
Frequently Asked Questions

1. Corporate Information

1.1 What is BDO's corporate name?

The Bank changed its corporate name to "BDO Unibank, Inc." effective 4 November 2011. However, the Bank does business under any of the following names and styles: BDO, BDO Unibank, Banco De Oro, Banco de Oro Unibank, BDO Banco De Oro.

1.2 Where is BDO's head office located?

BDO Corporate Center is located at 7899 Makati Avenue, Makati City.

1.3 What are BDO's core values and mission statement?

Please refer to *Business Operation* under *About BDO* section of this website for BDO's core values and mission statement.

1.4 What are BDO's major milestones?

Please refer to *Business Operation - About BDO* section of this website for BDO's major milestones.

1.5 What bank products and services are offered by BDO?

BDO is a full-service universal bank that provides a complete array of industry-leading products and services to the retail and corporate markets including Loans, Deposits, Foreign Exchange, Brokering, Trust and Investments, Credit Cards, Corporate Cash Management, and Remittances. Through its subsidiaries, the Bank offers Leasing and Financing, Investment Banking, Private Banking, Rural Banking, Life Insurance, Insurance Brokerage, and Stock Brokerage services.

1.6 What is BDO's ranking in the banking industry?

As of 30 June 2018, BDO maintained its position as the industry leader in terms of consolidated assets, customer loans, deposits, trust assets and capital, as well as branch and ATM network nationwide.

For more details, please refer to *Industry Ranking under Business Operation – About BDO* section of this website.

1.7 How many branches does BDO have? Where can I find a list of your branches?

As of 31 July 2018, BDO had 1,230 domestic operating branches (including One Network Bank branches) and one full-service branch overseas. These are complemented by more than 4,000 ATMs nationwide.

Please refer to [*Branches/ATMs*](#) of this website for the complete list of names and contact details of BDO branches.

1.8 Do you have foreign branches or offices? Where can I find a list of BDO's overseas offices?

We have one full-service branch in Hong Kong and 24 remittance/representative offices operating in Asia, the Middle East, Europe, and the United States.

For the complete list of BDO's overseas offices, please refer to [*International Desks*](#) of this website.

1.9 Where can I find a list of BDO's correspondent banks?

Please refer to [*Correspondent Banks*](#) under [*Business Operation – About BDO*](#) section of this website for the Bank's list of correspondent banks.

1.10 Where can I find a list of BDO Subsidiaries and Affiliates?

Please refer to [*Board, Management and Organizational Structure - About BDO*](#) section of this website for the list of BDO Subsidiaries and Affiliates.

1.11 Has BDO received any awards or recognition?

Please refer to [*Awards and Citations*](#) under [*Business Operation - About BDO*](#) section of this website.

2. Board of Directors and Shareholder Matters

2.1 Who are the members of BDO's Board of Directors and what is their business experience?

Please refer to [*Board, Management and Organizational Structure - About BDO*](#) section of this website, as well as to the [*Definitive Information Statement \(DIS\)*](#) under [*Ownership - Company Disclosures*](#), which expounds on the Board members' business experience.

2.2 How many independent Directors comprise BDO's Board?

Out of the total 11 members of the Bank's Board, five (5) are Independent Directors representing 45% of the Board. There are ten (10) Non-Executive and Independent Directors that account for 91% of the Bank's Board.

Please refer to the Bank's *Corporate Governance Manual* under *Corporate Governance* section of this website.

2.3 Does BDO have a term limit for Independent Directors?

Yes. An Independent Director of the Bank may only serve as such for a total cumulative tenure of nine (9) years reckoned from 1 January 2012, after which the Independent Director shall be perpetually barred from re-election as such in the Bank. However, he may continue to qualify for nomination and re-election as a non-independent director. The term limit is in accordance with international best practice.

2.4 Who are the members of BDO's executive management and what is their business experience?

Please refer to the *Definitive Information Statement (DIS)* under *Ownership – Company Disclosures* section of this website for the list of BDO's executive management and their business experience.

2.5 Who are BDO's major shareholders?

BDO's controlling shareholder is the SM Group.

For more details, please refer to "*Ownership*" under the "*Company Disclosures*" section of this website.

2.6 When is BDO's Annual Shareholders' Meeting?

The Bank's Annual Shareholders' Meeting was held last 20 April 2018.

Please refer to the *Minutes of the Annual Stockholders' Meeting* and *Definitive Information Statement (DIS)* found under *Ownership* and *SEC Filings*, respectively, of the *Company Disclosures* section of this website for details on the Bank's Annual Shareholders' Meeting.

2.7 Does BDO pay dividends? What is the Bank's dividend policy?

BDO recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. Since June 2013, the Bank has been paying regular cash dividends of ₱0.30 per quarter, or an annual equivalent of ₱1.20 per share and will endeavor to maintain this while ensuring financial flexibility.

The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting. For details, please refer to ***Dividend History*** under ***Market and Capital Highlights*** of the ***Investor Relations (IR)*** section of this website.

Aside from cash dividends on its common shares, BDO's Board of Directors has declared annual cash dividends on the Bank's peso-denominated preferred shares carrying a dividend rate of 6.5% since 2009.

Apart from cash dividends, the Bank also issued stock dividends in 2012 equivalent to 3% of the Bank's outstanding capital stock.

For more details on the record and payment dates, please refer to ***Dividend History*** under ***Market and Capital Highlights*** of the ***Investor Relations (IR)*** section of this website.

3. Compliance

3.1 Does the Bank have Anti-Money Laundering (AML) policies? Where can I find information on BDO's compliance with the Anti-Money Laundering Act (AMLA)?

BDO has AML policies in place and these apply to all local and foreign branches and subsidiaries of the Bank. Further, BDO foreign branches as well as its subsidiaries abroad also comply with AML laws, rules and regulations of their respective countries/jurisdictions.

Further details on the Bank's compliance with AMLA may be found in the Bank's AML KYC Questionnaire, the Wolfsberg Anti-Money Laundering Questionnaire and the USA Patriot Act Certification which are all posted under ***Compliance and AMLA – About BDO*** section of this website.

3.2 Is BDO a signatory to the US Foreign Account Tax Compliance Act (FATCA)?

Yes, BDO signed up on 25 April 2014 as a participating FFI (Foreign Financial Institution) in the US FATCA. On 27 March 2015, the Bank became a Registered-Deemed Compliant FI/ Reporting FI under a Model 1 Intergovernmental Agreement (IGA). For more details, please refer to ***Compliance and AMLA*** under ***About BDO*** section of this website.

For more details on BDO Compliance-related matters, please refer to ***Annual Corporate Governance Report (ACGR)*** under ***Corporate Governance*** section of this website.

3.3 How often does the Board review and approve the Bank's vision and mission?

The Board reviews and approves the Bank's vision and mission every five (5) years. The Board last approved the Bank's vision and mission, together with the Bank's Growth Strategy, on 31 May 2014.

4. Environmental, Social and Governance (ESG)

4.1 What are BDO's Corporate Governance policies?

Please refer to *Manual on Corporate Governance* and *Code of Conduct and Policies* under *Corporate Governance* section of this website.

4.2 How does the Bank carry out its corporate social responsibility (CSR) initiatives?

The Bank carries out its corporate social responsibility through the BDO Foundation, the CSR arm of BDO Unibank, which promotes initiatives based on the Bank's long-standing record of support to social development. For more details, please refer to *Corporate Social Responsibility* under *Corporate Governance* section of this website.

4.3 What are the advocacies of BDO Foundation?

BDO Foundation's activities and projects are focused on Disaster Response Advocacy that is implemented through three main interventions, namely: Relief, Rehabilitation and Reconstruction, particularly in areas affected by natural or man-made disasters.

For more details, please refer to the *Corporate Social Responsibility – Corporate Governance* section of this website. You may also refer to the presentation slides on *ESG* of the *Investor Presentation* found under *Investment and Credit Ratings Information – Investor Relations (IR)* section of this website.

4.4 Does BDO have policies that support environmental considerations?

Yes, BDO has policies/mechanisms in place that support environmental considerations.

BDO imposes limits and monitors exposure to certain industries, e.g., Gaming, Tobacco and Alcohol, as well as restricts lending to other sectors under the Exclusion List (those deemed to have adverse or harmful effects to the community and the environment).

Through its Sustainable Energy Finance (SEF) Program in cooperation with the International Finance Corporation (IFC), the Bank supports green energy

investments in Energy Efficiency (EE) and Renewable Energy (RE) projects. The Bank also has a tie-up with the Japan Bank for International Cooperation (JBIC) for the latter's Green Facility, which is a USD50 million relending credit facility open to RE, EE and Green building projects that reduce Greenhouse gas emissions.

In February 2018, the Bank issued the BDO Green Bond amounting to USD150 million to exclusively finance climate-smart projects and help contribute to the development of climate finance market in the country. The BDO Green Bond is the first green bond by a commercial bank in the Philippines, fully subscribed to and underwritten by the IFC. It is also IFC's first green bond investment in a financial institution in East Asia and the Pacific.

As well, BDO has a "Go Green Campaign" implemented across the Bank and its branches that raises awareness on environmental issues, espouses good environmental practices in the workplace and mobilizes volunteers for conservation initiatives.

For more details on ESG, please refer to **ESG** as well as the **Annual Corporate Governance Report (ACGR)** under **Corporate Governance** section of this website.

5. Financial Information

5.1 When does BDO report its financial results?

In accordance with regulatory requirements, BDO reports to the Securities and Exchange Commission (SEC) interim financial results within forty-five (45) days after the end of each quarter, while annual results are filed within 105 days after the end of the financial year.

5.2 What is the basis of preparation of BDO's financial statements?

The financial statements of BDO are prepared in accordance with Philippine Financial Reporting Standards (PFRS).

For more details, please refer to **Note 2 of the 2017 Audited Financial Statements** under **Financial Reports** of the **Company Disclosures** section of this website.

5.3 Who is BDO's independent auditor?

BDO's independent auditor is Punongbayan & Araullo, a member firm within Grant Thornton International Ltd.

5.4 Where can I obtain information on BDO's latest financial results?

BDO's latest and historical financial results in PDF are available under *Financial Reports* of the *Company Disclosures* section of this website.

5.5 Are BDO Annual Reports available online?

BDO Annual Reports are available for downloading under *Financial Reports* of the *Company Disclosures* section of this website.

5.6 Is BDO rated by international credit rating agencies?

Yes, BDO is rated by international credit rating agencies Capital Intelligence, Fitch Ratings, and Moody's Investor Service.

Details of latest BDO credit ratings are available under *Investment and Credit Ratings Information* of the *IR* section of this website.

5.7 Where can I find information on BDO's capital and funding history?

Highlights of BDO's capital and funding history are included in *Financial Highlights* under *About BDO* section of this website. Meanwhile, a more detailed information on the Bank's capital and funding history are available under *Investment and Credit Ratings Information* of the *IR* section of this website.

5.8 Where can I access a copy of the Offering Circular for the Stock Rights Offer? How about the Terms and Conditions of bonds and LTNCDs (Long-Term Negotiable Certificates of Deposits) previously issued by the Bank?

The Offering Circulars for the Stock Rights Offer and LTNCD, as well as the Terms and Conditions of bonds and LTNCDs previously issued by the Bank are found in the *IR* section of this website.

6. Market and Capital Information

6.1 On what stock exchange is BDO listed and traded and what is its stock symbol?

BDO Unibank, Inc.'s common shares of stock are listed and traded on the Philippine Stock Exchange under the symbol "BDO".

For more trading details on the BDO stock, please refer to *Stock and ADR Information* under *Investment and Credit Ratings Information* of the *IR* section of this website.

6.2 Where can I find current and historical BDO share price information?

BDO's current and historical share price information are available under **Stock Prices – Market and Capital Highlights** of the **IR** section of this website where direct links are provided to relevant sections of the Philippine Stock Exchange (PSE) website.

6.3 Where can I find information on the Bank's historical Price to Book Value?

Information on the Bank's book value, share price and historical price to book value ratio is found under **Bank Stock Valuation Indicators** of the **Market and Capital Highlights-IR** section of this website.

6.4 What is an ADR (American Depositary Receipts) Level 1 Program and why did BDO establish this?

An ADR is a negotiable US dollar-denominated certificate representing ownership of shares in a non-US company. In a Level 1 ADR program, the ADRs are not listed on a US stock exchange, but are traded in the US Over-the-Counter (OTC) market.

BDO launched its sponsored Level 1 ADR Program on 18 April 2013 to provide flexibility for U.S. investors to trade common shares in their time zone and settle their transactions locally. As well, the program intends to tap the pool of U.S. ADR investors, enhance the Bank's visibility and global presence, and diversify and broaden the Bank's shareholder base.

For more details about the Bank's ADR program as well as trading information, please refer to the separate **BDO ADR FAQ** tab and to the **Stock and ADR Information** under **Investment and Credit Ratings Information** of the **IR** section of the website.

6.5 Why did the Bank terminate its Global Depositary Receipts (GDR) Program?

The Bank established its GDR Program to provide an alternative vehicle for foreign investors to invest in BDO shares. GDRs representing BDO shares (with each GDR representing twenty Ordinary BDO shares, i.e., 1:20 ratio) were listed at the London Stock Exchange (LSE) beginning 26 January 2006, with The Bank of New York Mellon (BNY Mellon) serving as Depositary Bank.

Given the low trading activity for GDRs as well as the increase in float levels since 2006 when the program was established, BDO decided to terminate the GDR program. BNY Mellon, as Depositary, subsequently received a Notice of Termination from BDO to terminate the GDR facility effective 13 May 2013.

With the termination of the program, BNY Mellon sold all remaining deposited securities representing the outstanding GDRs of BDO. On 18 June 2013, the remaining GDR holders were mandated to surrender their GDRs to BNY Mellon

for cancellation and exchange in order to receive the cash proceeds from the sale of the deposited securities as follows:

Gross Rate per Depositary Share:	USD 44.899278
Cancellation Fee :	<u>USD 0.050000</u>
Net Rate per Depositary Share :	USD 44.849280

The cash distribution by BNY Mellon to the remaining DR holders effectively completed the DR termination process. Subsequently, the GDRs were delisted from the London Stock Exchange.

6.6 What are the types of shares issued by BDO and what are their basic features?

BDO's capital stock is composed of common and preferred shares, both having a par value of ₱10.

BDO common shares have voting rights and participate in dividends. The Bank's Series A preferred shares, on the other hand, are perpetual, voting, non-cumulative, and non-participating. The Bank's preferred shares currently stand at 515,000,000 to include the additional issuance of 15,000,000 new Series A preferred shares following the 3% stock dividend payout in June 2012.

Holders of capital stock whether common or preferred, have no pre-emptive right to subscribe for or purchase any shares of any class.

For additional details on the features of the Bank's preferred shares, please refer to **Notes 20.2 and 20.2.1 of the 2017 Audited Financial Statements** under **Financial Reports** of the **Company Disclosures** section of this website.

6.7 How much is BDO's authorized capital stock? Of the authorized number of shares, how many are issued and outstanding?

BDO's authorized capital stock is composed of 5.5 billion shares of common stock and 1 billion shares of preferred stock.

At its regular meeting on 7 January 2017, the Board of Directors approved the conversion of 1,000,000,000 unissued preferred shares of BDO, consisting of 500,000,000 unissued Series A Preferred Shares and 500,000,000 unissued ordinary Preferred Shares into 1,000,000,000 common shares. The corresponding amendment to the Seventh Article of the Bank's Articles of Incorporation to reflect the said conversion was approved during the Bank's Annual Stockholders' Meeting on 20 April 2017. The conversion of the shares was approved by the BSP on 22 Dec 2017 and by the Securities and Exchange Commission on 26 February 2018.

For additional details on the Bank's authorized capital stock and newly-issued common shares, please refer to **Company Disclosures** and **Capital and Funding History Details** (under **Investment and Credit Ratings Information**) of the **IR** section of this website.

6.8 How do I invest in BDO shares of stock?

If you wish to buy BDO common shares, you must have a stockbroker who can execute this for you. A stockbroker is a person or a corporation authorized and licensed by the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) to trade securities.

BDO Securities Corporation, a wholly-owned stock brokerage subsidiary of the Bank, can assist you with stock trading. They can be reached through the following contact details:

Address: 20/F South Tower
BDO Corporate Center
7899 Makati Avenue, Makati City
Tel.: (+632) 878-4155; 878-4125

Alternatively, if you are familiar with the mechanics of stock market investing, you may enroll in our online trading platform under BDO Nomura Securities. Opening an account with BDO Nomura requires a BDO bank account and enrolment in BDO online banking.

BDO Nomura provides investors with the following benefits: paperless account opening; easy funding with one's regular savings account serving as a dedicated settlement account; access to market research; intuitive and effortless navigation of online trading platform; anytime, anywhere execution of trades/transactions; lower commission rates; and opportunity to earn BDO rewards points.

For more details, visit BDO Nomura website at www.bdo.com.ph/bdonomura

6.9 Who do I contact for inquiries on dividend payments, account status, address changes, stock certificates and other pertinent matters about my shareholding?

If you are holding on to stock certificates, inquiries relating to your shareholding should be directed to the Bank's stock transfer agent, **Stock Transfer Service, Inc. (STSI)** with the following contact details:

Address: 34th Floor, Unit D, Rufino Pacific Tower
6784 Ayala Avenue, Makati City
Tel.: (+632) 403-2410; 403-2412
Fax : (+632) 403-2414

If your shares are lodged with a local broker, then any inquiries should be addressed to the broker where your shares are lodged.

6.10 What happens to stock certificates issued under the name "Banco De Oro Unibank, Inc." Will these still be honored by the Bank?

The change in name notwithstanding (please refer to 1.4 under Corporate Information above), BDO's corporate entity remains the same. Thus, it will not be

replacing its already issued stock certificates and will continue to honor stock certificates validly issued under the name “Banco De Oro Unibank, Inc.”.

7. Investor Relations (IR) Matters

7.1 Does the Bank have an IR Program?

Yes, the Bank has an IR Program, the details of which are available in the *IR* section of this website.

7.2 Where can I find a schedule of IR events?

The IR Calendar of Events is found under *Investment and Credit Ratings Information* of the *IR* section of this website.

7.3 Is the Bank’s Investor Presentation available online?

Yes, the Bank’s Investor Presentation may be accessed online. This is found under *Investment and Credit Ratings Information* of the *IR* section of this website.

7.4 Who are the analysts that cover BDO?

Various analysts from major credit ratings agencies and stock brokerages cover BDO. A list of these analysts, along with their contact numbers and email addresses, may be found under *Analyst Coverage* of the *Investment and Credit Ratings Information-IR* section of this website.

8. ₱60.0 Billion (USD1.2 Billion) Stock Rights Offer (January 2017)

8.1 What was the impact of the Rights Offer on BDO?

BDO raised a total of ₱60.0 billion (equivalent to USD1.2 billion) in a 1:5.095 stock rights offer completed in January 2017, considered as the largest equity capital markets transaction by a Philippine corporate entity to-date and surpassing the Bank’s earlier ₱43.5 billion SRO in 2012.

This will allow the Bank to support its medium-term targets and provide a comfortable buffer over higher minimum capital requirements with the staggered implementation of the Domestic Systemically Important Bank (DSIB) surcharge.

8.2 Why did the Bank raise capital through a rights offer?

A rights offer is one of the important sources of new equity funding for publicly listed companies. It involves the issuance of new shares for cash to existing shareholders, in proportion to their existing holdings.

Further, a rights offer is the most equitable form of capital raising as it allows all shareholders to proportionately participate in the Bank's capital raising program.

The 1:5.095 BDO rights offer entitled each eligible stockholder to subscribe to one (1) common share for every 5.095 common shares held as of Record Date of 10 January 2017 at an offer price of ₱83.75 per Rights Share. The offer price was computed based on the 15-trading day volume-weighted average price ("VWAP") of the Bank's common shares listed on the PSE, at a discount of 23.4%. A total 716,402,886 of Rights Shares were issued pursuant to the offer price and were listed on the Philippine Stock Exchange (PSE) on 31 January 2017.

8.3 Were there other times when BDO raised capital?

Yes, the Bank raised capital through its IPO (initial public offering) in 2002, through a private placement in 2010, and through a 1:3 SRO in 2012.

For details on the Bank's capital and funding history, please refer to ***Capital and Funding History*** under ***Investment and Credit Ratings Information - IR*** section of this website.

9. Equitable PCI Bank (EPCIB) Stock Certificates

9.1 What happened to EPCIB stocks following the BDO-EPCIB merger in May 2007?

The merger resulted in the conversion of 1 common share of EPCI to 1.8 BDO common shares.

9.2 What happened to old EPCIB stock certificates following the BDO-EPCIB merger in May 2007?

All old EPCIB certificates should have been replaced with new BDO certificates upon presentation of the following requirements:

- a) Old EPCIB stock certificates (not necessarily endorsed)
- b) Photocopy of 2 valid IDs of the shareholder on record or authorized representative
- c) In addition to a) and b) above, authorized representatives are required to present their representatives IDs and an original authorization letter signed by the shareholder on record.

You may contact BDO's stock transfer agent, ***Stock Transfer Service, Inc. (STSI)*** to assist you on this. Please refer to the contact details of our stock transfer agent provided in the earlier section on Shareholder Information.

9.3 What should be done if there were a resulting fractional share of EPCIB stock upon conversion to BDO shares given a 1:1.8 exchange ratio?

Any resulting fractional share should have been paid via check payable to the shareholder on record at the rate of ₱44.80 per 1 full share. Checks would have been released together with the new BDO certificates.