



March 2016

Investor Presentation

Presentation Outline

I.	Overview	4
II.	Financial Highlights	17
III.	Ownership, Board and Management	27
IV.	Corporate Governance and Corporate Social Responsibility	33
V.	Awards and Citations	40

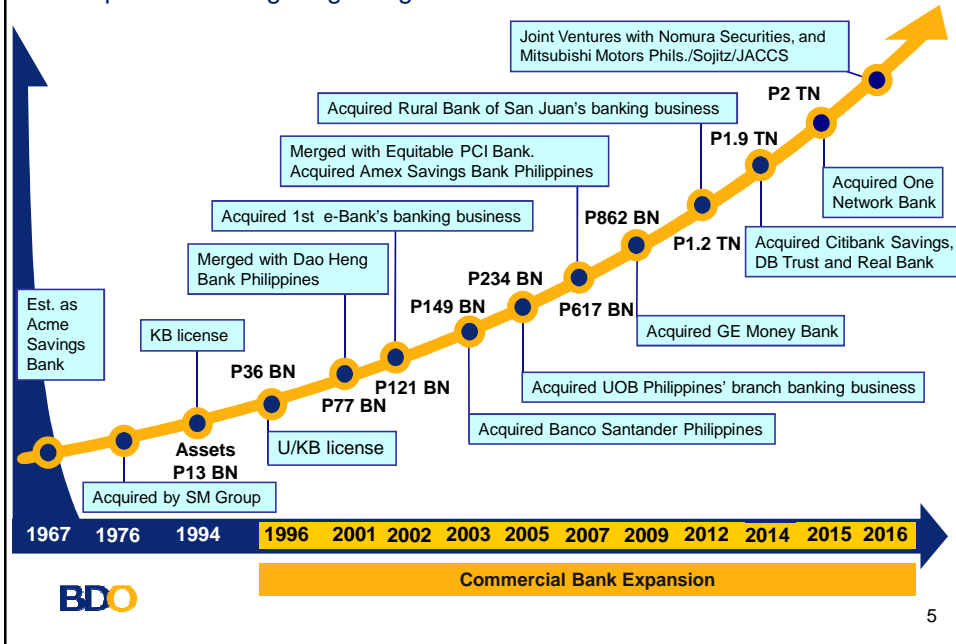
About BDO

- The Philippines' largest bank in terms of total resources with a market capitalization of P359 billion (USD7.60 billion) as of 03 March 2016.
- A full-service universal bank with one of the widest distribution networks consisting of 1,031 operating branches and over 3,000 ATMs nationwide.
- Part of the SM Group, one of the country's largest conglomerates.



Milestones

- Expansion through organic growth and M&As



5

Full Service Bank

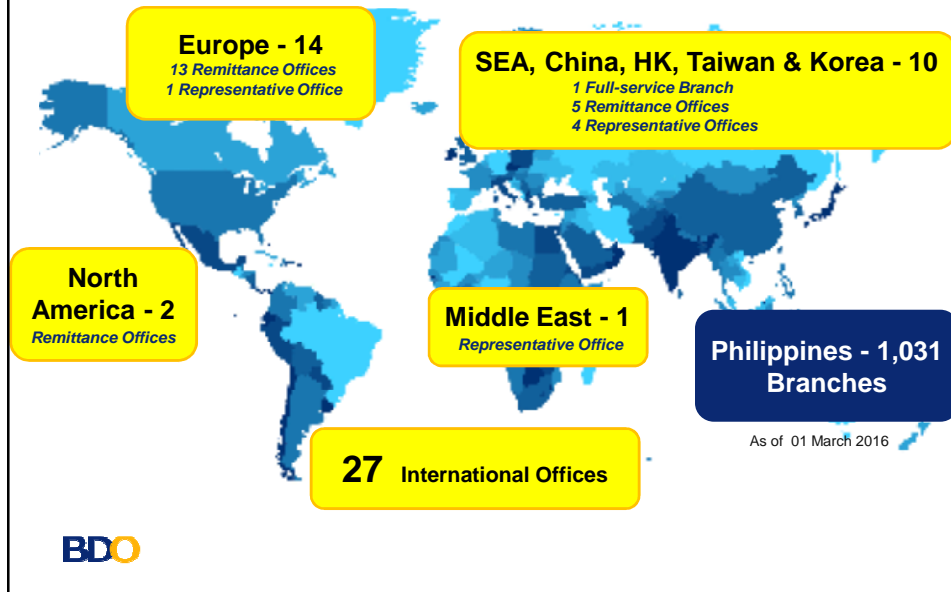
- Complete range of financial products and services

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

6

Market Reach

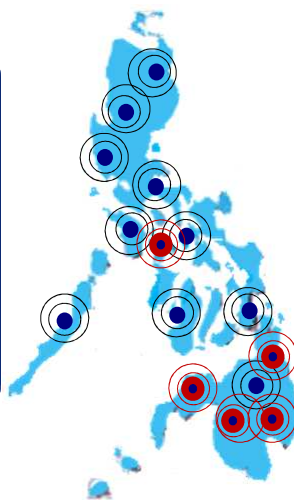
- Wide and extensive coverage in key areas



Domestic Distribution Network

- 924 BDO operating branches as of 01 March 2016
- Completed acquisition of One Network Bank in July 2015

	BDO	ONB	Total
Luzon	291	-	291
Metro Manila	460	1	462
Visayas	100	11	111
Mindanao	73	95	168
Total Branches	924	107	1,031



BDO MOBILE BANKING

User ID:

Password:

[Forgot your user ID?](#) [Forgot your password?](#)

[Enroll Now](#) [Login](#)



BDO Unibank, Inc. © 2014 All Rights Reserved

Mobile/Internet Banking



**Longer Banking Hours,
Weekend Banking for over
150 Mall Based Branches,
3,241 ATMs nationwide**

Business Franchise

- Market-leading positions in almost all business lines



Notes:

1 According to *The Asian Banker*, *Global Finance*, *The Asset*, & *Trade Finance Magazine*

2 According to *The Asset*

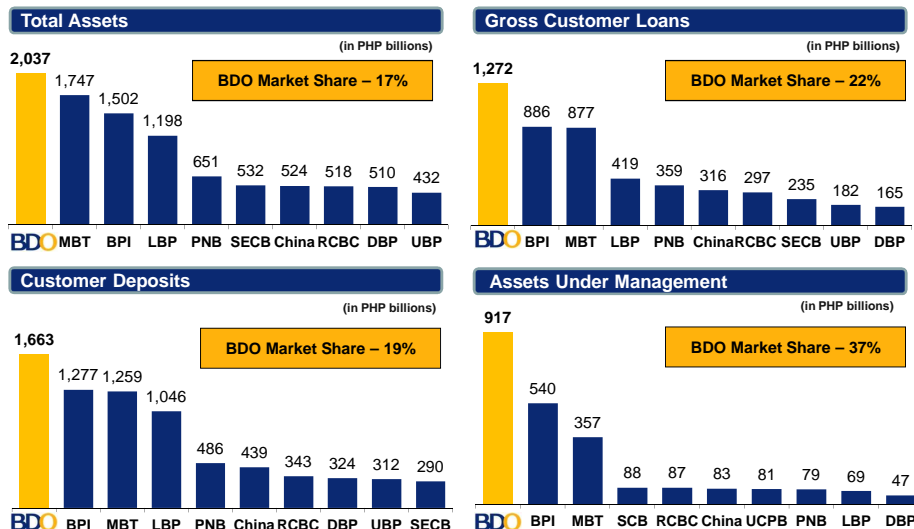
3 In terms of cardholder base & merchant acquiring gross billings

4 In terms of corporate issuances

5 Among insurance brokers in terms of premiums produced

Industry Ranking

- No. 1 among Philippine banks

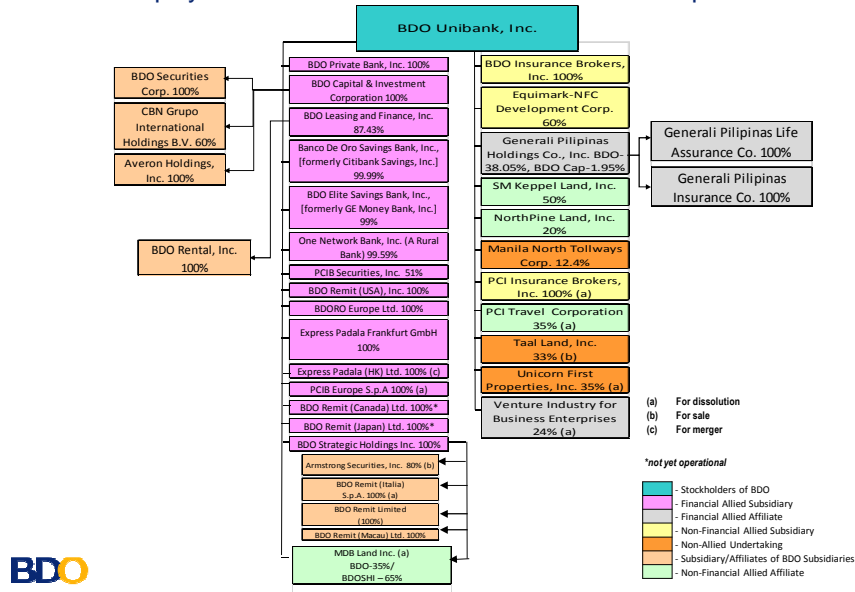


Source: Company data, consolidated statements of condition (SOC). Ranking as at 31 December 2015

Note: Financials prepared by banks under BSP's SOC requirements differ slightly from reported financials under SEC guidelines due to certain differences in accounting rules requested by the two authorities

Organizational Structure

- With equity investments in allied and non-allied enterprises



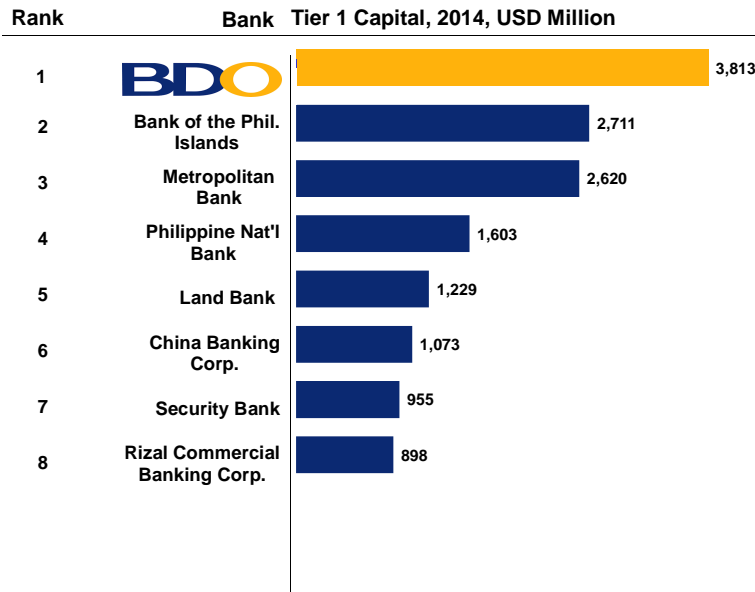
11

The Banker Top 1000 World Banks – Tier 1 Capital

Rank	Origin	Bank	Tier 1 Capital, 2014, USD Million
251		Bank of Cyprus	3,873
252		Popular	3,850
253		Hokuhoku Financial	3,843
254		Bank Negara	3,828
255		BDO Unibank	3,813
256		Israel Discount Bank	3,810
257		Julius Baer	3,782
258		Iyo Bank	3,744
259		OTP Bank	3,743
260		NY Community Bancorp	3,731

12

The Banker Top Philippine Banks – Tier 1 Capital



13

Credit Ratings

	Moody's	Fitch	Capital Intelligence
	17-Nov-2015	20-Jan-2016	24-Aug-2015
Foreign Currency Bank Deposits/Issuer/Debt Rating (IDR)			
Long Term	Baa2	BB+	BBB-
Short Term	Prime-2	B	A3
Outlook	Stable	Positive	Stable
Baseline Credit Assessment (BCA)			
Adjusted BCA Rating	baa2		
Viability Rating		bb+	
Financial Strength Rating			BBB-
Outlook			Positive
Counterparty Risk (CR) Assessment			
Long Term	Baa1(cr)/		
Short Term	P-2 (cr)		
Source: Moody's, Fitch and Capital Intelligence			

14

Trading Fact Sheet

Stock Details	
Type	Common Shares
Stock Ticker	BDO
ISIN	PHY077751022
Exchange	Philippine Stock Exchange
Par Value	P10.00
Outstanding No. of Shares	3,645,375,218
Foreign Ownership	Up to 40%
American Depositary Receipts (ADR) Program Details	
Type	Sponsored Level 1 ADR
ADR Ticker	BDOUY
ISIN	US05537Y305
Ratio	1 ADR = 10 Ordinary Shares
Depository Bank	Deutsche Bank Trust Company Americas
Contact Details	
ADR Broker Helpline	
Tel (New York)	+ 1 212 250 9100
Tel (London)	+ 44 207 547 6500
Email	adr@db.com
ADR website	www.adr.db.com
Depository Bank's Local Custodian	Deutsche Bank AG, Manila



Presentation Outline

I.	Overview	4
II.	Financial Highlights	17
III.	Ownership, Board and Management	27
IV.	Corporate Governance and Corporate Social Responsibility	33
V.	Awards and Citations	40

2015 Income Statement

(in PHP billion)	2015	2014	YoY%
Interest Income	72.1	63.6	13%
Loans & Other Receivables	63.4	53.9	18%
Interest Expense	15.2	12.4	23%
Interest Expense on Deposits	12.5	10.4	20%
Net Interest Income	57.0	51.2	11%
Non-interest Income	31.9	29.5	8%
Fee Income	19.4	18.0	8%
Trading & FX	7.2	7.1	1%
Others	5.4	4.4	24%
Gross Op Income	88.9	80.7	10%
Operating Expense	55.1	48.5	14%
Pre-Provision Op Profit	33.8	32.2	5%
Provisions	3.0	5.1	-41%
Taxes	5.7	4.2	34%
Net Income	25.0	22.8	10%

17

2010 to 2015 Income Statement

(in PHP billion)	2010	2011	2012	2013	2014	2015
Interest Income	49.9	50.5	54.0	56.6	63.6	72.1
Interest Expense	15.8	16.9	17.9	13.4	12.4	15.2
Net Interest Income	34.2	33.6	36.1	43.2	51.2	57.0
Non-interest Income	17.8	20.9	24.4	31.8	29.5	31.9
Fee Income	10.4	12.3	13.4	15.5	18.0	19.4
Trading & FX	5.8	5.6	8.2	12.8	7.1	7.2
Others	1.6	3.0	2.8	3.6	4.4	5.4
Gross Op Income	52.0	54.5	60.5	75.0	80.7	88.9
Operating Expense	34.8	35.8	39.5	43.3	48.5	55.1
Pre-Prov Op Profit	17.2	18.7	21.0	31.8	32.2	33.8
Provisions	6.7	6.1	4.9	7.0	5.1	3.0
Taxes	1.6	1.7	1.6	2.1	4.2	5.7
Net Income	8.8	10.8	14.5	22.6	22.8	25.0

18

4Q15 Balance Sheet

(in PHP billion)	4Q15	4Q14	YoY%
Resources			
Reserve Assets	461.7	488.4	-5%
Investment Securities	225.8	221.5	2%
Gross Customer Loans	1,279.4	1,089.4	17%
Investment Properties	14.6	13.9	6%
Other Assets	49.9	50.5	-1%
Total Resources	2,031.3	1,863.6	9%
Liabilities			
Deposits	1,663.9	1,492.3	11%
CASA	1,137.7	958.8	19%
Bills Payable/Sub-Debt	107.6	110.4	-3%
Other Liabilities	60.2	81.3	-26%
Total Liabilities	1,831.6	1,684.0	9%
Total Capital	199.6	179.7	11%
Total Liabilities & Capital	2,031.3	1,863.6	9%

19

2010 to 2015 Balance Sheet

(in PHP billion)	2010	2011	2012	2013	2014	2015
Resources						
Reserve Assets	229.6	203.5	201.2	491.5	488.4	461.7
Investment Securities	197.3	188.4	237.3	227.9	221.5	225.8
Gross Customer Loans	541.5	670.1	769.0	911.5	1,089.4	1,279.4
Investment Properties	12.0	10.1	9.1	10.4	13.9	14.6
Other Assets	20.5	22.1	25.0	31.5	50.4	49.9
Total Resources	1,000.9	1,094.2	1,241.6	1,672.8	1,863.6	2,031.3
Liabilities						
Deposits	782.6	858.6	931.6	1,345.3	1,492.3	1,663.9
Bills Payable/Sub-Notes	89.0	97.7	100.4	97.3	110.4	107.6
Other Liabilities	40.5	44.1	55.2	65.8	81.3	60.2
Total Liabilities	912.1	1,000.4	1,087.2	1,508.4	1,684.0	1,831.6
Total Capital	88.7	93.8	154.4	164.4	179.7	199.6
Total Liabilities & Capital	1,000.9	1,094.2	1,241.6	1,672.8	1,863.6	2,031.3



20

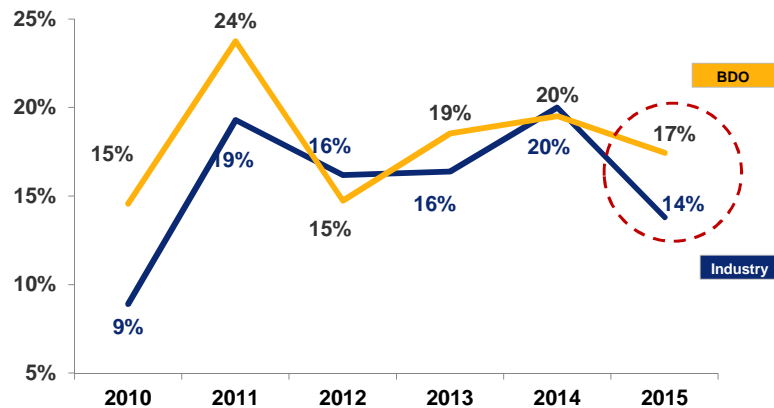
Financial Performance Indicators

	2010	2011	2012	2013	2014	2015
Profitability						
Return on Ave. Common Equity	11.9%	12.4%	12.0%	14.3%	13.6%	13.6%
Return on Average Assets	1.0%	1.0%	1.3%	1.6%	1.3%	1.3%
Margins and Liquidity						
Net Interest Margin (NIM)	4.1%	3.5%	3.4%	3.3%	3.2%	3.2%
Loans to Deposit Ratio	69.2%	78.1%	82.5%	67.8%	73.0%	76.9%
Liquid Assets to Total Assets	42.6%	35.8%	35.3%	43.0%	38.1%	33.8%
Cost Efficiency						
Cost to Income Ratio	66.9%	65.6%	65.2%	57.7%	60.1%	62.0%
Cost to Assets Ratio	3.7%	3.4%	3.4%	3.0%	2.7%	2.8%
Asset Quality						
NPL Ratio	4.7%	3.4%	2.8%	1.6%	1.3%	1.2%
NPL Cover	92.1%	106.0%	125.7%	170.7%	188.4%	165.8%
Capital						
	<i>Basel II</i>			<i>Basel III</i>		
CET1					12.4%	11.3%
Tier 1 Ratio	10.0%	10.0%	15.2%	14.6%	12.8%	11.7%
Capital Adequacy Ratio	13.8%	15.6%	19.1%	15.8%	14.6%	13.3%

21

Loan Growth

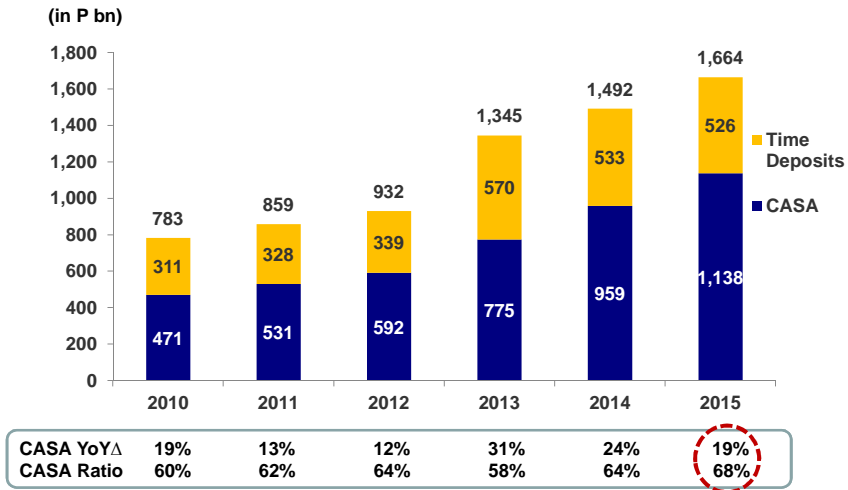
- Outpacing industry



22

Deposits

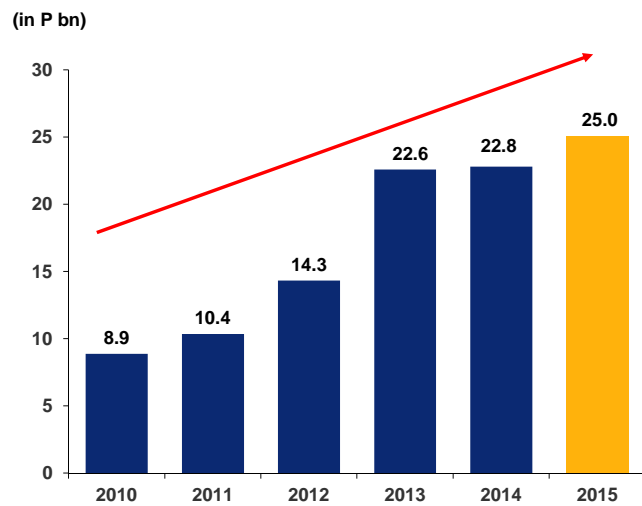
- Sustained growth in low-cost deposits



23

Net Income

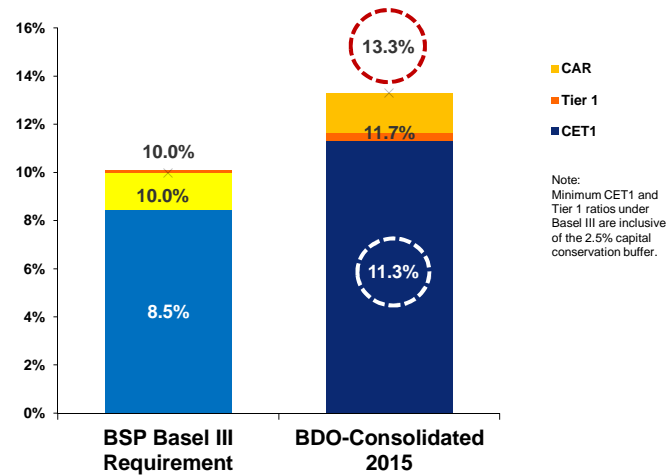
- Record profits, better quality core earnings



24

Capital Adequacy Ratio

- Ratios above Basel III standards



25

Presentation Outline

I.	Overview	4
II.	Financial Highlights	17
III.	Ownership, Board and Management	27
IV.	Corporate Governance and Corporate Social Responsibility	33
V.	Awards and Citations	40

Shareholder Structure

- Majority owned by the SM Group

As of 31 December 2015

Name	Nationality	Shareholdings	Percentage of Ownership
SM Investments Corp.	Filipino	1,463,657,368	40.15%
PCD Nominee	Foreign	1,172,934,161	32.18%
PCD Nominee	Filipino	564,869,153	15.50%
Multi-Reality Development Corporation	Filipino	236,476,739	6.49%
Sub-Total, Top Shareholders			94.32%
Total Shares Outstanding		3,645,375,218	

Source: Top 100 Shareholders as of 31 December 2015



27

The SM Group

- Harnessing synergies with the country's largest conglomerate



28

Board of Directors

- One of the strongest Board of Directors in the industry with extensive banking and finance, legal and business background

Experienced Bankers

- 7 directors out of 11 have an average of 35 years of banking experience, including a former Partner and Head of Asia Financials Research at Goldman Sachs

Practicing Lawyers

- 2 directors are practicing attorneys, and the other a Philippine bar topnotcher and member of the State Bar of New York

Successful Entrepreneur

- 1 director is a successful businessman who has made his mark in the field of retailing



29

Board of Directors

- With broad business and professional experience

<p>Teresita T. Sy Chairperson — first appointed to the Board in 1977</p> <ul style="list-style-type: none"> ■ Serves as Director in multiple subsidiaries of BDO ■ Vice Chairperson of SMC and Director of other SM Group companies, including Multi-Reality Dev. Corp. 	<p>Henry T. Sy Senior Chairman Emeritus — first appointed to the Board in 1976</p> <ul style="list-style-type: none"> ■ Founder and Chairman of the SM Group of Companies ■ Started his entrepreneurship career in 1958 ■ Chairman of SMC, SM Prime Holdings and SM Dev. Corp.
<p>Jesus A. Jacinto Jr. Vice Chairman — first appointed to the Board in 1996</p> <ul style="list-style-type: none"> ■ Chairman and President of BDO Insurance Brokers ■ Chairman and President of Jaces Corp. ■ MBA Columbia University 	<p>Christopher A. Bell-Knight Director — re-elected to the Board in 2013</p> <ul style="list-style-type: none"> ■ Previously served as BDO Director from May 2005 - Sep 2010 ■ Former VP and Country Head of the Bank of Nova Scotia ■ Associate of the Chartered Institute of Bankers - British
<p>Nestor V. Tan President and CEO — first appointed to the Board in 1998</p> <ul style="list-style-type: none"> ■ Holds Directorships of numerous BDO subsidiaries ■ Director of the Bankers Association of the Philippines ■ MBA Wharton School 	<p>Jimmy T. Tang Independent Director — first appointed to the Board in 1984</p> <ul style="list-style-type: none"> ■ Serves as Independent Director since 2002 ■ Previously served as Director since 1984 ■ Chairman and President of AVESCO Group of Companies
<p>Antonio C. Pacis Director — first appointed to the Board in 2004</p> <ul style="list-style-type: none"> ■ Director of BDO Capital ■ Corporate lawyer since 1967 ■ Degree from Harvard Law School 	<p>Jones M. Castro Jr. Independent Director — first appointed to the Board in 2012</p> <ul style="list-style-type: none"> ■ Served as Head for South Asia and SEA at Wells Fargo Bank ■ MBA Stanford University
<p>Josefina N. Tan Director — first appointed to the Board in 2007</p> <ul style="list-style-type: none"> ■ President of BDO Private Bank ■ Former Director of EPCIB from 2005 to 2007 ■ Former Director of Banco de Oro from 2001 to 2005 	<p>Jose F. Buenaventura Independent Director — first appointed to the Board in 2013</p> <ul style="list-style-type: none"> ■ Senior Partner of Romulo Mabanta Buenaventura Sayoc & De Los Angeles Law Offices since 1976 ■ Master of Laws from Georgetown University Law Center
<p>Diocoro-Roy I. Ramos Independent Director — first appointed to the Board in 2016</p> <ul style="list-style-type: none"> ■ CIO of RY&S Investments Ltd., Hong Kong since 2011 ■ Former Partner and Head of Asia Financials Research from 1994 to 2011 at Goldman Sachs 	<p>Gilberto C. Teodoro Independent Director — first appointed to the Board in 2014</p> <ul style="list-style-type: none"> ■ Served as Secretary of National Defense from 2007-2009 ■ Masters of Laws from Harvard Law School ■ Topnotcher, 1989 Philippine Bar Examinations

Senior Management Team

- With extensive professional banking expertise

 Nestor V. Tan <i>President and CEO</i> <ul style="list-style-type: none"> With BDO since 1997 Over 30 years of banking experience 		
Intermediation	Services and Subsidiaries	
 Walter C. Wassmer <i>Head — Business Lending</i> <ul style="list-style-type: none"> With BDO since 1997 Over 30 years of banking experience 	 Ador A. Abrogena <i>Head — Trust and Investments</i> <ul style="list-style-type: none"> With BDO since 1980 Over 30 years of banking experience 	 Josefina N. Tan <i>Head — Private Banking</i> <ul style="list-style-type: none"> With BDO since 2003 Over 30 years of banking experience
 Rolando C. Tanchanco <i>Head — Consumer Lending</i> <ul style="list-style-type: none"> With BDO since 2004 25-year banking experience 	 Edwin Romualdo G. Reyes <i>Head — Transaction Banking</i> <ul style="list-style-type: none"> With BDO since 2015 25-year banking experience 	 Eduardo V. Francisco <i>Head — Investment Banking</i> <ul style="list-style-type: none"> With BDO since 1999 27-year banking experience
 Jaime C. Yu <i>Head — Branch Banking</i> <ul style="list-style-type: none"> With BDO since 1997 Over 30 years of banking experience 	 Roberto E. Lapid <i>President — BDO Leasing and Finance</i> <ul style="list-style-type: none"> With BDO since 1993 Over 30 years of banking experience 	 Maria Theresa L. Tan <i>General Manager — BDO Insurance</i> <ul style="list-style-type: none"> With BDO since 2009 22-year banking and insurance experience
 Pedro M. Florescio III <i>Head — Treasury</i> <ul style="list-style-type: none"> With BDO since 2001 Over 30 years of banking experience 	Corporate Support	
 Anthony Chua <i>Head — Global Operations</i> <ul style="list-style-type: none"> With BDO since 2014 Over 30 years of banking experience 	 Ricardo V. Martin <i>Head — IT Group</i> <ul style="list-style-type: none"> With BDO since 2001 Over 30 years of banking experience 	 Luis S. Reyes Jr. <i>Head — IR & Corporate</i> <ul style="list-style-type: none"> With BDO since 2003 Over 30 years of banking experience
 Lucy Co Dy <i>Head — Comptrollership</i> <ul style="list-style-type: none"> With BDO since 1985 Over 30 years of banking experience 	 Estrellita V. Ong <i>Head — Internal Audit</i> <ul style="list-style-type: none"> With BDO since 2011 Over 20 years experience in audit 	 Evalyn C. Salagubang <i>Head — Human Resources</i> <ul style="list-style-type: none"> With BDO since 2007 Over 20 years experience in HR
 Alvin C. Go <i>Head — Legal</i> <ul style="list-style-type: none"> With BDO since 2013 In the practice of law for 30 years 	 Evelyn L. Villanueva <i>Head — Risk Management</i> <ul style="list-style-type: none"> With BDO since 2002 Over 30 years of banking experience 	 Rebecca S. Torres <i>Head — Compliance</i> <ul style="list-style-type: none"> With BDO since 1978 Over 30 years of banking experience
	 Dennis B. Velasquez <i>Head — Central Operations</i> <ul style="list-style-type: none"> With BDO since 1995 Over 30 years of banking experience 	

Presentation Outline

I.	Overview	4
II.	Financial Highlights	17
III.	Ownership, Board and Management	27
IV.	Corporate Governance and Corporate Social Responsibility	33
V.	Awards and Citations	40

Corporate Governance

Strict adherence to best practices and ethical standards

Five (5) principles of CG practices:

- Accountability
- Fairness
- Integrity
- Transparency
- Performance

Structure and mechanisms in place:

- Independent Directors
- Segregation of roles
- Checks & Balances
- Code of Conduct & Business Ethics

Full transparency and timely information disclosures

Protection of stakeholders' rights and interests



33

Corporate Governance

Compliant with regulatory requirements

Board

Minimum no. of Independent Directors (2)

Cert. Of Attendance – Board Members

Cert. Of Qualification of Ind. Directors



4 Independent Directors

Corporate Governance

Corporate Governance Manual

CG Guidelines Disclosure Template

SEC Annual Corp Governance Report

Leading Practices on Corp Governance

Code of Conduct and Business Ethics



34

Corporate Governance

Recognition for CG initiatives



Awardee for ten (10) consecutive years



Platinum Award



Silver Awardee Corp Governance Scorecard

Among the Top 50 Publicly-Listed Companies in the ACGS Scorecard 2013-2015



35

Corporate Social Responsibility

BDO Foundation's Advocacies

Disaster Response



- Relief operations using the SM supply chain and ground handling by BDO branches
- Rehabilitation and reconstruction
 - Shelter/housing and resettlement areas, health centers, school buildings/classrooms and multi-purpose halls

Community Development & Capacity Building



- Sustainable livelihood, skills training & practical education
 - BDO Foundation Micro-Finance Center for microfinance training and development programs
 - Project BANGKA (motorized boats with fishing nets for San Dionisio fishing village in Iloilo)



36

Corporate Social Responsibility

BDO Foundation's Advocacies

Healthcare



- Construction/modernization of public health centers/ facilities

Green/Environmental Initiatives



- Go Green Program
 - Energy conservation/efficiency, proper solid and hazardous waste disposal
 - Tree planting, vegetable growing projects
- BDO-World Wide Fund for Nature (WWF) Philippines Partnership Project



37

Corporate Social Responsibility

Recognition for CSR initiatives



Among the Best CSR
Companies in the Philippines



Among the Best Environmentally
Responsible Companies in the
Philippines



38

Presentation Outline

I.	Overview	4
II.	Financial Highlights	17
III.	Ownership, Board and Management	27
IV.	Corporate Governance and Corporate Social Responsibility	33
V.	Awards and Citations	40

Awards and Citations, 2014-2015

Best Bank in the Philippines



FinanceAsia Euromoney
The Asset Asiamoney

Among the Best Emerging Markets Banks

Global Finance









Awards and Citations, 2014-2015

<u>Best Retail & Wholesale Bank</u>	<u>Best Project Finance Bank</u>	<u>Best Private Bank</u>	<u>Best Investment Bank</u>	<u>Best Debt/Equity House</u>
  The Asian Banker	 The Asset	 FinanceAsia The Asset Euromoney	 FinanceAsia The Asset	Asiamoney FinanceAsia The Asset

Awards and Citations, 2014-2015

<u>Excellence In Leadership & Management</u>	<u>Excellence In Investor Relations</u>	<u>Excellence In Investor Relations</u> (Individual Awards)
Asiamoney Best Managed Company in the Philippines – Large Cap Asiamoney Nestor V. Tan Best Executive FinanceAsia Among the Best Managed Public Companies	 Best Investor Relations Company Among the Best Investor Relations Companies in the Philippines  Among the Best Senior Management IR Support Most Organized Investor Relations	 Asia's Best CEO Teresita Sy-Coson One of Asia's Best CEOs (Investor Relations)  Asia's Best CFO Pedro M. Florescio One of Asia's Best CFOs (Investor Relations)  Best Investor Relations Professional Luis S. Reyes, Jr. One of the Best IR Professionals (Phils)

Awards and Citations, 2014-2015

<p>Best FX Bank/ Provider</p>  <p>Asiamoney</p> <p>FinanceAsia</p>	<p>Best in Fund Management</p> <p>Reader's Digest Among the Most Trusted Brands</p> <p>The Asset</p>	<p>Best in Cash Management</p>   <p>The Asian Banker</p>	<p>Best in Trade Finance</p>   <p>The Asset</p>	<p>Best in Internet Banking</p>  <p>The Asian Banker</p>
--	---	--	---	---

BDO

Thank you.
www.bdo.com.ph

We find ways'