164 schools  
2,086 students  
47 school employees  
27 elderly



## Tech-Voc Training Facilities

1,006 beneficiaries per year  
6 Classrooms built  
3 Workshops built

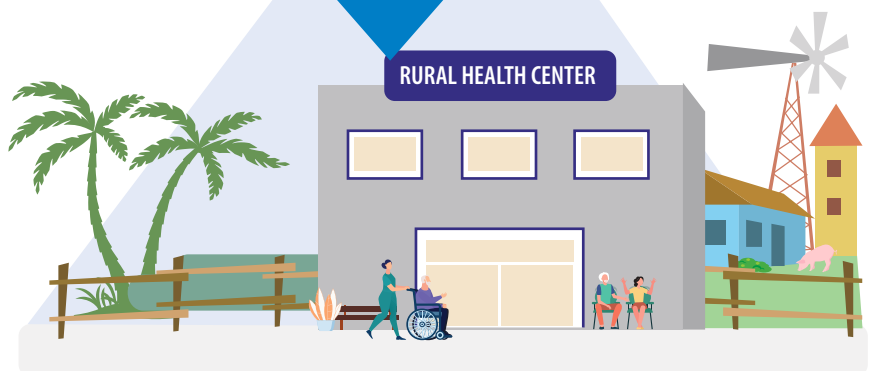


## Rural Health Units (RHUs)

11,078,933 students  
1,518,058 OFWs  
338,200 teachers and non-teaching personnel  
207,659 members of the general public  
53,649 armed forces  
12,505 fisherfolks  
3,017 civil servants, CSC and LGU personnel  
4,379 firefighters  
1,956 relocatees  
870 farmers

31 rehabilitated RHUs  
1,204,668 population covered

191 rehabilitated RHUs to date  
9,036,041 population covered



# Scaling and Mainstreaming Financial Inclusion: BDO Foundation

Guided by its mission to support sustainable development, BDO Foundation continued to make significant strides in 2024, helping Filipinos in need and implementing initiatives that contributed to the achievement of Sustainable Development Goals (SDGs). Working with partners in the public and private sectors as well as BDO branches and business units, the corporate social responsibility arm of BDO Unibank embarked on programs in the areas of financial inclusion and disaster response, rehabilitation, and rebuilding.

## Partnerships with Government Agencies, Local Governments

### Financial Education Programs

In support of the National Strategy for Financial Inclusion of the Bangko Sentral ng Pilipinas (BSP), the Foundation pursued efforts to continuously raise financial literacy levels in the country, improve the economic well-being of beneficiaries, and contribute to nation-building.

The financial literacy lessons covered in BDO Foundation's partnership programs with the BSP include saving, budgeting and financial planning, fraud and scams, debt management, investments, entrepreneurship, insurance, and retirement planning. Beneficiaries included students, teachers and non-teaching personnel, overseas Filipino workers (OFWs), civil servants, armed forces personnel, police personnel, firefighters, fisherfolk, farmers, technical-vocational learners, micro-entrepreneurs, and families displaced by railway projects.

BDO Foundation participated in the BSP Financial Education Congress, which gathered partners and stakeholders in the public and private sectors. The Congress served as a platform for its participants to build a network of financial inclusion advocates and promote programs and lessons.

The two-day event held at the Philippine International Convention Center was highlighted by the Sustainable Finance Practices session, which featured BDO Vice President and Head of the Sustainability Office Marla Garin-Alvarez among the panelists. Another panel session, titled Empowering Individuals and Communities through Tailored Financial Education Programs for Financial Independence and Resilience, was moderated by financial inclusion advocate and business journalist Salve Duplito, who was sponsored by BDO Foundation.

Following a ceremonial launch at the BSP Financial Education Congress in 2023, BDO Foundation and BSP continued to develop the Financial Education E-learning Modules in 2024 to make learning resources accessible to more people. The online courses on personal finance will be available on-demand for free and in engaging formats that include videos, interactive activities, and end-of-session assessments. The E-learning Modules hope to change the financial education landscape by making learning digital, borderless, and accessible to all Filipinos in the country and abroad. Enrollees will go through a pre-test and a post-test exercise, and course completion will automatically generate an e-certificate.

Nine modules are grouped into three batches:

1. Financial planning, saving and budgeting, and debt management
2. Basics of investing, fraud and scam prevention, and financial consumer protection
3. Digital financial literacy, Personal Equity and Retirement Account (PERA), and relevant economic indicators

In 2024, the partners launched batch one in an event witnessed by BDO Foundation trustees and BSP senior officials. At the launch, BSP announced the availability of the first three modules in the BSP E-Learning Academy or BELA, an online platform with courses on personal finance, economics, and central banking. The Technical Education and Skills Development Authority (TESDA) also made the first three modules available to its personnel and technical-vocational education and training

learners through the TESDA Online Program, the agency’s web-based platform for training courses. The next six modules will be released in 2025 initially through the online learning platforms of the BSP and BDO. All modules will eventually be made available to target beneficiaries and the public through partner government institutions. Users will be able to access courses using personal computers, laptops, and mobile devices.

For all its efforts to contribute to the achievement of the National Strategy for Financial Inclusion and work together with public and private sector partners, BDO Foundation was recognized by the BSP at the 2024 Outstanding BSP Stakeholders Appreciation Ceremony. BSP Governor Dr. Eli Remolona Jr. and BSP Deputy Governor Bernadette Romulo-Puyat presented a certificate of appreciation to the Foundation in an event witnessed by Central Bank officials.

In 2024, the Foundation signed a memorandum of agreement with Niras Asia Manila — an organization deputized by the Department of Transportation (DOTr) and contracted by the Asian Development Bank — for the implementation of Kitabuhayan, (wordplay on “income-livelihood” in Filipino) a financial education program that benefits communities relocated due to DOTr’s railway projects.

The Foundation also signed an agreement with the Department of Social Welfare and Development (DSWD) and BSP for the integration of financial education into the training programs of the DSWD Academy for the agency’s personnel and social welfare officers of local government units.

In partnership with the BSP, BDO Foundation also continued to collaborate with various government agencies to more widely spread its successful financial education advocacy:

Partners	Achievements
Agricultural Credit Policy Council (ACPC)	<ul style="list-style-type: none"> <li>■ Production of KITA (Kapital at Ipon Tungo sa Asenso) Mo Na! financial education game kits and trainer’s guides</li> <li>■ Train the trainers sessions</li> <li>■ Nationwide rollout of KITA Mo Na!</li> </ul>
Armed Forces of the Philippines (AFP)	<ul style="list-style-type: none"> <li>■ Turnover of training kits with trainer’s manuals</li> <li>■ Monitoring &amp; Evaluation (M&amp;E) writeshop, a session where subject matter experts gather to develop guidelines that will assess the effectiveness of the program</li> <li>■ Train the trainers sessions</li> <li>■ AFP-wide rollout</li> </ul>
Bureau of Fire Protection (BFP)	<ul style="list-style-type: none"> <li>■ Finalization of trainer’s manual</li> <li>■ M&amp;E writeshop</li> </ul>
Bureau of Fisheries and Aquatic Resources (BFAR)	<ul style="list-style-type: none"> <li>■ Train the trainers sessions</li> <li>■ Writeshop and consultation with representatives of BFAR regional offices</li> <li>■ Production of additional and improved Fish N’ LEarn game kits and trainer’s guides; nationwide rollout</li> <li>■ Observation of fishing community training session in Batanes</li> </ul>
Civil Service Commission (CSC)	<ul style="list-style-type: none"> <li>■ Rollout of financial literacy program within CSC</li> <li>■ Rollout to other government agencies through CSC’s Civil Service Institute</li> </ul>
Department of Education (DepEd)	<ul style="list-style-type: none"> <li>■ Conduct of financial literacy session for teachers and non-teaching personnel in Camarines Sur, Iriga, and Naga in commemoration of National Teachers’ Month</li> <li>■ Issuance of DepEd certification authorizing the use of 302 DepEd-BSP-BDOF-developed lesson exemplars containing financial literacy concepts in the teaching of various subjects for all grade levels of K to 12 in all public schools</li> <li>■ Preparation for the second phase of the partnership to focus on the rollout of fin-ed in the K to 12 curriculum and in the training of teachers and non-teaching personnel</li> </ul>

Partners	Achievements
Department of Migrant Workers (DMW) and Overseas Workers Welfare Administration (OWWA)	<ul style="list-style-type: none"> <li>■ Signing of renewed memorandum of agreement</li> <li>■ Development of materials for Pre-migration Orientation Seminar and OFW families as part of the Pinansyal na Talino at Kaalaman or PiTaKa program</li> </ul>
Department of Transportation (DOTr)/NIRAS	<ul style="list-style-type: none"> <li>■ Development of Kitabuhayan financial education module</li> <li>■ Production of Kitabuhayan game kits</li> <li>■ Conduct of training of trainers sessions for instructors of DOTr, Department of Human Settlements and Urban Development, cooperatives, and non-governmental organizations</li> <li>■ Initial rollout</li> </ul>
Department of Social Welfare and Development (DSWD)	<ul style="list-style-type: none"> <li>■ Signing of memorandum of agreement</li> <li>■ Development of modules</li> </ul>
Department of Trade & Industry (DTI)	<ul style="list-style-type: none"> <li>■ Production and launch of three videos for micro-entrepreneurs</li> </ul>
Philippine National Police (PNP)	<ul style="list-style-type: none"> <li>■ Finalization of modules and trainer's manual</li> <li>■ Development of financial education videos for police personnel</li> <li>■ Conduct of M&amp;E writeshop</li> </ul>
Securities and Exchange Commission (SEC)	<ul style="list-style-type: none"> <li>■ Development of two investor protection videos</li> </ul>
Technical Education and Skills Development Authority (TESDA)	<ul style="list-style-type: none"> <li>■ Launch of the first batch of three e-learning modules on the TESDA Online Platform (TOP), which forms part of the agency's Massive Open Online Courses that technical-vocational learners can access for free</li> </ul>

The Foundation's partnerships also extended to various local government units on improving the financial literacy of LGU personnel, their constituents, and other beneficiaries:

Partner LGUs	Achievements
Municipalities of Alcala, Bautista, Rosales, and Sto. Tomas, Pangasinan (Northern Luzon)	<ul style="list-style-type: none"> <li>■ Train the trainers session for Municipal Agriculture Office personnel, who will then cascade the lessons to farmers and agricultural workers in partnership with ACPC and BSP</li> <li>■ Turnover of KITA Mo Na! game kits</li> </ul>
Iloilo City (Visayas)	<ul style="list-style-type: none"> <li>■ Completion of training sessions for trainers of the Local Economic Development and Investment Promotion Center and Public Employment Service Office</li> <li>■ Rollout of financial literacy sessions for market vendors</li> <li>■ Provision of cash assistance to market vendors</li> </ul>
Odiongan, Romblon (Luzon)	<ul style="list-style-type: none"> <li>■ Training sessions for LGU trainers assigned to cascade lessons to human resources personnel, MSMEs, agricultural workers, and social welfare beneficiaries</li> </ul>
Quezon City	<ul style="list-style-type: none"> <li>■ Seminars for government employees and communities</li> </ul>

## Recognition for Financial Inclusion of Armed Forces Personnel

BDO Foundation received the Financial Inclusion Initiative of the Year recognition at the Retail Banking Awards, hosted by Singapore-based Asian Banking & Finance (ABF). The League of Corporate Foundations (LCF) in the Philippines also awarded the Outstanding CSR Project in Financial Inclusion honors to the Foundation at the LCF Corporate Social Responsibility Guild Awards. Both award-giving bodies cited BDO Foundation for its exemplary efforts to help improve the economic well-being of the men and women of the military.

The Armed Forces personnel financial education program is the first of its kind in the country, and supports the AFP Transformation Roadmap to “build a better and stronger armed forces, a world-class organization that is a source of national pride.” BDO Foundation, the AFP, and BSP help improve the financial literacy of Philippine Air Force, Philippine Army, and Philippine Navy personnel.



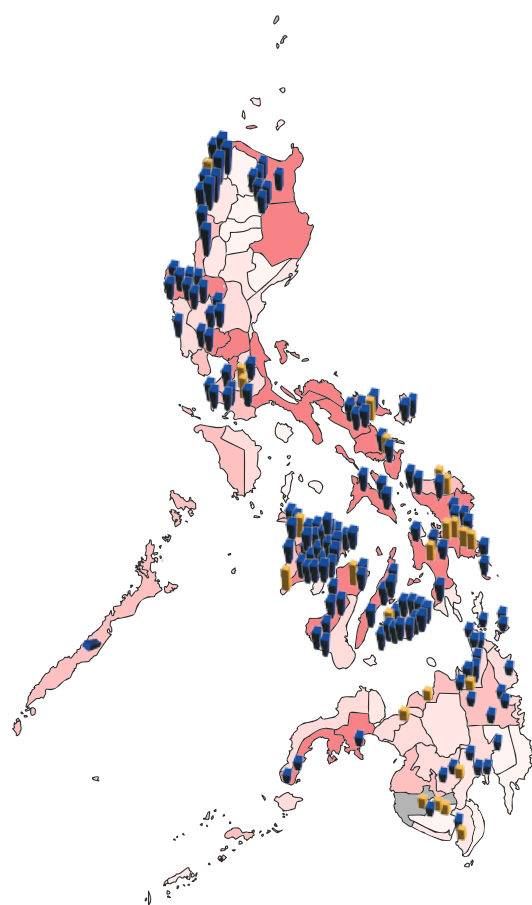
The initiative equips officers, enlisted personnel, and civilian human resources with the knowledge, skills, and tools to make sound financial decisions. It helps the target beneficiaries receive high marks in their personal performance scorecards particularly on the aspect of personal finance. Interventions included the development of discussion guides, integration of financial education modules into AFP career courses, production of six financial education videos, publication of trainer's manual, training of trainers, and establishment of a system for nationwide deployment. These efforts enabled the partners to effectively embed financial education into the military's capacity building programs.

## Partnerships with Private Sector and NGOs

The Foundation also collaborated with non-government organizations and private sector institutions as part of its continuing efforts to help develop a financially literate citizenry, in achieving the following:

Partners	Achievements
Don Bosco One TVET	<ul style="list-style-type: none"> <li>■ Development of financial education subject called Financial Stewardship now offered in all 18 Don Bosco technical-vocational centers nationwide</li> <li>■ Upload of online course through Don Bosco's learning management system</li> <li>■ Implementation of arrangement with BDO and BDO Network Bank branches that enables graduating students to open savings accounts with minimal requirements</li> </ul>
Knowledge Channel Foundation Inc.	<ul style="list-style-type: none"> <li>■ Signing of memorandum of agreement</li> <li>■ Development of 10 new MathDali (Easy Math) curriculum-based videos on early numeracy for Grade One pupils co-funded by BDO Foundation and Huawei Philippines, bringing the total number of videos to 15</li> <li>■ Deployment of videos for use by public schools through Knowledge Channel's various delivery channels</li> </ul>
LINK Center for the Deaf	<ul style="list-style-type: none"> <li>■ Development of eight entrepreneurship modules designed to enhance the capabilities of MSMEs including persons with disabilities</li> </ul>
National University	<ul style="list-style-type: none"> <li>■ Integration of financial education into the Entrepreneurial Mindset course for all students</li> <li>■ Personal finance seminar for teachers facilitated by BSP</li> <li>■ Financial literacy seminars for students conducted by BDO employee volunteers</li> </ul>
People Management Association of the Philippines	<ul style="list-style-type: none"> <li>■ Four-part webinar series on various financial literacy topics for human resources professionals</li> </ul>

## Disaster Response



### Increasing adaptation of communities: Rehabilitating RHUs and building classrooms

- 35 School Buildings Built to Date
- 127 Classrooms Built to Date
- 34,177 Student Beneficiaries per Year
- 191 Rural Health Units Rehabilitated Since 2012

#### Health and Education Facilities Rehabilitated and Built

- Rural Health Units
- School Buildings Built

#### Climate Risk Exposure

- High Exposure
- Medium-High Exposure
- Medium Exposure
- Medium-Low Exposure
- Low Exposure

## Relief Operations

Since its inception in 2008, BDO Foundation has consistently provided aid for Filipinos affected by natural or man-made disasters across the country. In line with its disaster response advocacy, the Foundation mounted relief operations in provinces placed under a state of calamity, mobilizing volunteers for the immediate distribution of relief goods in different communities. Volunteers from partner organizations, local government personnel, and BDO employees — working together in the spirit of bayanihan or volunteerism — distributed packs containing food, rice, and drinking water to family beneficiaries in evacuation sites and various barangays affected by typhoons, floods, fire, and an oil spill incident.

The initiative was made possible by employees of BDO and BDO Network Bank branches, who helped BDO Foundation assess situations in affected areas, determine the number of beneficiaries, and coordinate logistics. It was supported by partners including parishes, diocesan social action centers, non-governmental organizations, local government units, the military, and the police.

## Rehabilitation of Rural Health Units



From 160 rural health units (RHUs) in 2023, the Foundation completed the rehabilitation of its 191st rural health unit in 2024, as part of continuing efforts to help improve the primary healthcare delivery system in the Philippines.

BDO Foundation renovates health centers, particularly their exteriors, layout and interior design, lobbies and waiting areas, offices, birthing clinics, consultation rooms, treatment rooms, and pharmacies. It installs new signages, furniture, and fixtures to help health workers accommodate more patients. In RHUs with available space, the Foundation builds breastfeeding stations for nursing mothers, play areas for children, and waiting lounges for the elderly. The improvement of facilities empowers and motivates doctors, nurses, and midwives to provide primary healthcare services more efficiently to their constituent communities. The program benefits mothers, infants and children, adolescents, persons with disabilities, senior citizens, and indigenous peoples living in remote areas.

Like other BDO Foundation projects, the rehabilitation of RHUs was supported by officers of BDO and BDO Network Bank branches, who recommended health centers that needed assistance. The program was also made possible in partnership with local government leaders and health officers as well as Department of Health (DOH) provincial areas offices, which provided guidance on the renovation. Working together, BDO Foundation and its partners helped health centers receive better assessment scores from the DOH and accreditation from the Philippine Health Insurance Corporation.

## Christmas Gift-Giving Program

BDO Foundation continued to provide Noche Buena food packs for communities all over the country through Handog sa 'Yo ng BDO Foundation, its Christmas gift-giving initiative. For the fifth consecutive year, the Foundation organized the nationwide distribution of food packs to help families celebrate the season. It partnered with non-governmental organizations Ako Ang Saklay, Ako Bakwit, Caritas Philippines, and Tangang Yaman Foundation for the project.



## Employee Volunteer Program

BDO Foundation, the Human Resources Group, the Sustainability Office, and the Marketing Communications Group continued to work together for the implementation of the BDO Employee Volunteer Program (EVP) that addresses poverty and hunger, environmental conservation, education, and financial inclusion, underpinned by human rights.

As championed by the Corporate Governance Committee of the Board, the EVP aims to develop BDO employees' sustainability mindset and encourage participation in BDO's corporate citizenship initiatives — all in support of the United Nations Sustainable Development Goals. BDO Directors and senior executives also joined various volunteer activities nationwide conducted in partnership with non-government organizations and other organizations identified by different business units.

Partners	Volunteer events
Ako Ang Saklay, Ako Bakwit, Caritas Philippines, and Tanging Yaman Foundation	Handog sa 'Yo ng BDO Foundation nationwide distribution of Noche Buena food packs
Department of Education	Brigada Eskwela: <ul style="list-style-type: none"> <li>■ Buhay na Tubig Elementary School, Cavite</li> <li>■ Quirino High School, Quezon City</li> <li>■ Vicente Trinidad National High School, Cagayan</li> <li>■ Mandaue City Central Elementary School, Cebu</li> <li>■ Daniel R. Aguinaldo National High School, Davao</li> </ul>
Guanella Center	Distribution of groceries, food packs, and gifts to disadvantaged children
Haribon Foundation	<ul style="list-style-type: none"> <li>■ Coastal clean-up in the Las Piñas-Parañaque Wetland Park</li> <li>■ Native tree nursery activities in Rizal and Zambales</li> </ul>
ICCP Group Foundation	Financial literacy sessions for beneficiaries of the Pantawid Pamilyang Pilipino Program (Bridging Program for the Filipino Family) or 4Ps in Batangas and Cebu
National University	Financial literacy sessions for students
Rehoboth Children's Home	Distribution of groceries to orphans
Scholars of Sustenance	Rescue kitchen activities in Quezon City and Manila
St. John Bosco Parish, Makati	■ Distribution of food assistance

BDO Foundation is committed to support the SDGs. Inspired by BDO's We Find Ways philosophy and backed by the BDO community, BDO Foundation will continue to work hard for a sustainable, resilient, and financially inclusive future.



#### CASE STUDY:

## Making Fin-Ed More Engaging for Filipinos

It was a simple solution that proved to be engaging and effective for fisherfolk.

Instead of teaching financial literacy concepts through traditional lectures, a technical working group composed of BDO Foundation, Bureau of Fisheries and Aquatic Resources (BFAR), and Bangko Sentral ng Pilipinas (BSP) officers co-developed Fish N' LEarn, a gamified training intervention that mimics real-life events that influence the financial behaviors of fishers. A designated and trained game master facilitates sessions and enables participants to learn lessons in an experiential manner. Fish N' LEarn lessons cover such topics as saving, budgeting and financial planning, debt management, entrepreneurship, insurance, and the conservation of marine resources.

The gamified learning aims to help improve the financial literacy, productivity, and income-generating capability of an estimated 1.9 million fisherfolk all over the Philippines and contribute to the achievement of SDGs in the areas of financial inclusion, poverty reduction, and environmental protection. Aligned with BSP's National Strategy for Financial Inclusion, the game supports the Department of Agriculture's goal to attain a food-secure and resilient Philippines with empowered and prosperous farmers and fisherfolk.

Although the program is far from reaching all target beneficiaries, Fish N' LEarn is making inroads into fishing communities across the country. According to interviews conducted by BFAR, beneficiaries shared stories of how the game is helping them take steps towards financial independence.

Teresita Gepanao, president of the Malabasa Fisherfolk's Association in Misamis Oriental, said, "I enjoyed learning through Fish N' LEarn. What I liked about it was learning the importance of banking, investments, and insurance as protection against typhoons, fire, and other disasters. I also liked being able to simulate situations that affect us, using play money. I shared the lessons I learned with my children, particularly those about saving for the future and avoiding unnecessary loans," she added. "This is critical because as fishers, our source of livelihood is not guaranteed."

Agripina Montañez, a member of the Lala Fishermen Cooperative in Lanao del Norte, echoed these sentiments, "Without this training, we wouldn't learn about savings and insurance. With this training, we realized that there are different ways we can address challenges to sustain our livelihood. Now, we make it a point to deposit our cooperative's monthly earnings in a bank".



#### CASE STUDY:

## Finding Hope in Health Centers Affected by Disasters

“It’s not only about the renovation of the building. It’s not just about the tables and chairs you gave us. You helped with our mental health. You gave us hope when you rehabilitated our rural health unit,” declared Dr. Reina Jane (RJ) Demandante, Municipal Health Officer of Clarin Primary Care Facility in Bohol, on the occasion of the RHU turnover with BDO Foundation and the people who made the rehabilitation of their health center a reality.

Clarin Primary Care Facility is one of the 191 RHUs BDO Foundation has renovated since 2012. It is also one of the more than 20 RHUs the foundation has turned over in Bohol province alone.

Like many coastal community health centers rehabilitated by the Foundation, the Clarin facility was affected by Typhoon Odette, one of the most devastating typhoons to hit the country in recent history. “The storm surge caused by Odette flooded the building with neck-deep mud. The electricals were soaked in muddy water. The roof was blown off. The records were damaged. The condition of the place really made me cry,” Dr. Demandante recalled.

“While cleaning the RHU, we transferred to a different building, in a small room that we shared with another office. We didn’t have electricity. We didn’t have water. We had no laboratory. It was depressing and demoralizing not to be able to perform our jobs, help people, and provide services to our constituents,” she said.

BDO Foundation learned about the situation in Clarin through Dr. Dewy Demandante, husband to Dr. RJ and municipal health officer of the neighboring Sagbayan Municipal Health Unit, which was also rehabilitated by the Foundation. Guided by Doc RJ and supported by local government leaders, the Foundation rehabilitated both interiors and exteriors, layout, waiting areas, offices, clinics, consultation and treatment rooms for both health workers and patients.

“Patients now feel safe. Persons with disabilities and senior citizens feel comfortable. Victims of abuse who visit the RHU for counselling now have privacy. Children enjoy the play area. My fellow doctors and I extend a warm and sincere thank you to BDO Foundation for making this possible,” the doctor shared. More than 21,000 people in the 24 barangays of the fifth-class municipality stand to benefit from the rehabilitated health center.

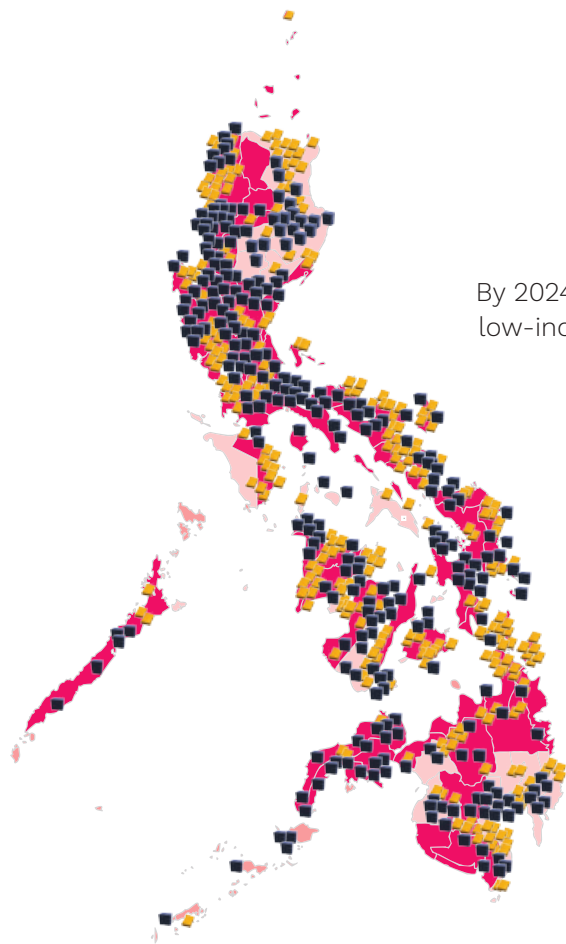


BEFORE




AFTER





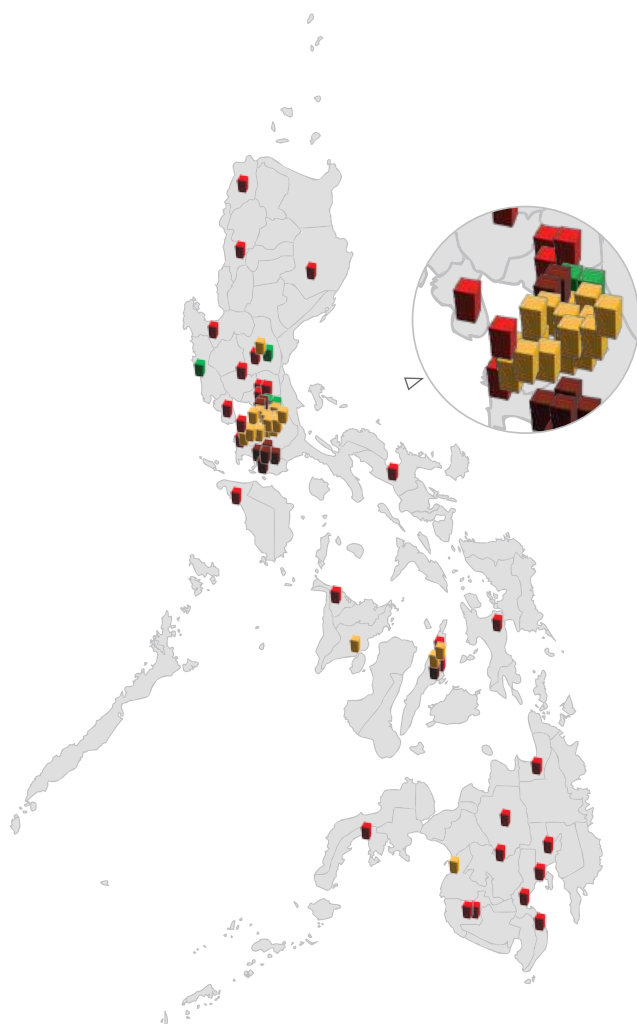
## Gift giving and relief operations

By 2024, BDO Foundation has given food packages to 149,900 low-income families during its gift giving and 877,543 families through its relief operations.

 Relief Operations

 Gift Giving

**Poverty Incidence in the Philippines**



## Promoting A Sustainability Mindset: BDO Employee Volunteer Program

### Employee Volunteer Program Map

Milestones in 2024:

80 volunteer activities nationwide


2,004 volunteers nationwide

8,550 total volunteer hours

 Education

 Environment

 Financial Inclusion

 Poverty and Hunger

## Stakeholder Communication Campaign <sup>2-29</sup>



BDO fulfills its mandate to widely and effectively communicate and actively encourage its stakeholders to participate in its sustainability journey through storytelling across multiple channels. Stories highlight the Bank's initiatives in financing industries and individuals to drive economic growth, supporting community development, rebuilding communities after disasters, and fostering positive environmental and social impact across the country. Through its commitment to sustainability, BDO aims to inspire a collective effort within its sphere of influence toward creating a better future for people and the planet.

To raise awareness and promote appreciation for sustainability, BDO regularly publishes stories centered on the following themes:

- BDO-financed sustainability projects and clients;
- Sustainability and ESG-related partnerships;
- Thought leadership pieces on sustainability;
- Corporate social responsibilities (CSR) activities; and
- Sustainability and ESG-related awards and recognitions from local and international award-giving organizations.

These stories are strategically shared across traditional and digital platforms to maximize reach. Traditional media include national broadsheets, tabloids, provincial publications, foreign publications, while digital platforms are online news sites, business and consumer blogs, and the Bank's own social media channels, ensuring BDO's messages resonate with its diverse intended audiences.

The Bank also amplifies its efforts through its official website ([www.bdo.com.ph](http://www.bdo.com.ph)) with a Sustainability Section that provides overviews of its Sustainability philosophy and framework, sustainability reports, impact reports, infographics on its sustainability bond issuances, demographic data on client diversity, its materiality matrix, along with its sustainable finance framework.

In 2024, BDO continued to demonstrate its unwavering commitment to sustainability by sharing notable updates and accolades for its sustainability initiatives through external channels. These include:

- BDO Wins Advance in Responsible Finance Award for Blue Bond Initiative
- BDO Wins at the Global Good Governance Awards for Green Innovation
- BDO Holds Sustainability Briefing Series for Its Top Executives
- BDO Expands Sustainable Finance Framework, Gains New SPO Validation
- BDO, Asia's Premier Banks Release New Report to Support Climate Transition

Public disclosure in the form of compelling storytelling also enables the Bank to gather valuable feedback on its initiatives from various stakeholders locally and elsewhere in the world. Examples of sustainability-related feedback are strong interest from the general public on how BDO determines requirements for financing or investing on environmental and social projects, where the proceeds from its bond issuances go, how BDO manages its carbon footprint, what the Bank's commitments are on fossil fuels and renewable energy, how the Bank ensures data security and customer welfare, how it sees its role in addressing the challenges of climate change, among others.

In 2024, BDO had the highest sustainability perceptions value in the Philippines at US\$175 million, according to the Sustainability Perceptions Index by Brand Finance, the world's leading brand valuation consultancy, in association with CSRHub and the International Advertising Association (IAA). Sustainability Perceptions Value is the financial value that is tied to a brand's reputation for acting sustainably.

Both BDO's perceptual and performance scores on environmental sustainability and governance were above the banking sector average in the research. This not only demonstrates strong external awareness of BDO's sustainability efforts and communications, but that the brand's actual performance and reporting on ESG issues supports this perception. Brand Finance's Sustainability Perceptions Index is based on a study of over 150,000 respondents across 40 countries.

BDO believes that sustainability is a shared responsibility and continues to prioritize initiatives that align with its vision of creating long-term value for society. By sharing these compelling stories, BDO hopes to inspire its stakeholders to join hands in creating a meaningful impact on communities, the economy, and the environment.

## Sustainability Engagements and Partnerships

### Asia Transition Finance Study Group

#### Public-Private Sector Collaboration to De-Risk Transition Finance

BDO is a member of the Asian Transition Finance (ATF) Study Group, a private-led initiative whose core participants are large 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.

This year, the ATF Annual Report 2024 was created after months of discussion among the core members, composed primarily of commercial banks. Development banks, export credit agencies, public agencies, and finance associations joined as observers and knowledge contributors. Energy and industry players, insurance and guarantee providers, and advisors also participated as guest speakers to share their perspectives.

The ATF Annual Report 2024 describes how transition projects can become feasible and bankable by mitigating and allocating risks through public and private sector collaboration. This fundamental issue, identified during discussions in 2022 and 2023, is crucial for enabling FIs to engage in transition projects. The Study Group considers that understanding the main risks of transition projects and how each risk can be addressed by both public and private sectors would foster coherent collaboration among all stakeholders.

The Asia Transition Finance Annual Report 2024 is available at this link:

<https://www.atfsg.org/report/asia-transition-finance-study-group-atf-sg-annual-report-2024>

## Eco-Business Unlocking capital for sustainability (Singapore)

### Board Governance – Stewardship for a Global Transition

At the 2024 Unlocking capital for sustainability (Ucfs) Forum in Singapore, Senior Vice President and Chief Compliance Officer Federico P. Tancongo shared how good governance, coupled with a strongly supportive Board of Directors at BDO are key to policies and programs that effectively weigh both enterprise environmental and social risks and drive value creating opportunities for the Bank. He shared that “for many board members, ESG issues have become their personal legacy; sustainability is now about survival and business, and goes beyond risk, compliance, communications, and branding. We have started to embed sustainability in all our decisions, including who we decide to work with.” He added that when it comes to BDO directors, the challenge is always on what else can be done to advance the Bank’s sustainability initiatives and drive a sustainable mindset change within the organization and in the financial sector.



## Eco-Business Unlocking capital for sustainability (Philippines)

### Investing in the Transition of Critical Sectors: Energy, Infrastructure, Building

The Philippine Ucfs theme focused on “a new era for energy and nature in the country.” Vice President and Head of the Sustainability Office Marla Garin-Alvarez joined the panel on Investing in the Transition of Critical Sectors with representatives from the energy, real estate and banking sectors. The energy transition is often viewed as fraught with risks, losses, and costs for companies, and while these remain valid concerns in various contexts, the panel discussed the opportunity-seeking perspective brought about by innovative technology, evolving responsible consumer preferences, availability of funding locally and internationally, and even lower costs for more sustainable alternatives. One such opportunity cited by panelists was the draft low carbon economy bill, where the Philippines can benefit from the abundance of potential projects for carbon credits, while also conscious of potential negative impacts of using nature for profit and development. BDO shared its recent successes in raising funds for green and social projects through its ASEAN Sustainability Bond issuances which were oversubscribed by over 10 times its target. While such results show strong interest from both retail and institutional investors, the financial viability of projects to lend or invest in remain a key challenge.



## Department of Trade and Industry

### The Philippines as Smart and Sustainable Manufacturing Hub in Southeast Asia

BDO partnered with the Department of Trade and Industry (DTI) to strengthen the flow of foreign investments into the Philippines, through organizing investments seminars, business matching activities, and industry promotion missions designed to position the Philippines as a prime destination for foreign investments. These initiatives will highlight the country's skilled workforce, growing industries, and strategic position in Asia towards one goal: to attract investments in key sectors such as manufacturing, technology, renewable energy and infrastructure, fostering the creation of new factories, jobs, and innovations that will benefit Filipinos.

DTI Undersecretary and Board of Investments Managing Head Dr. Ceferino S. Rodolfo, underscored the strategic benefits of the partnership. “By combining BDO’s financial expertise and DTI’s investment policy leadership, we can create a more competitive environment for investors. This collaboration ensures that the Philippines is recognized not just as a growing market, but



as a destination for sustainable, long-term investments.” BDO Executive Vice President and Head of Institutional Banking Group Charles M. Rodriguez, emphasized that the investments will contribute to the country’s economic growth, which has consistently ranked among the strongest in the ASEAN region over the past decades.



## Department of Environment and Natural Resources, SM Malls, and other partners

### Save from Extinction Campaign

BDO joined a multi-stakeholder initiative of wild life conservationists led by the Department of Environment and Natural Resources (DENR) and SM Malls for the “Save from Extinction” campaign to protect six threatened wildlife found in the Philippines:

- **The Dugong** (*Dugong dugon*) or sea cow, a gentle marine mammal often seen in warm coastal waters all over the Philippines endangered turtle species
- **The Pawikan** (*Eretmochelys imbricata*), including all 5 species found in the Philippines
- **The Philippine Cockatoo** (*Cacatua haematurus*), also known as the red-vented cockatoo and endemic to Philippine forests
- **The Philippine Eagle** (*Pithecophaga jefferyi*), the country’s national bird known as the largest eagle in the world and at a critically low population
- **The Tamaraw** (*Bubalus mindorensis*), a dwarf buffalo found only on the island of Mindoro
- **The Philippine Pangolin** (*Manis culionensis*), a critically endangered scaly mammal from Palawan

BDO provides donation channels for the campaign through its large network of automated machines (ATMs) nationwide, where ATM users have the option to donate by having it deducted from their account while transacting through BDO ATMs. While waiting for their ATM transactions to come through, ATM users can read onscreen about the six threatened species and how they perform critical roles in maintaining the delicate ecological balance in the country. Donated funds go directly to the non-government organizations that lead conservation efforts for each of the six animals. Other campaign partners are World Wide Fund for Nature, the Forest Foundation Philippines, the Zoological Society of London, the D’Aberville Foundation, the Philippine Eagle Conservation Program, Kultura, and KATALA Foundation.



## International Finance Corporation

### Ocean Development Forum and Blue Finance Study Tour

Continuing its long partnership with the International Finance Corporation (IFC), BDO representatives from the Sustainability Office and Sustainable Finance Desk participated in the IFC-sponsored 2024 Global Ocean Development Forum and Blue Finance Study Tour for Bankers in Qingdao, China last October 2024.



Under the theme of “Promoting Blue Partnerships for Growth and Sustainability,” the Ocean Development Forum focused on trends and developments shaping the future of the blue economy. Speakers discussed challenges and opportunities in blue financing for China, including initiatives to boost port activities contributing to economic growth. China has some of the world's largest ports, including the Port of Qingdao, the seventh largest globally.

As a side event, the study tour was organized by IFC and the Chinese Academy for Financial Inclusion (CAFI) for invited bankers across the ASEAN region. BDO representatives visited three local blue businesses: Haier Group Corporation, Qingdao Bright Moon Seaweed Group Co., Ltd., and the Port of Qingdao, all IFC clients with projects aimed at ocean preservation. These visits showcased highly automated operations powered by renewable energy, specifically solar and wind. The BDO representatives also participated in roundtable discussions on Blue Finance with local financial institutions and heard from speakers representing various sectors, including blue food, blue carbon, and climate adaptation.

## SM Supermalls, Zonta Club of Makati and Environs

### Sining Filipina All-Female Art Competition

BDO partnered with SM Supermalls and the Zonta Club of Makati and Environs for Sining Filipina, the first all-female national art competition in the Philippines in celebration of International Women’s Month. The initiative aimed to provide a space



“Layers of Experience” by Maria Gemma S. San Jose, first place winner in the Non-Figurative category.



“Pira-pirasong Tela Nang Mga Marias” by Hanna Joy M. Sayam, first place winner in the Figurative category.

for women’s creative perspective, while fostering inclusivity and empowerment within the arts community. The competition was opened to women artists of all backgrounds nationwide and invited submissions for its Figurative and Non-Figurative categories to encourage exploration and inspire dialogues of themes related to women’s experiences and aspirations. Beyond providing a platform for artistic expression, proceeds from Sining Filipina supported Zonta Club’s projects empowering women through education and entrepreneurship. Three winners from each category received cash prizes of ₱250,000 (US\$4,300) each and had their winning artworks exhibited at SM Malls throughout March 2024.



## BDO Speaking Engagements: Local, Regional, Global

Throughout 2024, BDO was represented by the BDO President and CEO, the Compliance Group, and the Sustainability Office in various speaking engagements to share the Bank's initiatives on sustainable finance, pioneering sustainable financial instruments, good governance, just energy transition, ESG risk management, sustainability reporting, ESG disclosures, gender empowerment, and diversity and inclusion. Conversely, BDO also gained knowledge from the perspectives and experience of other financial institutions, corporations, regulators, and governments on emerging and fast changing sustainability and ESG matters in the Asian region and the rest of the world.

### January

- Nordic Chamber's Joint Economic Briefing: Green and Sustainable Investments
- Forum for the Future: Launch of Responsible Energy Initiative
- UP Women Lawyers Circle, Inc.: ESG Overview, Issues and Relevance to Philippine Businesses

### February

- Climate Business Forum: Blue Finance Opportunities for our Oceans and Water Resources (Hong Kong)
- Alliance for Green Commercial Banks Roundtable Discussion (Hong Kong)
- Climate Smart Ventures: Launch of Accelerated Pathways for a Just and Managed Energy Transition in the Philippines

### March

- Fair Finance Philippines: Launch of the 3rd Fair Finance Bank Policy Assessment Philippines
- PH Commission on Women & UN Women: Investing in Equality Toward Gender-inclusive Prosperity

### April

- Global Good Governance Summit 2024: Innovative Leadership for Sustainable Future
- Financing Energy Transition: Philippine Energy Transition Council Thematic Working Groups Meeting
- SGV Knowledge Institute: Climate Convergence: Actions Towards a Resilient Future
- Negros LGU: Negros Power Summit

### May

- UN Environment Programme & UK Government Blue Economy Forum (Maldives)
- International Finance Corporation: Blue Bond Round Table
- US Trade and Development Agency: Indo-Pacific Business Forum
- Philippine ESG Investors Summit: Investing in Climate Action
- Institute for Climate and Sustainable Cities: Tacloban Climate Summit

### June

- Diligent: Green or Greenwashing: Publishing climate reports that stand up to scrutiny

### July

- Global Reporting Initiative: Sustainability Practices and Reporting Kick-off (SPARK) for MSMEs

### August

- S&P Global ESG Score and Peer Benchmarking Webcast for the Philippines and Vietnam
- World Clean Energy Conference Expo: Facilitating a Just Energy Transition
- Eco-Business Unlocking Capital for Sustainability – Philippines

### September

- Eco-Business Unlocking Capital for Sustainability – Singapore
- Sustainable Impact Summit: Accessing Financing for Sustainability & ESG Initiatives (Singapore)
- Asia Risk Congress: Managing Risks Associated with ESG Disclosure and Reporting (Singapore)

### October

- ASEAN Business & Biodiversity Forum: Financing Nature-based Projects (Kuala Lumpur)

### November

- Bangko Sentral ng Pilipinas Financial Education Stakeholders Congress: Embracing Sustainable Finance Principles for Social Empowerment and Inclusion

### December

- UN ESCAP Regional Dialogue on Financing the Energy Transition (FET): Progress, Solutions, and Persisting Challenges in Southeast Asia (Bangkok)



# GRI Content Index

BDO Unibank, Inc. has reported in accordance with the GRI Standards for the period January 1 to December 31, 2024.

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
<b>GRI 1: Foundation 2021</b>		
<b>General Disclosures</b>		
<b>GRI 2: General Disclosures 2021</b>	<b>The organization and its reporting practices</b>	
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	2-3 Reporting period, frequency and contact point	2, 171
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	2-6 Activities, value chain and other business relationships	4-5, 8-9, 17-76, 77-124, 125-143, 159-165
	2-7 Employees	8-9, 96-97, 99, 102-103, 159-165
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	2-16 Communication of critical concerns	84-88
	2-17 Collective knowledge of the highest governance body	83
	2-18 Evaluation of the performance of the highest governance body	82
	2-19 Remuneration policies	Confidentiality Constraints: Remuneration is considered competitive information and a security risk for bank personnel.
	2-20 Process to determine remuneration	87
	2-21 Annual total compensation ratio	96
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	2-22 Statement on sustainable development strategy	6-7, 11
	2-23 Policy commitments	8-11, 18-28, 37
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	2-26 Mechanisms for seeking advice and raising concerns	120-122
	2-27 Compliance with laws and regulations	Confidentiality Constraints: Compliance with laws and regulations are considered confidential as they may be under review with regulators and may open the Bank to security risks if disclosed.
	2-28 Membership associations	170
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	3-2 List of material topics	14-15
<b>Data Security and Customer Privacy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	94-95, 120-122
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	121-122
<b>Employee Health &amp; Safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	98-104
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	101-102
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	403-3 Occupational health services	101-102
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	403-10 Work-related ill health	96-97
<b>Customer Welfare</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	94-95, 120-122
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	94-95
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Zero (0) incidents of non-compliance concerning the health and safety impacts of products and services reported
<b>Systemic Risk Management</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	18-28, 78-79, 84-87
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	78
	201-2 Financial implications and other risks and opportunities due to climate change	18-28
	201-3 Defined benefit plan obligations and other retirement plans	Confidentiality Constraints: Benefits and Retirement Plans are considered competitive information related to talent acquisition and retention.
	201-4 Financial assistance received from government	₱0.00
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	89-91
	205-2 Communication and training about anti-corruption policies and procedures	91-92
	205-3 Confirmed incidents of corruption and actions taken	12 decided cases of cash abstraction (internal fraud) involving six (6) Bank employees who were then dismissed accordingly, consistent with the existing labor laws, all under BDO Unibank Inc. The Bank undertook to file legal cases against these erring employees to demonstrate its zero tolerance policy on fraud.  In the same year, zero (0) public legal cases involving bribery and corruption were brought against BDO and its employees.
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	92-93
	207-2 Tax governance, control, and risk management	92-93
	207-3 Stakeholder engagement and management of concerns related to tax	92-93
	207-4 Country-by-country reporting	92-93

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Information Incomplete: Zero cases of child labor in the BDO Group, but suppliers are unable to provide information as they did not track this. BDO will require disclosure on this topic during the vendor environmental and risk assessment in 2025.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Information incomplete: Zero cases of forced or compulsory labor for BDO Group, but suppliers are unable to provide information as they did not track this. BDO will require disclosure on this topic during the vendor environmental and risk assessment in 2025.
<b>Business Ethics</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	12-16, 65-79, 100-103
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	6-7
	2-23	Policy commitments	8-11, 18-28, 37
	2-24	Embedding policy commitments	12-16, 18-28, 85, 87-92, 150-155
	2-25	Processes to remediate negative impacts	98-103, 120-122, 89
	2-26	Mechanisms for seeking advice and raising concerns	120-122
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	90
<b>Labor Practice</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	98-107
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	96-97
	202-2	Proportion of senior management hired from the local community	96-97
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	96-97
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Confidentiality Constraints: Benefits are considered competitive information related to talent acquisition and retention.
GRI 402: Labor/ Management Relations 2016	401-3	Parental leave	96-97
	402-1	Minimum notice periods regarding operational changes	4 weeks
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	96-97
	404-2	Programs for upgrading employee skills and transition assistance programs	96-97, 99-100, 102-107
	404-3	Percentage of employees receiving regular performance and career development reviews	96-97
<b>Diversity &amp; Inclusion</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	98, 80-81, 96-97
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	80-81, 96-97
	405-2	Ratio of basic salary and remuneration of women to men	96-97
<b>Access &amp; Affordability</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	38-76, 128-137
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	38-76, 125-143, 159-165
<b>Physical Impact of Climate Change</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-28
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	18-28
<b>Financing Sustainable Development</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	28-39, 45-48
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	28-39, 45-48
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8-9, 33-36, 126-127, 133

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
Selling Practices and Product Labeling, Product Design and Lifecycle Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	38-42, 45-46, 55, 111-116
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	111-116, 122
	417-2	Incidents of non-compliance concerning product and service information and labeling	Zero (0) incidents of non-compliance recorded during the reporting period covered
	417-3	Incidents of non-compliance concerning marketing communications	Zero (0) incidents of non-compliance recorded during the reporting period covered
Management of Legal and Regulatory Environment			
GRI 3: Material Topics 2021	3-3	Management of material topics	88-95
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	89-90
	205-2	Communication and training about anti-corruption policies and procedures	87-95, 96
	205-3	Confirmed incidents of corruption and actions taken	12 decided cases of cash abstraction (internal fraud) involving six (6) Bank employees who were then dismissed accordingly, consistent with the existing labor laws, all under BDO Unibank Inc. The Bank undertook to file legal cases against these erring employees to demonstrate its zero tolerance policy on fraud.  In the same year, zero (0) public legal cases involving bribery and corruption were brought against BDO and its employees.
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	89-90
GRI 207: Tax 2019	207-1	Approach to tax	92-93
	207-2	Tax governance, control, and risk management	92-93
	207-3	Stakeholder engagement and management of concerns related to tax	92-93
	207-4	Country-by-country reporting	93
GRI 415: Public Policy 2016	415-1	Political contributions	90, ₱0.00
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	121-122
Direct Economic Value Generated			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-28, 78
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	78
	201-2	Financial implications and other risks and opportunities due to climate change	18-28
	201-3	Defined benefit plan obligations and other retirement plans	We do not disclose this matter due to confidentiality constraints and competitive information issues
	201-4	Financial assistance received from government	₱0.00
Executive Responsibility in ESG			
GRI 3: Material Topics 2021	3-3	Management of material topics	12-13, 84-86
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	12-13, 84-86
	2-14	Role of the highest governance body in sustainability reporting	12-13, 84-86
Human Rights and Community Relations			
GRI 3: Material Topics 2021	3-3	Management of material topics	14, 18, 27, 58, 74-75, 126-139
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8-9, 33-36, 126-127, 133
	203-2	Significant indirect economic impacts	8-9, 56, 63-64, 76
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Information Unavailable: Third party security personnel unable to provide BDO with this information. BDO will require disclosure on this matter during vendor assessment in 2025.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Not applicable. The Bank's offices and branches are all strategically located in city or town centers (even in provincial areas) where commercial activities are present.

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	125-141
	413-2	Operations with significant actual and potential negative impacts on local communities	Zero (0) significant actual and potential negative impacts recorded during the reporting period covered
Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	122
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	122
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Information Unavailable: Procurement was unable to track environmental and social risk assessment in 2024. Capacity-building on screening to be conducted in 2025.
	308-2	Negative environmental impacts in the supply chain and actions taken	Information Unavailable: BDO did not have sufficient data collection in place to collect the data during the reporting period.
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Zero incidents of discrimination 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 in place to collect the data during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Information Unavailable: Procurement was unable to track environmental and social risk assessment in 2024. Capacity-building on screening to be conducted in 2025.
	414-2	Negative social impacts in the supply chain and actions taken	Information Unavailable: BDO did not have sufficient data collection in place to collect the data during the reporting period.
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	111-119
GRI 301: Materials 2016	301-1	Materials used by weight or volume	112- 119
	301-2	Recycled input materials used	111-118
	301-3	Reclaimed products and their packaging materials	111-118
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	111-118
	306-2	Management of significant waste-related impacts	111-118
	306-3	Waste generated	117-118
	306-4	Waste diverted from disposal	115-118
	306-5	Waste directed to disposal	117-118
Water and Wastewater			
GRI 3: Material Topics 2021	3-3	Management of material topics	110
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	110
	303-2	Management of water discharge-related impacts	110
	303-3	Water withdrawal	110
	303-4	Water discharge	110
	303-5	Water consumption	110, 117-119
Energy Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	107-110
GRI 302: Energy 2016	302-1	Energy consumption within the organization	107-110
	302-2	Energy consumption outside of the organization	107-110, 117-119
	302-3	Energy intensity	117-119
	302-4	Reduction of energy consumption	107-110, 113
	302-5	Reductions in energy requirements of products and services	107-110, 113
GHG Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	107-119
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	117-119
	305-2	Energy indirect (Scope 2) GHG emissions	117-119
	305-3	Other indirect (Scope 3) GHG emissions	117-119
	305-4	GHG emissions intensity	117-119
	305-5	Reduction of GHG emissions	107-119
	305-6	Emissions of ozone-depleting substances (ODS)	119
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	119



# TCFD Index

## Task Force on Climate-Related Financial Disclosures (TCFD) Recommended Disclosures

Topic	Disclosure	Reference
<b>Governance</b> Disclose the organization's governance around climate-related risks and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> <li>● Sustainability Governance, pp. 12-13</li> <li>● Our Board of Directors and Governance Structure, pp. 80-87</li> </ul>
	b. Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> <li>● Message from the President &amp; CEO, p. 7</li> <li>● Sustainability Governance, pp. 12-13</li> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22</li> </ul>
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term	<ul style="list-style-type: none"> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22</li> <li>● On Sustainability and Business Strategy, pp. 21-22</li> <li>● Environmental and Social Risks Exposure, pp. 23-28</li> </ul>
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<ul style="list-style-type: none"> <li>● On Sustainability and Business Strategy, pp. 21-22</li> <li>● Environmental and Social Risks Exposure, pp. 23-28</li> </ul>
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> <li>● Message from the President &amp; CEO, p. 7</li> <li>● Sustainability Governance, pp. 12-13</li> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-20</li> <li>● On Sustainability and Business Strategy, pp. 21-22</li> </ul>

Topic	Disclosure	Reference
<b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks	a. Describe the organization's processes for identifying and assessing climate-related risks	● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22
	b. Describe the organization's processes for managing climate-related risks	● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	● On Metrics and Targets, p. 23
	b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks	● BDO Resource Consumption, pp. 117-119
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	● On Metrics and Targets, p. 23

# SASB Content Index

## Sustainability Accounting Standards Board (SASB) Standards

Across multiple standards			
Topic	SASB code	Accounting metrics	Response / Reference
Data Security	FN-CB-230a.1 FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	The Bank has an established process in reporting and preventing recurrences of personal data breaches, as detailed in its Data Privacy Manual.  The number of data breaches involving our account holders is confidential and proprietary information to the Bank.
	FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	<ul style="list-style-type: none"> <li>● Building Trust on Technology: Data Privacy, page 94</li> </ul>
	FN-CF-230a.2	Card-related fraud losses from (1) card-not present fraud and (2) card-present and other fraud	<ul style="list-style-type: none"> <li>● Customer Contact Center, pages 121-122</li> </ul>
Employee Diversity & Inclusion	FN-IB-330a.1 FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	<ul style="list-style-type: none"> <li>● Board Snapshot, page 81</li> <li>● Employee Profile, pages 96-97</li> <li>● Human Capital Development - Driving Equal Opportunity Employment, pages 98-103</li> </ul>
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	<ul style="list-style-type: none"> <li>● Environmental and Social Risks Exposure, pages 23-26</li> <li>● Sustainable Finance, pages 28-37</li> <li>● Environment, Social, and Governance (ESG) Equity Fund, page 45-46</li> </ul>
	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	<ul style="list-style-type: none"> <li>● Investing in ESG: BDO Treasury Group, page 47</li> <li>● Managing Wealth for Future Generations: BDO Private Bank, pages 47-48</li> <li>● Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50</li> </ul>
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	<ul style="list-style-type: none"> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-23</li> <li>● Investing in ESG: BDO Treasury Group, page 47</li> <li>● Managing Wealth for Future Generations: BDO Private Bank, pages 47-48</li> <li>● Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50</li> </ul>

Across multiple standards			
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	<ul style="list-style-type: none"> <li>● Environmental and Social Risks Exposure, pages 23-26</li> </ul>
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	<ul style="list-style-type: none"> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-23</li> </ul>
	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability-themed investing, and (3) screening	<ul style="list-style-type: none"> <li>● Environment, Social, and Governance (ESG) Equity Fund, page 45-46</li> </ul>
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investments and/or wealth management processes and strategies	<ul style="list-style-type: none"> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-23</li> <li>● Managing Wealth for Future Generations: BDO Private Bank, pages 47-48</li> <li>● Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50</li> </ul>
Business Ethics	FN-IB-510a.1 FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	<ul style="list-style-type: none"> <li>● Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities, page 90</li> <li>● Disclosure of Sensitive/Confidential Matters to Management (Whistleblowing), page 90</li> </ul>
	FN-IB-510a.2 FN-CB-510a.2	Description of whistleblower policies and procedures	<ul style="list-style-type: none"> <li>● Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, page 90</li> </ul>
Systemic Risk Management	FN-IB-550a.2 FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	<ul style="list-style-type: none"> <li>● Refer to BDO's Annual Report Financial Supplements: Capital Management and Regulatory Capital</li> </ul>

Commercial banks			
Topic	SASB code	Accounting metrics	Response / Reference
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<ul style="list-style-type: none"> <li>● BDO's Path to Creating Shared Value, pages 8-9</li> <li>● Serving the Unbanked: BDO Network Bank, page 68-72</li> </ul>
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	
Activity Metrics	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	<ul style="list-style-type: none"> <li>● BDO's Path to Creating Shared Value, pages 8-9</li> <li>● Supporting Evolving Consumer Preferences: Consumer Banking Group, pages 38-42</li> <li>● Advancing the Phygital Banking Strategy: Branch Banking Group, pages 56-59</li> <li>● Serving the Unbanked: BDO Network Bank, pages 68-72</li> </ul>
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	<ul style="list-style-type: none"> <li>● Environmental and Social Risks Exposure, pages 23-26</li> <li>● Supporting Evolving Consumer Preferences: Consumer Banking Group, pages 38-42</li> <li>● Advancing the Phygital Banking Strategy: Branch Banking Group, pages 56-59</li> <li>● Serving the Unbanked: BDO Network Bank, pages 68-72</li> </ul>

Consumer Finance			
Topic	SASB code	Accounting metrics	Response / Reference
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	The Bank has a Data Privacy Policy, and Privacy Statements and Notices (found on the website, bank forms, office locations and branches) which detail the process by which it obtains consent and withdrawal of consent, as well as the policies on data sharing and management of third-party personal information processors.
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Refer to Privacy Statement, under "Your Data Privacy Rights" section: <a href="https://www.bdo.com.ph/privacy-statement">https://www.bdo.com.ph/privacy-statement</a>
Activity Metrics	FN-CF-000.A	Number of (1) credit card accounts and (2) pre-paid debit card accounts	<ul style="list-style-type: none"> <li>● Cards Issuing, pages 41-42</li> </ul>

Investment banking and brokerage			
Topic	SASB code	Accounting metrics	Response / Reference
Professional Integrity	FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, page 90
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	<ul style="list-style-type: none"> <li>• Code of Conduct and Business Ethics, page 89</li> <li>• Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, page 90</li> </ul>
Activity Metrics	FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (3) securitization transactions	<ul style="list-style-type: none"> <li>• Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50</li> </ul>
	FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	<ul style="list-style-type: none"> <li>• Environmental and Social Risks Exposure, pages 23-26</li> </ul>
	FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (3) currency, (d) derivatives, and (e) commodity products	<ul style="list-style-type: none"> <li>• Refer to BDO's Annual Report Financial Supplements</li> </ul>

Insurance			
Topic	SASB code	Accounting metrics	Response / Reference
Transparent Information & Fair Advice for Customers	FN-IN-270a.4	Description of approach to informing customers about products and services	<ul style="list-style-type: none"> <li>• Leaving a Lasting Legacy for Future Generations: BDO Life, pages 52-54</li> <li>• De-risking Business and Individual Activities: BDO Insure, page 54-56</li> </ul>
Environmental Risk Exposure	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	
Activity metrics	FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	



# IFRS Index

## International Financial Reporting Standards (IFRS) Sustainability Disclosure Standard

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2: Climate-related Disclosures

General Requirements		
Reference Paragraph	Disclosure	Response/Reference
S1 59.a	The specific standards, pronouncements, industry practice and other sources of guidance that the entity has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards	About the Report, page 2
S1 59.b	The industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance relating to a particular industry(s) that the entity has applied in preparing its sustainability-related financial disclosures, including in identifying applicable metrics.	
S1 66	The period covered by the sustainability-related financial disclosures	About the Report, page 2
S1 B58.a	If an entity identifies a material error in its prior period(s) sustainability-related financial disclosures, it shall disclose the nature of the prior period error	Economic Value Table, page 78
S1 B58.b	If an entity identifies a material error in its prior period(s) sustainability-related financial disclosures, it shall disclose the correction, to the extent practicable, for each prior period disclosed	
S1 B58.c	If correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected	

Governance		
Reference Paragraph	Disclosure	Response/Reference
S1 27.a S1 27.b S2 6.a S2 6.b	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	<ul style="list-style-type: none"> <li>● Sustainability Governance, pages 12-13</li> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28</li> <li>● Continuing Education for Directors and Senior Management, page 83</li> <li>● Board Level Committees, pages 84-87</li> <li>● Executive Briefing Series, page 106</li> <li>● Sustainability Oversight, p. 85</li> </ul>

Strategy		
Reference Paragraph	Disclosure	Response/Reference
S1 30.a S2 9	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28
S2 10 S2 13	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	
	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	
	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	
S1 32.a	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain	Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28
S1 32.b	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	<ul style="list-style-type: none"> <li>● Environmental and Social Risks Exposure, pages 23-26</li> <li>● Financial Services Presence and Impact, page 56</li> </ul>

Strategy		
S1 33.a	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;	Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28
S1 33.b	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information	Energy Transition Finance Commitment, page 37
S2 14	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	<ul style="list-style-type: none"> <li>● Supporting Evolving Consumer Preferences: Consumer Banking Group, pages 38-39</li> <li>● Consumer Banking Group (CBG) Marketing, page 42</li> <li>● De-risking Business and Individual Activities: BDO Insure, pages 54-55</li> <li>● Responsible Branch Operations, page 59</li> <li>● Environmental Impact, pages 107-113</li> <li>● Special Report: Sustainable demolition paves way for construction of landmark BDO Corporate Center Makati, pages 123-124</li> </ul>
S2 22.a	The entity's assessment of its climate resilience as at the reporting date	Climate-related Risks and Opportunities, page 22
S2 22.b	How and when the climate-related scenario analysis was carried out	

Risk Management		
Reference Paragraph	Disclosure	Response/Reference
S1 44 S2 25	The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks	<ul style="list-style-type: none"> <li>● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28</li> <li>● Climate-related Risks and Opportunities, page 22</li> </ul>
S2 29.a (i)	Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent	<ul style="list-style-type: none"> <li>● Climate-related Risks and Opportunities, page 22</li> </ul>

Risk Management		
S2 29.a (ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions	<ul style="list-style-type: none"> <li>● Environmental and Social Risks Exposure, pages 23-26</li> <li>● Sustainable Finance, pages 28-37</li> <li>● Resource consumption, pages 117-119</li> </ul>
S2 29.a (iii)	Disclose the approach it uses to measure its greenhouse gas emissions	
S2 29.b	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	
S2 29.c	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	
S2 29.d	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities	
S2 29.e	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	

Metrics and Targets		
Reference Paragraph	Disclosure	Response/Reference
S1 51 S2 33	information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation	Energy Transition Finance Statement, page 37
S2 35	information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	

# Supporting the UN Sustainable Development Goals

## Product Sustainability Strategy

Mainstreaming Sustainable Banking		
Target		Section, page
1.3	Implement social protection systems	<ul style="list-style-type: none"> <li>● Sustainable Finance               <ul style="list-style-type: none"> <li>○ Supporting Evolving Consumer Preferences: Consumer Banking Group                   <ul style="list-style-type: none"> <li>- Auto Loan, Home Loan, Multipurpose Loan, Personal Loan, Cards Issuing, Consumer Banking Group (CBG) Marketing, <i>page 38-42</i></li> </ul> </li> <li>○ Investments                   <ul style="list-style-type: none"> <li>- Enriching financial wellness by turning savers to investors, <i>page 43-46</i></li> </ul> </li> <li>○ Insurance                   <ul style="list-style-type: none"> <li>- Leaving a lasting legacy for future generations: BDO Life, <i>page 52-54</i></li> <li>- De-risking business and individual activities: BDO Insure, <i>page 54-56</i></li> </ul> </li> </ul> </li> <li>● Financial Services Presence and Impact               <ul style="list-style-type: none"> <li>○ Nationwide presence through branches: BDO Unibank and BDO Network Bank, <i>page 56</i></li> <li>○ Advancing the Phygital Banking Strategy: Branch Banking Group, <i>page 56-59</i></li> <li>○ Ensuring availability of Cash: BDO Cash Services, <i>page 60</i></li> <li>○ Facilitating access and inclusion: BDO Digital                   <ul style="list-style-type: none"> <li>- (Digital Banking, BDO Online, BDO Pay and Basic Account, BDO Checkout and Merchant Partnership, Shift to Digital Communications), <i>page 61-63</i></li> <li>- Cash Agad Agency Banking, <i>page 63-64</i></li> <li>- Case Study: AJ General Merchandise Cash Agent Days, <i>page 64</i></li> </ul> </li> <li>○ Enabling businesses towards cashflow management and financial inclusion: BDO Cash Management, <i>page 65</i> <ul style="list-style-type: none"> <li>- Case Study: BDO Usapang Negosyo, <i>page 66</i></li> </ul> </li> <li>○ Taking Sustainability to the Next Level: BDO Finance, <i>page 67</i> <ul style="list-style-type: none"> <li>- Case Study: Timeless Green, Inc., <i>page 68</i></li> </ul> </li> </ul> </li> </ul>
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)	

# Sustainability Contribution Strategy

Mainstreaming Sustainable Banking		
Target		Section, page
1.a/ 17.1	Mobilize resources to implement policies to end poverty	<ul style="list-style-type: none"> <li>Managing Climate Change and Other Environmental and Social Risks and Opportunities, <i>page 18-23</i></li> <li>Environmental and Social Risk Exposure, <i>page 23-27</i></li> <li>Sustainable Finance                             <ul style="list-style-type: none"> <li>Financial Instruments for Sustainability                                     <ul style="list-style-type: none"> <li>Blue Bond Impact, <i>page 28</i></li> <li>ASEAN Sustainability Bond Impact, <i>page 28-29</i></li> </ul> </li> <li>Lending                                     <ul style="list-style-type: none"> <li>Advancing sustainable financing: BDO Institutional Banking, <i>page 30-32</i></li> <li>Economic, Environment, and Social Impact, <i>page 33</i> <ul style="list-style-type: none"> <li>Green Finance, <i>page 33</i></li> <li>Social Finance, <i>page 33</i></li> </ul> </li> <li>Sustainable Energy Finance Projects, <i>page 34-35</i></li> <li>Energy Transition Finance Commitment, <i>page 36</i></li> </ul> </li> <li>Investments                                     <ul style="list-style-type: none"> <li>Investing in ESG: BDO Treasury, <i>page 46-47</i></li> <li>Managing Wealth for Future Generations: BDO Private Bank, <i>page 47-48</i></li> </ul> </li> <li>Underwriting                                     <ul style="list-style-type: none"> <li>Working Towards Sustainable Capital Markets: BDO Capital, <i>page 48-50</i></li> <li>Brokering and Trading for Financial Investments: BDO Securities, <i>page 51-52</i></li> </ul> </li> </ul> </li> <li>Financial Inclusion                             <ul style="list-style-type: none"> <li>Serving the Unbanked: BDO Network Bank, <i>page 68-70</i> <ul style="list-style-type: none"> <li>Case Study: The Growth of S&amp;D Scrap Trading, <i>page 70-71</i></li> <li>Case Study: Cel Store - Resilience and Growth in Cebu's Wholesale Industry, <i>page 72</i></li> </ul> </li> <li>Building a stable financial future with Overseas Filipinos and families: BDO Remit, <i>page 73-75</i> <ul style="list-style-type: none"> <li>Case Study: Transforming OFs into Entrepreneurs, <i>page 75</i></li> </ul> </li> </ul> </li> <li>Empowering Women as Consumers and Entrepreneurs, <i>page 76</i></li> </ul>
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, 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	
11.6	Reduce the environmental impact of cities	
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	

Strengthening Business Resilience		
4.6	Universal literacy and numeracy	<ul style="list-style-type: none"><li>● Environmental Impact<ul style="list-style-type: none"><li>○ Energy and Emissions, <i>page 107</i></li><li>○ Managing our Resources, <i>page 108</i><ul style="list-style-type: none"><li>- Case Study: Solar Panel Installation at BDO Corinthian Gardens, <i>page 109</i></li></ul></li><li>○ Water Consumption, Discharge, and Effluents, <i>page 110</i></li><li>○ Fuel Consumption, <i>page 120</i></li><li>○ Materials and Waste, <i>page 111-112</i><ul style="list-style-type: none"><li>- Case Study: BDO x DHL as Partners in Sustainability, <i>page 112</i></li><li>- Managing internal consumption, <i>page 113</i></li></ul></li></ul></li><li>● Circularity in operations, <i>page 114</i><ul style="list-style-type: none"><li>○ Case Study: Update on the Waste Busterrr Program 2024, <i>page 115</i></li><li>○ Case Story: Update on X-Trash Challenge 2024 <i>page 116</i></li></ul></li></ul>
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	<ul style="list-style-type: none"><li>○ BDO Resource Consumption, <i>page 117-118</i></li><li>○ BDO Network Bank Resource Consumption, <i>page 118</i><ul style="list-style-type: none"><li>- Breakdown of BDO Emissions for Scope 1, 2, 3, <i>page 119</i></li></ul></li></ul>
Pursuing Partnerships for Impact		
5.7	Equal rights to economic resources, property ownership and financial services	<ul style="list-style-type: none"><li>● Partnerships with Government Agencies<ul style="list-style-type: none"><li>○ Financial Education Programs, Recognition for Financial Inclusion of Armed Forces Personnel, <i>page 128-131</i></li></ul></li><li>● Partnerships with Private Sector and NGOs, <i>page 131</i></li></ul>
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	<ul style="list-style-type: none"><li>● Employee Profile<ul style="list-style-type: none"><li>○ Employee Count, New Hires, Employee Separations, Leave Availments, Training and Development, Skills Upgrade, Employee Functions, Workers Who are Not Employees, Promotions, Gender Diversity by location, level, age group, Occupational Health and Safety, <i>page 96-97</i></li></ul></li><li>● Human Capital Development<ul style="list-style-type: none"><li>○ A human-centered culture and organizations: BDO Human Resources, <i>page 98</i></li><li>○ Driving Equal Opportunity Employment, <i>page 98</i><ul style="list-style-type: none"><li>- Labor Relations, <i>page 99</i></li><li>- Driving Career Progression, <i>page 99</i></li><li>- Building HR Capability, <i>page 99</i></li><li>- Value Proposition in Employee Performance and Promotion Management, <i>page 100</i></li><li>- Promoting Employee Health and Well-being, <i>page 100</i></li><li>- Promoting Employee Engagement, <i>page 101</i></li><li>- New Policy on Confidentiality of HR Information, <i>page 102</i></li><li>- Best Employer Brand for 2024 LinkedIn Talent Awards, <i>page 102</i></li><li>- Q&amp;A with Graduates of the 2024, <i>page 102</i></li></ul></li><li>○ Nurturing Learning and Development<ul style="list-style-type: none"><li>- Business Upskilling, <i>page 104</i></li></ul></li><li>○ Pilot Integration of Sustainability Key Result Areas, <i>page 104</i></li><li>○ Capability-Building in Environmental, Social and Governance (ESG) and Sustainability<ul style="list-style-type: none"><li>- Sustainability Capability-Building, <i>page 105</i></li><li>- Executive Briefing Series, <i>page 106</i></li><li>- 3Es Strategy, <i>page 107</i></li></ul></li></ul></li></ul>
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	
8.6	Reduce proportion of youth not in employment	
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	
Pursuing Partnerships for Impact		
2.1	Universal access to safe and nutritious food	<ul style="list-style-type: none"><li>● Employee Volunteer Program, <i>page 134</i><ul style="list-style-type: none"><li>○ Case Study: Making Fin-Ed More Engaging for Filipinos, <i>page 135</i></li><li>○ Case Study: Finding Hope in Health Centers Affected by Disasters, <i>page 136</i></li><li>○ Employee Volunteer Program Map, <i>page 137</i></li></ul></li></ul>
2.2	End all forms of malnutrition	
4.7	Ensure education for sustainable development and global citizenship	
4.a	Upgrade education facilities	
14.1	Reduce marine pollution	
14.2	Restore marine and coastal ecosystems	
15.2	Restore degraded forests and substantially increase afforestation and reforestation	
17.16	Enhance the global partnership for sustainable development	

# Disaster Response Sustainability Strategy

Mainstreaming Sustainable Banking		
Target		Section, page
1.5, 11.5, 13.1	Build resilience to environmental, economic and social disasters	<ul style="list-style-type: none"> <li>● Sustaining a Safe Work Environment, <i>page 101</i></li> </ul>
Pursuing Partnerships for Impact		
1.4	Equal rights to ownership, basic services, technology and economic resources	<ul style="list-style-type: none"> <li>● BDO Foundation Impact, <i>page 126-127</i></li> <li>● Scaling and Mainstreaming Financial Inclusion: BDO Foundation, <i>page 128</i> <ul style="list-style-type: none"> <li>○ Disaster Response                             <ul style="list-style-type: none"> <li>- Map: Increasing adaptation of communities: Rehabilitating RHUs and building classrooms, <i>page 132</i></li> </ul> </li> <li>○ Relief Operations, <i>page 132</i></li> <li>○ Rehabilitation of Rural Health Units, <i>page 133</i></li> <li>○ Christmas Gift-Giving Program, <i>page 133</i></li> <li>○ Employee Volunteer Program, <i>page 134</i> <ul style="list-style-type: none"> <li>- Case Study: Making Fin-Ed More Engaging for Filipinos, <i>page 135</i></li> <li>- Case Study: Finding Hope in Health Centers Affected by Disasters, <i>page 136</i></li> <li>- Gift giving and relief operations map, <i>page 137</i></li> <li>- Employee Volunteer Program Map, <i>page 137</i></li> </ul> </li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>● Economic Impact, <i>page 78</i></li> <li>● Good Governance to Create a Sustainable Future, <i>page 79</i></li> <li>● Our Board of Directors and Governance Structure                             <ul style="list-style-type: none"> <li>○ Board Composition, Screening of Directors, Board Diversity, Selection and Appointment of Senior Executive Management, Review of Bank's Mission, Vision, and Strategic Plans, <i>page 80-82</i></li> </ul> </li> <li>● Improving Board Effectiveness                             <ul style="list-style-type: none"> <li>○ Board Performance, Continuing Education for Directors, Chairperson of the Board, Independent and Non-Executive Directors' Meeting, <i>page 82-83</i></li> </ul> </li> <li>● Board-level Committees                             <ul style="list-style-type: none"> <li>○ Executive Committee (ExCom), Board Audit Committee (BAC), Corporate Governance Committee (CorGov), Trust Committee (TrustCom), Risk Management Committee (RMC), Nominations Committee (NomCom), Compensation Committee (CompenCom), Information Technology Steering Committee (ITSC), Related Party Transactions Committee (RPTC), <i>page 84-87</i></li> </ul> </li> <li>● Compliance with the SEC Code of Corporate Governance, <i>page 87-88</i></li> <li>● Independent Control Functions                             <ul style="list-style-type: none"> <li>○ Compliance, <i>page 88-89</i></li> <li>○ Internal Audit, <i>page 89</i></li> </ul> </li> <li>● Corporate Policies and Practices                             <ul style="list-style-type: none"> <li>○ BDO Code of Conduct and Business Ethics, <i>page 89-90</i></li> <li>○ Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities, <i>page 90</i></li> <li>○ Disclosure of Sensitive/Confidential Matters to Management (Whistleblowing), <i>page 90</i></li> <li>○ Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, <i>page 90</i></li> <li>○ Anti-Money Laundering, Counter-Terrorist Financing, and Proliferation Financing (AML Risk Assessment, AML Training, Anti-Online Sexual Abuse and Exploitation of Children, <i>page 91-92</i></li> <li>○ Tax Governance (including Country-by-country reporting), <i>page 92-93</i></li> <li>○ Building Trust on Technology (Data Privacy and Protection, Cybersecurity), <i>page 94-95</i></li> </ul> </li> </ul>
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	

		<ul style="list-style-type: none"> <li>● Consumer Protection Practices <ul style="list-style-type: none"> <li>○ Customer Experience Philosophy, Board and Management Oversight on Customer Concerns, Customer Assistance Management System (CAMS), Process for Handling of Customer Concerns, Training for Customer Assistance, Listening to Customers Needs, Customer Contact Center, <i>page 120-122</i></li> </ul> </li> <li>● Supply Chain and Approach to Procurement, <i>page 122</i></li> </ul>
<b>Pursuing Partnerships for Impact</b>		
16.6	Develop effective, accountable and transparent institutions	<ul style="list-style-type: none"> <li>● Stakeholder Communication Campaign, <i>page 138-139</i></li> </ul>
16.7	Ensure responsive, inclusive and representative decision-making	<ul style="list-style-type: none"> <li>○ Asia Transition Finance Study Group - Public-Private Sector Collaboration to De-Risk Transition Finance, <i>page 139</i></li> <li>○ Eco-Business Unlocking Capital for Sustainability - Board Governance – Stewardship for a Global Transition, <i>page 140-141</i></li> <li>● BDO Speaking Engagements: Local, Regional, Global, <i>page 142-144</i></li> </ul>

# Independent Assurance Statement

## Introduction

DNV AS Philippine Branch ('DNV'), has been commissioned by BDO Unibank Inc. (Securities and Exchange Commission Identification Number: 34001, hereafter referred to as 'BDO or 'the Company') to undertake an independent assurance of the Company's sustainability/non-financial disclosures reported in its Sustainability Report covering the calendar year 2024 (hereafter referred to as 'Report').

The disclosures have been prepared by BDO:

- in accordance with requirements of Global Reporting Initiative (GRI) sustainability reporting standards 2021
- Task Force on Climate-Related Disclosures (TCFD) recommendations on climate-related financial disclosures
- in reference to the International Financial Reporting Standards (IFRS) 1 and 2
- UN Sustainable Development Goals
- Sustainability Accounting Standards Board (SASB) Standards and
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard*

DNV has carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's VeriSustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol, DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; to evaluate indicators of Greenhouse gases.

The intended user of this assurance statement is BDO.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

## Responsibilities of the Management of BDO and of the Assurance Provider

The Management of BDO has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. BDO is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

## Scope, Boundary and Limitations

The agreed scope of work included a limited level of assurance of the information on non-financial performance/indicators which were disclosed in the Report prepared by BDO based on the GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01/01/2024 to 31/12/2024. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the 'About the Report' section in the report.

Boundary of the assessment covers the performance of BDO's operation in the Philippines that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers 170 offices and 1,222 branches within the Philippines.

## Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material mis-statements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of  $\pm 5\%$  based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV does not take any responsibility of the financial data reported in the Sustainability reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.



- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

## Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of BDO. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited Level of Assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

## Conclusion

On the basis of the limited level of assessment undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain™:

### Materiality

*The process of determining the issues that are most relevant to an organization and its stakeholders.*

The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for BDO's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no change in material topics from the previous reporting period.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.*

### Stakeholder inclusiveness

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report brings out the stakeholders who have been identified as significant to BDO, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.*

## Responsiveness

*The extent to which an organization responds to stakeholder issues.*

The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups.

*Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.*

## Reliability

*The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.*

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our assessments with BDO's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

*Nothing has come to our attention to believe that the Report does not meet the principle of Reliability.*

## Completeness

*How much of all the information that has been identified as material to the organization and its stakeholders is reported?*

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

*Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.*

## Neutrality

*The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.*

The Report brings out the disclosures related to BDO's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.*

## Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – *Conformity assessment – General principles are requirements for validation and verification bodies*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>1</sup> during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of BDO.

## Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV AS Philippine Branch,

**Gangwar, Vishal**  
Digitally signed by  
Gangwar, Vishal  
Date: 2025.04.14  
13:10:32 +08'00'

**Vishal Gangwar**  
Lead Verifier,  
Sustainability Services

**Kakaraparthi, Venkata Raman**  
Digitally signed  
by Kakaraparthi  
Venkata Raman  
Date: 2025.04.14  
12:22:48 +05'30'

**Venkata Raman Kakaraparthi**  
Assurance Reviewer,  
Sustainability Services

**Justine Repalam**  
(Verifier)

<sup>1</sup> DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

25/03/2025

DNV AS Philippine Branch is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

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# Sustainability and ESG Awards and Recognition

## **Top Sustainability Advocates in Asia**

(2021–2024)

*Asia Corporate Excellence & Sustainability Awards (ACES) 2024*

## **Best Bank for ESG in the Philippines**

*Euromoney Awards for Excellence 2024*

## **3G Green Innovation and Solution Award for Green Bond Framework**

*Global Good Governance Awards 2024*

## **Five Golden Arrows ASEAN Corporate Governance Scorecard (ACGS)**

*2024 Golden Arrow Awards*

## **Platinum Awardee**

(2010–2024)

## **Best Sustainability Team**

*The Asset ESG Corporate Awards 2024*

## **Best Advance in Responsible Finance**

*Retail Banker International Asia Trailblazer Awards 2024*

## **BDO Foundation for Financial Inclusion Initiative of the Year – Philippines**

(2023–2024)

*Asian Banking & Finance*

*Retail Banking Awards 2024*

## **BDO Unibank, Asian Excellence awardee**

(2011–2024)

## **Best Investor Relations Company (Philippines) awardee**

(2011–2024)

## **Best Corporate Communications awardee**

(2014–2015, 2017–2024)

## **Asia's Best CSR awardee**

(2020–2024)

## **Sustainable Asia awardee**

(2020–2024)

*Corporate Governance*

*Asia 14th Asian Excellence Award 2024*

## **BEST INVESTMENT BANK**

### **BDO Capital & Investment Corporation**

## **Best Sustainability-Linked Transaction and Best Local Currency Bond Deal of the Year in Southeast Asia**

(Joint lead underwriter and joint bookrunner for Ayala

Land, Inc.'s PHP6 billion

Sustainability-Linked

Bond Tranche I and Ayala

Land, Inc.'s PHP8 billion

Sustainability-Linked Bond

Tranche II)

*Alpha Southeast Asia 18th*

*Annual Best Deal & Solution*

*Awards 2024*

## **Best Syndicated Loan Deal of the Year 2024**

(Issue manager, arranger, and

bookrunner for New NAIA

Infrastructure Corporation's

PHP80 billion Term

Loan Facility)

*Alpha Southeast Asia 18th*

*Annual Best Deal & Solution*

*Awards 2024*

## **Best Mid-Cap Equity Deal of the Year**

(Domestic lead manager

and joint bookrunner for

Citicore Renewable

Energy Corporation's

PHP5.3 billion IPO)

*Alpha Southeast Asia*

*18th Annual Best Deal &*

*Solution Awards 2024*

## **Best Blue Bond in Southeast Asia and Most Innovative Deal of the Year 2024**

(Joint lead underwriter and

joint bookrunner for Maynilad

Water Services, Inc.'s

PHP15 billion Blue Bonds)

*Alpha Southeast Asia 18th*

*Annual Best Deal & Solution*

*Awards 2024*

## **Green Deal of the Year – Philippines**

(Joint issue manager and joint

lead underwriter for ACEN

Corporation's PHP25 billion

Preferred Shares)

*Asian Banking & Finance*

*Corporate and Investment*

*Banking Awards 2024*

## **Renewable Energy Deal of the Year – Battery**

(Mandated lead arranger and

bookrunner for SMGP BESS

Power, Inc.'s PHP40 billion

Syndicated Term Loan Facility)

*The Asset Triple A Sustainable*

*Infrastructure Awards 2024*

## **Transport Deal of the Year**

(Mandated lead arranger and

bookrunner for SMC Mass

Rail Transit 7, Inc.'s PHP100

billion Syndicated Term

Loan Facility)

*The Asset Triple A Sustainable*

*Infrastructure Awards 2024*

## **Best Infrastructure Deal, Highly Commended, Southeast Asia Best Infrastructure Deal in the Philippines**

(Issue manager, arranger, and

bookrunner for New NAIA

Infrastructure Corporation's

PHP80 billion Term

Loan Facility)

*FinanceAsia Achievement*

*Awards 2024*

# Memberships in Associations 2-28

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 Philippines, Inc.

Bank Marketing Association of the Philippines

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 Philippines

Financial Executives Institute of the Philippines

French Chamber of Commerce in the Philippines - Le Club Inc.

Fund Managers Association of the Philippines, Inc. (FMAP)

German-Philippine Chamber of Commerce & Industry Inc.

Information Security Officers Group (ISOG) Inc.

Information Systems Audit and Control Association, Inc. (ISACA)

Institute of Internal Auditors Philippines, Inc.

International Monetary Conference

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.

People Management Association of the Philippines

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.

Shareholders Association of the Philippines, 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.

# Corporate Information

## COMPANY HEADQUARTERS

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The 2024 BDO Sustainability Report is produced by the Sustainability Office and can be viewed and downloaded online at [www.bdo.com.ph/sustainability-report](http://www.bdo.com.ph/sustainability-report).

The 2024 BDO Annual Report and the Financial Supplements can be viewed and downloaded online at [www.bdo.com.ph/annual-report](http://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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\* Effective March 15, 2025.

## INVESTOR AND SUSTAINABILITY INQUIRIES

BDO Unibank, Inc. welcomes inquiries from analysts, investors, and the financial community.

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