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CORPORATE MISSION

To be the preferred bank in every market we serve by consistently providing innovative products and flawless delivery of services, proactively reinventing ourselves to meet market demands, creating shareholders' value through superior returns, cultivating in our people a sense of pride and ownership, and striving to be always better than what we are today... tomorrow.

CORE VALUES

COMMITMENT TO CUSTOMERS.

We are committed to deliver products and services that surpass customer expectations in value and every aspect of customer service, while remaining to be prudent and trustworthy stewards of their wealth.

COMM ITMENT 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 improvements in everything we do.

COMM ITMENT 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.

COMM ITMENT TO SHAREHOLDERS.

We are committed to provide our shareholders with superior returns over the long term.

CORPORATE PROFILE

The product of a merger heralded as unprecedented in size and scale in the Philippine banking industry, BDO Unibank, Inc. (BDO) today represents a firm consolidation of distinct strengths and advantages built over the years by the entities behind its history. BDO is an institution that honors its past, continues to improve on its present, and moves towards the future with confidence and strength.

BDO is a full-service universal bank in the Philippines. It has the ability to provide a complete array of industry-leading products and services including Lending (corporate, middle market, SME, and consumer), Deposit-taking, Foreign Exchange, Brokering, Trust and Investments, Credit Cards, Corporate Cash Management and Remittances in the Philippines. Through its local subsidiaries, the Bank offers Leasing and Financing, Investment Banking, Private Banking, Bancassurance, Insurance Brokerage and Stock Brokerage services.

BDO's institutional strengths and value-added products and services

hold the key to its successful business relationships with customers. On the front line, its branches remain at the forefront of setting high standards as a sales and service-oriented, customer-focused force. BDO has one of the largest distribution networks, with more than 800 operating branches and over 2,200 ATMs nationwide.

Through selective acquisitions and organic growth, BDO has positioned itself for increased balance sheet strength and continuing expansion into new markets. As of 31December 2013, BDO is the country's largest bank in terms of total resources, capital, customer loans, total deposits, and assets under management.

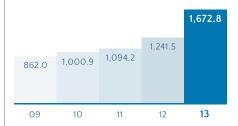
BDO is a member of the SM Group, one of the country's largest and most successful conglomerates with businesses spanning between retail, mall operations, property development (residential, commercial, resorts/hotel), and financial services. Although part of a family conglomerate, BDO's day-to-day operations are handled by a team of professional managers and bank officers.

FINANCIAL HIGHLIGHTS	2013	2012	CHANGE
BALANCE SHEET (IN BILLION PHP) Resources Gross Customer Loans Trading and Investment Securities Deposits Equity ^{1/}	1,672.8	1,241.5	34.7%
	911.5	769.0	18.5%
	227.9	237.3	-4.0%
	1,345.3	931.6	44.4%
	164.4	154.4	6.5%
INCOME STATEMENT (IN BILLION PHP) Net Interest Income Non-Interest Income Gross Operating Income Operating Expenses Net Profit ^{2/}	43.2	36.1	19.7%
	31.8	24.4	30.3%
	75.0	60.5	24.0%
	43.3	39.5	9.6%
	22.6	14.5	55.9%
FINANCIAL PERFORMANCE INDICATORS PROFITABILITY Return on Average Equity Return on Average Common Equity Return on Average Assets MARGINS AND LIQUIDITY Net Interest Margin Loans to Deposit Ratio Liquid Assets to Total Assets COST EFFICIENCY Cost to Income Ratio Cost to Assets Ratio ASSET QUALITY NPL to Gross Customer Loans NPL Cover CAPITAL AND LEVERAGE	14.2% 14.5% 1.6% 3.2% 67.8% 43.0% 57.7% 3.0%	11.7% 12.0% 1.3% 3.4% 82.5% 35.3% 65.2% 3.4% 2.8% 125.7%	
Tier 1 Ratio	14.3%	15.3%	
Capital Adequacy Ratio	15.5%	19.2%	
Assets to Equity	10.2x	8.0×	
DISTRIBUTION NETWORK AND MANPOWER Branches ATMs Employees	815	763	6.8%
	2,263	1,877	20.6%
	23,227	21,746	6.8%
SHAREHOLDER INFORMATION MARKET VALUE Share Price (in Php) Market Capitalization (in billion Php) VALUATION Basic Earnings per Share (in Php) Diluted Earnings per Share (in Php) Book Value per Share (in Php) Price-Earnings Ratio	68.60 245.65 6.22 6.18 44.28 11.03	72.80 260.69 4.52 4.52 41.49 16.11	-5.8% -5.8% 37.6% 36.7% 6.7%
Price to Book Ratio DIVIDENDS 3/ Cash Dividends Paid (in billion Php) Cash Dividends per Common Share Dividend Payout Ratio 4/ Dividend Yield 5/ Stock Dividends per share	7.52 2.10 51.9% 2.6%	1.8x - - - - 3%	

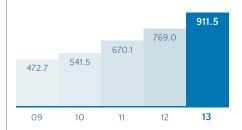
$Total\ capital\ accounts, inclusive\ of\ minority\ interest\ and\ preferred\ shares$ Net Income attributable to shareholders of the parent bank

ACCOUNT (IN BILLION PHP)

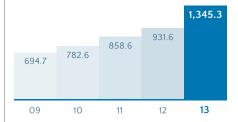
RESOURCES



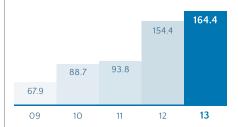
GROSS CUSTOMER LOANS



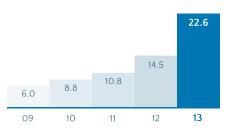
DEPOSIT LIABILITIES



CAPITAL FUNDS



NET INCOME*



*Attributable to shareholders of the Parent Bank

On April 19, 2013, the Bank declared cash dividends on common shares of P1.20 per share in respect of 2012 earnings. On the same date, the Bank also declared quarterly cash dividends of P0.30 per share representing dividends beginning the second quarter of 2013. The dividends for the 2012 earnings and second quarter of 2013 were paid on July 5, 2013. The dividends for the third and fourth quarters were paid on September 30, 2013 and December 2013, respectively. Cash dividends paid during the year divided by net profit of the prior year

Cash dividends per share paid during the year divided by average daily price for the year



"As we move forward, you can count on BDO to be a

continued partner in progress, while it remains committed to its values in the pursuit of responsible growth."

Dear shareholders,

2013 was a year full of natural calamities, which tested the faith and strength of our countrymen. Strong earthquakes and typhoons ravaged the country, but these only proved how resilient we are as a nation.

These disasters brought us together and your Bank, through BDO Foundation, was one of the first to respond to the immediate needs of our countrymen.

BDO helped affected communities recover and rebuild their lives. We have assisted through needed capital aspiring small and medium sized businesses make a footprint in their selected industries.

On the business side, we have achieved our targets and registered record-high net income of over P20 billion in

2013. I would like to extend my deepest gratitude to the men and women of BDO, whose hard work brought us to where we are.

I also thank our loyal shareholders for the unwavering trust and support.

As we move forward, you can count on BDO to be a continued partner in progress, while it remains committed to its values in the pursuit of responsible growth.

Yours truly,

Henry Sy, Sr.



To our valued shareholders,

We ended 2013 on an encouraging note. BDO became the first-ever Filipino bank to win the Best Asian Bank Award —a recognition that motivates us even more to keep finding ways to provide the best banking service for our clients.

Since the time we started, our growth has been focused on how we can better contribute in the success of our clients' endeavors, whether they are in the corporate, mid-market, SME, or retail segments. Over the years, we've been continuously implementing improvements by investing in various areas that include branch network expansion, system upgrades, new product innovations, and employing the best people.

BDO is also constantly capturing new opportunities as we step up our operations regionally. All these combined help drive efficiency in operations and provide more comprehensive service, thus effecting positive results not only in our bottom line but in serving our clients.

We are privileged to have the support of a competent Board of Directors, strong management, and diligent employees who work together to deliver the bank our clients can be proud of.

My sincere thanks to all our shareholders for their continued belief and trust. Taking the extra mile to make sure the needs of our customers are taken care of is, for us, often the reward itself.

Sincerely,

Teresita TVSV



Small steps! That's been our mantra over the years as we look back on our progress. We close 2013 with another exceptional year for the Bank with our net income reaching Php22.6B, 56% higher than the previous year and beating our guidance net income by 11%.

Our core businesses continued to deliver with double-digit growth in net interest income, fee income and trading gains. We managed to achieve above average market growth across most of our businesses. Our balance sheet remains among the strongest in the industry with a capital ratio of above 15% and conservative provisioning adequate to cover for potential losses, credit or otherwise, that may arise from the next economic downturn.

Beyond the numbers, BDO's performance in 2013 was further recognized by a number of international financial publications and institutions.

For the first time in history, a Philippine bank has won the coveted "Best Asian Bank Award" from *FinanceAsia*. We bested our notable Asian counterparts such as ICBC of China, HDFC of India, Bank Central Asia of Indonesia, Shinhan Financial of Korea, Public Bank of Malaysia, DBS of Singapore, CTBC of Taiwan and Siam Commercial Bank Thailand. We were likewise declared the "Best Bank in the Philippines" by *The Banker, Alpha Southeast Asia*,

Euromoney and FinanceAsia in their respective annual excellence awards.

Our performance this year is certainly worth noting and I thank you for your contributions.

Looking forward, we anticipate 2014 to be a more challenging year. Interest rates are expected to move up after years of steady decline. Competition is intensifying, changes are afoot on the regulatory front and the ASEAN integration poses a new set of threats and opportunities for us. Needless to say, these are uncharted territories.

Regardless of the outlook, let us welcome the challenge. BDO has proven time and again its capability to overcome challenges. We have done it in the past and we will continue to do so in the years ahead. If we believe and work as a team, we can achieve more that we can imagine.

Once again, to our shareholders, our valued clients and our officers and staff, I wish to extend my appreciation for your continued support and trust.

Sincerely

Nestor V. Tan

REVIEW OF OPERATIONS

ECONOMIC ENVIRONMENT

The Philippines posted one of the best performances in the region in 2013 as it sustained its growth momentum and secured its first investment grade rating from all three major credit rating agencies, namely Fitch, S&P, and Moodys, despite domestic and external headwinds.

The country's 7.2% economic expansion last year was broad-based as private spending, government expenditures, and investments all contributed to growth. Private demand held up on the sustained rise in Overseas Filipino Workers (OFW) remittances and Business Process Outsourcing (BPO) revenues, supported by benign inflation and low interest rates, with added stimulus from the mid-term elections. Meanwhile, public spending was

accelerated for new infrastructure projects as well as rehabilitation/ repair work in areas affected by natural calamities. Further, investments increased on amplified confidence following the rating upgrade, lifting productive capacities for both industries and services. These more than compensated for the lackluster performance of the agriculture and export sectors which were hit by bad weather and sluggish external demand, respectively.

In addition, the country's external account surpluses, sound monetary management, and improving fiscal picture and debt metrics, among others, supported the sovereign ratings upgrade. These insulated the Philippines from intensified market volatility and capital outflows due to the US Fed taper of its stimulus program (Quantitative Easing or QE) that put downward pressure on the currency and equities market.

The global economy stands on a more solid footing going into 2014, led by:

- · The rising economic momentum in the US
- · Signs of recovery in Japan
- · The Eurozone's exit from recession

FACTORS TO WATCH OUT FOR IN 2014 However, the move towards a more normalized global interest rate environment led by the US Fed's taper may lead to market volatility, currency weakness, inflationary pressures and higher interest rates.

Against this backdrop, the country is seen to weather the potential challenges, capitalize on growth opportunities, and sustain its economic growth. The Philippines is expected to stand out among Emerging Markets as a sanctuary that offers both growth and resiliency in an uncertain world.

OPERATIONAL HIGHLIGHTS

BDO Unibank, Inc. (BDO) ended 2013 with a 56 percent growth in net income to P22.6 billion from P14.5 billion the previous year. The record profit exceeded the P20.4 billion earnings guidance it set earlier for the year.

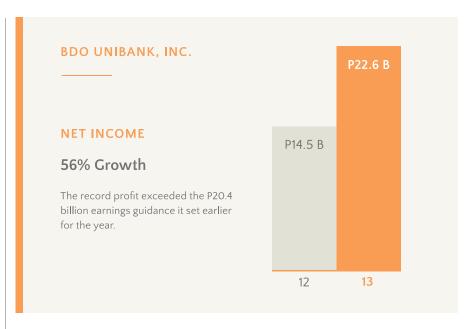
The strong performance is on the back of the continued solid growth across all businesses, thus enabling the Bank to maintain leadership position in most areas despite the challenges brought about by market condition.

Total customer loans rose 19 percent reaching P911 billion on good growth in all market segments. Net interest income was higher by 20 percent to P43.2 billion on the back of an expanded loan portfolio.

Walter C. Wassmer, Senior Executive Vice President and Head of Institutional Banking, cites the lending business as one of the Bank's major and consistent drivers of growth.

"The lending business remained one of its strongest points. We saw growth rates coming from large corporates, middle market and the small and medium enterprise (SME) segments. The country's robust economy allowed these segments to exhibit double-digit growth rates," he says.

Subsidiary BDO Leasing and Finance, Inc. (BDOLF), which offers finance leases, operating leases and floor



stock financing as key services, was also a steady contributor to the overall lending business.

Its lease and loan portfolio rose 22 percent as the generally positive business sentiment resulted to expansion of clients in the transportation, construction, mining and healthcare industries. A tie-up was also forged with PGA Cars, Inc. for the Audi Premium Lease program that allows car users to enjoy driving a luxury brand without having to purchase the unit.

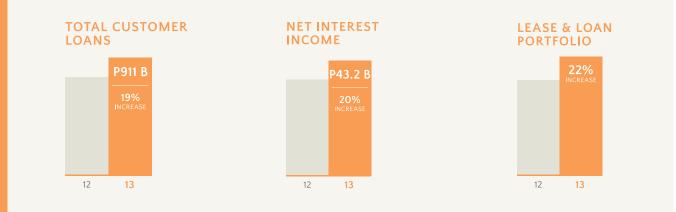
On the consumer lending side, BDO registered good growth in auto loans segment due to the 15 percent increase experienced by the local automotive industry. This was attributed to the influx of new vehicle models.

The entry of smaller cars coupled with low interest rates also helped propel the industry's double-digit growth.

"Our auto loan segment benefited from such upward trend by posting a 20% increase in loan bookings in 2013," notes Rolando C. Tanchanco, Executive Vice President and Head of Consumer Lending.

The Bank's home loan and credit card segments also posted growth with the former bolstered by the end-user financing tie-ups with developers, and the latter by the continued expansion of credit card usage as people prefer to have multiple cards and use them instead for payments to preserve cash and take advantage of the low interest rates.





Moving forward, BDO will continue to take on the challenge of addressing the needs of the clients be it in the retail or business side.

Mr. Wassmer says the Bank will continue to support the funding requirements of corporates that are eyeing expansion of their operations here and abroad. Equal importance will likewise be given to the middle market and SMEs whose businesses continue to fuel economic growth. The conductof the "SME Forum: Grow Your Business With BDO" that started in 2009 will remain an important facet of the Bank's campaign

to educate and provide support to the funding needs of the clients.

"We intend to further tailor fit the SME Forums according to the specific market segments not only on geographical basis but also in terms of their financing needs based vww.bdo.com.ph 11



on their business cycles. We are also planning new initiatives to deepen our relationship with the next generation or successors of the businesses," he imparts.

Attention will be given in the same way to foreign companies that are already doing business here and prospective investors who are planning to set up shop in the Philippines.

"BDO has a consistently growing market presence among the Japanese, Korean, German and other foreign corporations operating in the Philippines. Through the diversity of our experience, we can respond to the specific requirements of various customers considering to invest in the Philippines," adds Mr. Wassmer.

The Bank is capable of providing professional economic advice and financial support (through tailor-fitted credit facilities) from the time capital is brought in, to providing comprehensive long-term business solutions such as cash management services to realize their growth potential. Furthermore, it can also assist foreign corporations to set-up retirement funds for the benefit of their employees through its Trust and Investments Group.

BDOLF, on the other hand, will continue to ride along the flow of the market, which is slowly appreciating what leasing can do for them. Supporting this initiative is the forging of more vendor partnership programs to expand its leasing portfolio. It will also continue to capitalize on the

Bank's wide range of corporate clients who may require other financing needs on top of the traditional lending needs. In addition, it will put in place a new system software in anticipation of a potential increase in lease activity.

The consumer lending business, for its part, signifies the potential of maintaining its steady performance in 2014 owing to a number of factors.

Mr. Tanchanco says the automotive industry may be in for another double-digit growth considering the fact that most of the car brands have lined up quite a number of new models and variants, giving the consuming public a wide array of choices depending on their budget.

Prospects are encouraging as well for the home loans segment because of the promising socialized housing segment. The reason behind is that even the top property developers are building projects intended for the said sector to take advantage of the tax incentives.

Meanwhile, the Bank's small business loans segment can also benefit from the continued building of commercial projects by various developers in Metro Manila and key provincial sites.

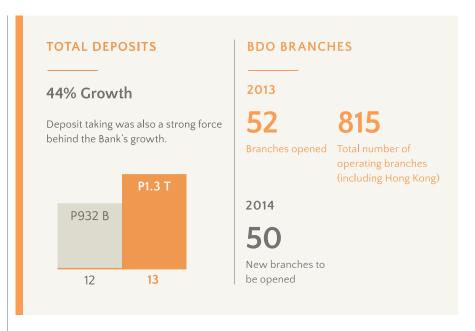
As for the credit card segment, Mr. Tanchanco says there are still untapped markets the Bank will continue to explore as it leverages on the country's projected economic growth. With the increasing number of the existing cardholders and potential cardholders, there is still room for growth.

"We constantly look for new markets not only geographically but also in target segments we traditionally do not cover," says Mr. Tanchanco.

HIGHER DEPOSITS, GAINS ON INVESTMENT

Deposit taking was also a strong force behind the Bank's growth. In 2013, total deposits reached P1.3 trillion, up 44 percent from the year ago level of P932 billion.

"Our goal to reach more markets allowed us to hit record highs in deposits and deliver superior banking services and convenience to satisfy our customers," says Jaime C. Yu, Senior Executive Vice President and Head of Branch Banking. BDO opened 52 branches bringing its total number of operating branches to 815 (including Hong Kong) at the end of 2013.



BDO sees the potential of further increasing its deposit base and to do that, the Bank will continue to deploy additional branches. For 2014, Mr. Yu says the Bank will open over 50 new branches in key areas around the country.

"We are seeing movement of some companies to smaller cities outside Metro Manila as a way of looking for cheaper locations and new sources of labor. That has created a multiplier effect in some provincial economies. What we have been doing is trying to identify these areas early on and investing in new branch locations as a way of capturing both the deposits and loan potential," he concludes.

Apart from the robust performance of the lending and deposit taking activities, BDO was also able to benefit from the market opportunity during the first half of 2013. As a result, the Bank registered trading and foreign exchange gains amounting to P12.8 billion.

Pedro M. Florescio III, Executive Vice President and Treasurer, notes the Bank was able to take advantage of historical low interest rates in the local and US settings, and realized trading gains.

"This occurred in the early part of the year as market players and investors anticipated the credit rating upgrade of the Philippines," he says.

The Bank, however, will be approaching 2014 with caution and continue with its strategy of maintaining a defensive portfolio duration when the opportunity presents itself.

Mr. Florescio says the Bank will be cautious on the potential impact of the emerging market fund outflows, China slowdown, and the rising US Interest Rates. Domestically, it will continue to monitor inflation expectations, offshore portfolio and foreign direct investment flows, and monetary policy adjustments.

The Bank's investment banking arm, BDO Capital and Investment Corporation, was also able to capitalize on the low-interest rate regime helping more companies borrow fresh funds or refinance their existing obligations.

In 2013, BDO Capital was able to arrange or participate in over P429

billion worth of notes, bonds and loan issues of several corporate and government entities. Among these notable transactions include:

- The P24-billion project financing facility of Therma South
- The P21-billion refinancing facility of Maynilad
- The P14-billion term loan of Sureste Properties
- The P13.8-billion project financing facilty of SMC Powergen
- The P10-billion project financing facility of Palm Concepcion Power
- Bond issuances by Triple A-rated corporates (GT Capital, Energy Development Corporation, Ayala Land, Inc., Globe Telecom, First Gen, and Filinvest Land Inc.) and the Republic of the Philippines Retail Treasury Bonds.

"These issues were well received by the market despite being priced at the low end of the range as investors continued to look for non-equities investment options," says BDO Capital president Eduardo V. Francisco.

BSP's discontinuance of SDAs has further pushed up the excess liquidity level in the market, which saw investors scurrying for available alternative investment instruments to park their money.

"We witnessed a seesaw ride in the equities front in 2013 with only a few companies daring to venture into this volatile market. Timing has been a major factor for a successful initial public offering (IPO) and follow-on offerings so we had to take advantage of windows of opportunity in 2013. BDO Capital was a lead underwriter in three IPOs in 2013 including that of Travellers (Resorts World Manila), Asia United Bank (AUB) and AG Finance. We also were domestic lead underwriters

for Cosco's follow-on offering and managed the tender offers for SM Development and Highlands Prime," notes Mr. Francisco

When asked about the opportunities or challenges ahead and how the Bank will position itself against these scenarios, he says BDO Capital's strength in both the equities and debt market will allow it to operate continuously when either of the two markets turn bad.

He adds though that the local equities market is still faced with greater challenges as uncertainties in the global financial market remain plus the fact that the country is an emerging market where performance is highly affected by foreign market movements.

"This has negatively affected our business resulting to postponement of several IPOs in the pipeline. As both issuers and investors in the equities market continue to stay in the sidelines especially for large deals, BDO Capital has been re-focusing its resources in the fixed-income side of the business but still keeping an eye for opportunities in the equities market. Being among the few bank-affiliated investment houses in the Philippines, BDO Capital was able to successfully close big-ticket debt transactions with the balance support from its parent bank," he says.

Meanwhile, despite taking a measured approach with respect to BDO Capital's securities business, it managed to become one of the top domestic brokerages.

"We believe in executing the transactions well for mainly domestic clients and our volumes have continued to rise. BDO Securities ranked number 11 in 2013, cornering 3 percent of the

Philippine equities market. Ex-foreign affiliated brokerage houses, BDO Securities was number four," notes Mr. Francisco.

For 2014, he says BDO Securities will be working with the PSE in launching the online trading platform while tailoring it slightly to conform to BDO's Internet banking standards. It will also help educate the market to grow its retail and institutional customer base and continue to provide personalized service to its investors.

INVESTMENT AND WEALTH MANAGEMENT

Speaking of personalized, BDO's private banking arm BDO Private Bank (BDOPB) continued to capitalize on its unique open-architecture platform as indicated by the growth in Asset Under Management (AUM), which amounted to P243 billion at the end of 2013. Its net income, on the other hand, rose to P1.2 billion versus the P480 million it earned in 2012.

BDOPB, a multi-awarded subsidiary of the Bank, emphasizes the key to ensuring the continued viability and profitability of BDOPB's business model is to be attuned and responsive to the needs of its niche client base in the areas of investment advisory and investment management, estate and legacy planning.

And while it is fully cognizant of the increasing competition in the wealth management category, BDOPB continues to provide the cutting edge service by increasing its pool of expert professionals, broadening access to a greater array of asset classes and specific investment products, and ensuring execution of sound and compliant estate and legacy structures for its clients.

"BDOPB seeks to distinguish itself as an expert institution solely focused on client objectives to grow, preserve and distribute their wealth or create a lasting legacy for their family and society. This branding and distinction will build a strong respect and confidence in the institution, making BDOPB as the bank of choice for private banking and wealth management in the Philippines," imparts BDOPB President Josefina N. Tan.

Moving forward, BDOPB will further enhance its alliances and partnerships with complementary institutions to deliver the best products and services to clients.

Meanwhile, despite the volatile financial markets that proved to be very challenging to both fund managers and investors, the Bank reaped benefits from a stable domestic economy. As a result, BDO remained the industry leader in trust accounts amounting to P773 billion as of December 2013.

The tough market landscape that transpired in 2013 is best described in the words of Executive Vice President and Trust and Investments Head Ador A. Abrogena.

"The globalized nature of financial markets revealed its flipside weakness as it likewise did back in 2008 when the US economy was reeling due to the sub-prime crisis. Up until April, things were still very good as interest rates had still been on the decline until March and were just moving sideways since then. The stock market was also doing very well, hitting its new peak at 7,400 during the quarter. By May though, the entire picture changed. A comment regarding the planned phasedown of the Fed's quantitative easing measure was misinterpreted by the markets and triggered a massive sell down as a shift to policy tightening by global funds of emerging market assets as an asset class. This caused the PSE Index to tumble down beneath the 6,000 level and bond yields to shoot up, " he explains.

The good thing that happened was that well-timed calls and foresight allowed the fixed-income portfolios to begin taking profits on long-tenor exposures as early as April, generating a sizeable amount of trading gains that eventually acted as a buffer, cushioning if not outright offsetting the negative impact of the sudden reversal of the yield downtrend the following month on portfolio returns, Mr. Abrogena adds.

The proper timing and skillful handling of clients also allowed BDO's Unit Investment Trust Funds (UITF) to benefit from the phased drawdown of SDAs, eventually building a sizeable lead in terms of volume over competitors.

Among the UITFs managed by the Bank, the best seller was the BDO

Peso Money Market Fund given the combination of low volatility and higher yield, a good entry point for people interested to get into investment funds. At a year-end level of P136 billion, the Fund is the single largest pooled fund in the country.

While the biggest chunk of the assets under management is in money market funds, Mr. Abrogena says flows are also moving more into riskier funds. For 2013, the BDO Equity Fund has seen a strong increase in flows. At year-end net asset value of P18 billion, it is currently the biggest equity fund in the country.

He says part of the Bank's plan moving forward is to diversify its investments and move from purely Philippine assets into foreign equities and commodities.

"We will use external managers to do that via feeder structures, which BSP now allows. We intend to launch several feeder funds with the following themes — global equity, developed markets property and country specific equity funds. We also intend to offer global bonds to those investors whose investment objectives are income and capital preservation. On the channels, we intend to fully utilize the Internet to offer online investing to our clients," notes Mr. Abrogena.

The Bank will likewise sustain the holding of its Financial Wellness briefings which were instrumental in assisting a number of prospective investors to attain their financial goals and financial wellness through the twin habits of regularly saving and investing. The BDO Easy Investment Plan is the product for this purpose. As a wealth build-up plan, it incorporates what experts consider as the best,

BDO PRIVATE BANK

ASSET UNDER MANAGEMENT

P243 B

At the end of 2013

TRUST & INVESTMENTS

TRUST ACCOUNTS

P773 B

At the end of 2013

tried and tested principles that make a successful saving and investing plan and provides a solution to counter the major obstacles to saving and investing.

PAYMENTS AND ELECTRONIC BANKING

BDO further ugraded its electronic banking service in 2013 with the launch of its mobile application, providing a seamless client experience across alternative transaction channels.

"With the availability of our mobile app, we would like to see our clients use the channel with ease similar to when they are checking out social media updates or using other popular online apps," says Senior Vice President and Head of Transaction Banking Emmanuel T. Narciso.

Recognizing the mobile phone as a rapidly growing transacting channel for customers in the future, he says the Bank will move towards total alignment of its mobile application in form and function with its core Internet banking applications, and delivering utilities that add significant value to online banking.

The year also saw the launch of a major upgrade in corporate internet banking, which provides the Bank's corporate clients a host of value-added features like a dashboard that functions like a personal command center, automatic charting, 24/7 future scheduling of transactions, and later in 2014, an accompanying smartphone application.

Alongside these improvements is the Bank's continued campaign to augment protective measures of its electronic channels to thwart fraudulent activities besetting the industry.

"For the ATMs, apart from strengthening the exterior interfaces, we have increased the frequency of security inspections and have tightened the monitoring of transactions," narrates Mr. Narciso. Atthe end of 2013, BDO has a network of 2,261 ATMs nationwide.

For the Internet channels, the Bank has successfully implemented the two-factor authentication by delivery of a one-time password to its users via SMS, and is the first local bank to have successfully done so.

Moving forward, the above-mentioned efforts will be bolstered further by the deployment of topnotch solutions against automated and debit card frauds.

On the cash management side, the Bank continued to provide a diverse range of financial solutions that can be customized to meet the clients varied requirements. These solutions are intended for payables, receivables, cash flow solutions, and access and information.

Meanwhile, the Bank's remittance business via its brand BDO Remit continued to ride on the solid growth of OFW remittances, which in 2013 reached \$22.8 billion.

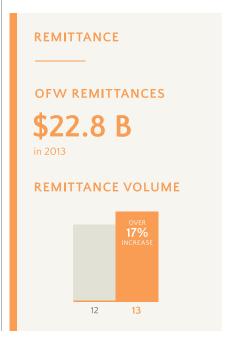
Its remittance volume outpaced the industry growth by registering an increase of over 17 percent despite the highly competitive environment here and abroad. A significant driver is the continued deployment of OFWs to the Middle East and Asia.

Strategic partnerships also played an important role in improving the remittance business of the Bank. Through BDO Remit's continuous relationship-building efforts, the remittance business achieved and surpassed the targets in terms of transactions in 2013.

"Overall, the strong partnerships with established remittance players has created brand awareness, driven growth in volume and number of transactions, and has increased BDO's customer base abroad," notes Geneva T. Gloria, Senior Vice President and Head of Remittance Distribution.

In Singapore, where tie-up support was the main focus, overall performance has generated over a 100% growth in terms of transaction count, volume and gross income.

Partner Wells Fargo also continued to give excellent ratings to BDO in terms of operational efficiency, marketing support and customer service. Through the partnership, Wells Fargo welcomes BDO's recommendations in the implementation of marketing campaigns both here and abroad through The Filipino Channel (TFC). Xoom, the number one online remittance company in the US, has likewise supported the Bank through co-branded marketing campaigns in the US, enabling BDO to reach and



penetrate a wider market by employing Xoom's expertise in digital marketing.

Complementing these efforts for markets abroad, BDO Remit continued to utilize the SM network and the ATM as channels for increasing remittance brand awareness. It also enhanced the offering of the Kabayan Savings account by providing a free life and accident insurance program to qualified accountholders.

"Recognizing the remittance sector's continued contribution to economic growth, BDO Remit will fortify its business' core competence on credit to BDO account market by offering more value propositions to OFW and beneficiary accountholders that would make them avail of the other services of the Bank, like investments, insurance and loans," says Senior Vice President and Head of Remittance Origination Jonathan C. Diokno.

Also part of the Bank's initiatives moving forward is the forging of agreements with financial institutions to further seize a substantial share of the sending market who are always on the look out for reliable and secure channels to send money back home.

INSURANCE BUSINESS

Subsidiary BDO Insurance Brokers, Inc, (BDOI) continued to provide protection to clients in the form of property, casualty or liability insurance. As a result, it recorded a 25 percent growth in premiums at the end of 2013 while commissions rose 28 percent compared with the previous year.

"The growth was driven by a steady volume of referrals of retail mortgage accounts and corporate accounts from Bank counterparts. Focused efforts were likewise made on organic growth

and retention of existing businesses across all segments. In addition, we actively pursued synergies with our Bank counterparts with the objective of providing solutions that address not only the bank risks but specific account and business needs," explains Ma. Theresa L. Tan, Senior Vice President of BDOI.

For the year ahead, apart from preserving and growing the existing accounts, BDOI will be upgrading its systems and servicing capabilities for better accuracy of output and faster response time to customers. It will also set up in phases a contact center to handle inbound calls especially for retail clients.

For life insurance, BDO in partnership with global insurer Generali Group, has Generali Philippines (GP), which in 2013 demonstrated solid results by registering a 45 percent growth in individual recurring premium sales.

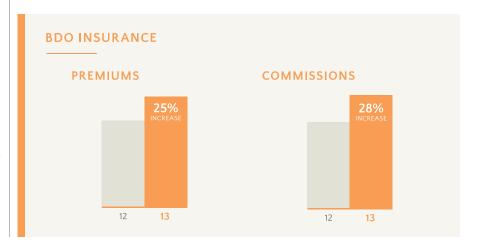
New individual sales revenue rose 34 percent in the same period. Meanwhile, individual renewal premiums grew at a healthy 54 percent clip, a result of the Company's continuing bancassurance strategy that focuses on sales of regular premium products. Premiums for the Group Life and Health business remained

steady with an 11 percent rise in total premiums.

"The outstanding 2013 performance is the result of excellent support of BDO, our partner bank, and worldwide insurance leader Generali Group, complemented by the commitment and dedication of the GP sales force," shares Renato Vergel De Dios, President and CEO of GP.

Asked about its plan to sustain growth amidst aggressive competition in the local market, Mr. De Dios says GP will continue to bank on its value proposition that responds to the unique needs of the various market segments.

GP offers a wide range of products for Bank clients looking to create individual savings programs and to protect their family's lifestyle as well. For high net worth individuals who are concerned about wealth transfer, it provides insurance-based tax funding solutions that supplement their estate planning programs. For institutional clients, GP maintains a dedicated team of experts who are well-versed in customizing plans that address the specific life and health requirements of SMEs and multinational companies which are served via GP hospital network nationwide.



The Company's aggressive sales force recruitment strategy is likewise a potential game-changer as it aims to grow its sales force to 700 highly productive financial advisors to keep pace with BDO's continuing branch network expansion.

ASSET MANAGEMENT

In terms of asset management, BDO exceeded its target by 11 percent on sales of retail estate assets and chattels despite the decline in assets available for sale coupled with reduced investors' appetite.

The initiatives for process improvement, increased productivity and consciousness on cost remained at the forefront of what has been a very challenging year for the Bank's asset management group.

"For the coming year, the group will aim to sustain its current sales performance supported by innovative marketing and sales efforts and strengthened backroom support," says Evylene C. Sison, Senior Vice President and Head of Asset Management.

STRONG SUPPORT UNITS

The Bank's various business groups rely on the solid backing provided by the support and service delivery units. Their responsibilities are to ensure that BDO's operational needs are efficiently met; processes are aligned with business objectives; and the vision and corporate strategies are realized.

In the area of IT (Information Technology) operations, BDO has implemented systems that make efficient branch-based and electronic services available to the customers at a reasonable cost and for longer hours. What has been done so far puts it

ahead or at least at par with the local banking industry.

"In addition, infrastructure is upgraded to deal with the expected volume increases. The Bank has also invested significantly in backup systems that will allow operations to continue with limited disruptions to customer services," relates Arthur L. Tan, Senior Vice President and Head of IT Operations.

Moving forward, he says the Bank will continue to do upgrades as required by business volumes, improve efficiency and effectiveness of internal processes, expand coverage of backup infrastructure, and expand support for its provincial operations.

With respect to IT development, the Bank remains committed to its belief that innovation should make banking more secure and convenient to its customers.

"This is the philosophy that we follow when deploying technology-driven innovation whether in electronic banking space or in traditional face-to-face type of banking. In the case of the latter, we have been deploying tools and utilities that allow more productive and efficient interaction with customers," says Enrico R. Hernandez, Senior Vice President and Head of IT Development.

The risk management group of the Bank, meanwhile, sustained its efforts on managing operational, credit and reputational risks. In 2013, in addition to established market and liquidity risk metrics, the Bank's risk analytics team has completed the application and behavioral scorecards across all products of the consumer lending business.

"We have also enhanced the Bank's borrower risk rating model. Our risk

analytics capability continued to improve and will be boosted by the risk datamart that we started to roll out in 2013. All these contributed to BDO's capability to make informed business decisions," notes Evelyn L. Villanueva, Executive Vice President and Head of Risk Management. She adds the Bank also achieved successful resolutions and recoveries from major accounts in 2013.

The Bank will continue to diligently monitor the quality of its risk portfolios and deliberately maintain a diversified portfolio of risk assets and investments in light of the continuing volatility in the market, pressures on interest margins as the market remains liquid and competition rises.

"We will monitor our balance sheet closely to ensure the Bank is in a position to be pro-active and respond quickly to market changes arising from economic, global, financial and political factors that either present business opportunities for us or may adversely impact the Bank," says Ms. Villanueva.

Investor relations (IR), as a strategic management function, play a vital role in the Bank's adherence to good corporate governance and dynamic shareholder engagement.

Its objectives include managing stakeholders' expectations in relation to the Company's performance and future prospects. It is also primarily responsible for bridging the information gap between management and the investment community with the end goal of achieving fair valuation for the company.

BDO has been an unwavering advocate of information transparency and active



stakeholder interaction. In 2013, IR laid out a comprehensive engagement plan that will handle investor prospecting, relationship building/maintenance, and data automation. The IR strategy envisions better shareholder interface and information accessibility amongst various stakeholders.

It also expanded its presence in the global fund management community by increasing the number of participation in global/local non-deal roadshows, and conferences. Simultaneously, IR has actively coordinated with top brokers to organize small investor forums and one-on-one meetings in the Bank's premises to discuss relevant developments. The Bank also participated for the first time

in a virtual investor conference catering to American Depositary Receipts (ADR) investors.

BDO's efforts in IR and corporate governance did not go unnoticed as *Corporate Governance Asia* and *Alpha Southeast Asia* presented the company with several citations, which include:

- Asia's Best CEO (Investor Relations)
 Teresita Sy-Coson, Corporate
 Governance Asia
- Asia's Best CFO (Investor Relations)
 Pedro M. Florescio III, Corporate Governance Asia
- Best Investor Relations Company (Philippines) BDO Unibank, Inc., Corporate Governance Asia

- Best Investor Relations Professional (Philippines) Luis S. Reyes Jr., Corporate Governance Asia
- Most Organized Investor Relations (Philippines) BDO Unibank, Inc., Alpha Southeast Asia

"These awards are acknowledgements of the institution's efforts in adopting global best practices in the field of IR and corporate governance. It continues to inspire the Bank to do more. As a result, BDO is looking to further utilize the power of the worldwide web in its ongoing IR drive such as enhancing its current IR website to become more suitable for investors. Other potential areas such as the use of video conference, and social networking may also be considered later on," says



Luis S. Reyes Jr., Senior Vice President and Head of Investor Relations and Corporate Planning.

The Central Operations Group (COG) also has notable accomplishments in 2013 led by the completion of the over 50 new BDO branches and the renovation/ relocation of another 40 branches. It likewise finished more than 150 construction projects for the Makati Head Office units and satellite offices. In addition, it topped off the Corporate Center Ortigas Tower being put up in the country's second largest business district in December 2013, which is ahead of schedule and within budget; and attained in November 2013, 2 million safe man-hours for the same construction project.

Dennis B. Velasquez, Executive Vice President and Head of COG, also highlighted that by end 2013, BDO Rewards has 1.7 million active members, 91% of which continue to increase their loyalty to BDO as manifested by their points earnings from bank transactions. Redemption rate, which is an indication of their patronage of the program, was at 55%, which enabled the program to sustain its cumulative redemption rate at 52%, with the Diamond Rewards cardholders comprising the most profitable clients of the Bank, continuing to be the most active tier at 72% penetration rate.

"Apart from these efforts, we also implemented the phase 1 of the unified contact center system; centralization of processing of most trade services to improve efficiency; continuing process improvements across all service units of COG, including the automation of manual process components to bring about straight-through processing; and the completion of the operational risk and control assessment for major processing activities across various service units of COG to enhance risk management," adds Mr. Velasquez.

In the area of compliance, a key highlight of its accomplishments is the upholding of a firm program focused on enforcement of the regulatory requirements covering Bank and Trust Compliance and Anti-Money

Laundering (AML). Reporting directly to the Board through the Board Audit Committee, the corporate compliance office manages the compliance risks and oversees the compliance by the Bank and its domestic and foreign subsidiaries with regulatory requirements. It ensures that the Bank implements the BSP Risk Management directives covering AML Risk Rating, as well as the Compliance and Trust Rating Systems. The compliance office issues advisories on regulatory matters, updates Compliance/AML policies and procedures, monitors transactions for AMLA compliance, and develops/ updates Compliance/AML training for BDO employees.

The compliance office continues to be pro-active in its compliance responsibility by adopting a risk based approach on ensuring compliance to the regulatory requirements, enhancing automated systems support and establishing and implementing a pro-active independent compliance program.

Likewise, the Office of the Corporate Secretary continuously ensures the proper documentation of all corporate actions, maintains the integrity of all corporate books and records, and ensures timely compliance with all the reportorial and disclosure requirements, timely issuance of certifications pertaining to corporate actions of the Board of Directors and the Board Committees needed by the other business units and departments of the Bank, and proper communication with stockholders.

On November 18, 2013, Corporate Secretary Edmundo L. Tan was awarded

the First Asian Company Secretary of the Year by the *Corporate Governance Asia*. The Award recognizes the important role of the company secretary in fulfilling various responsibilities. BDO Unibank was the only Philippine bank among the recipients of the award.

Comptrollership, meanwhile, sustained its efforts in supervising the quality of the Bank's accounting, auditing, and financial reporting.

The Marketing Communications Group (MCG), for its part, continued to invest in brand image, primarily in mass media advertising and promotions, as well as all the other major customer contact points.

Market research showed that BDO continues to enjoy "top-of-mind", with an image that is differentiated and enjoying major product and service associations.

"This strategically builds our share of mind to a level that complements our share of wallet; and helps ensure that we continue to enjoy leadership and preference at retail," imparts Rafael G. Besa, Senior Vice President and Head of Marketing Communications.

For the branch banking touch point, research also indicated the clients' satisfactory index across the entire network exceeding both global and regional standards for financial services. Additionally, among the top three local banks, the annual survey placed BDO in the lead by a clear margin.

"The results of the research appear that what customers perceive about BDO, BDO delivers," says Mr. Besa. The Human Resources Group (HRG) continued to provide aligned support to business strategies in an increasing geographic presence, both in the domestic and global arena. Leveraging on human capital as a sustainable competitive edge, acquiring and managing diverse talent played a key role in driving performance in a culture of inclusion.

"Structural agility in the HR business model is sustained to adapt to the evolving modes and channels of HR service delivery to multiple worksites of diverse employee population. Core HR processes and policies have been aligned in the areas of acquiring, developing and managing talent and in driving and rewarding performance in transition to the emerging landscape of employee engagement in borderless functional roles," says Evelyn C. Salagubang, Senior Vice President and Head of HRG.

Fostering harmonious employee relations as a continuing agenda has facilitated in the conclusion of the Collective Bargaining Agreement (CBA) in the latter part of 2013 within the desired timeline.

MOVING FORWARD

In summary, with the domestic economy expected to sustain its growth momentum in 2014, BDO is fully equipped to realize the encouraging growth opportunities in its customer segments by capitalizing on its established business franchise and wide distribution network.



AWARDS AND CITATIONS

BEST ASIAN BANK

FINANCEASIA



FINANCEASIA

Best Bank in the Philippines **Best Investment Bank** in the Philippines:

BDO Capital and Investment

Best Equity House

in the Philippines:

BDO Capital and Investment

Best Private Bank

in the Philippines:

BDO Private Bank

Best Non-Investment Grade Financial Institution in Asia in the Most Professional **Borrowers category**



ALPHA SOUTHEAST ASIA 3RD ANNUAL INSTITUTIONAL **INVESTOR CORPORATE AWARDS 2013**

Most Organised Investor Relations Best Senior Management IR Support

ALPHA SOUTHEAST ASIA 7TH ANNUAL BEST FINANCIAL INSTITUTION AWARDS

Best Bank in the Philippines **Best FX Bank for Corporates**

& Fis, Philippines

Best Investment Bank

in the Philippines:

BDO Capital and Investment

Best Bond House

in the Philippines:

BDO Capital and Investment

Best Equity House

in the Philippines:

BDO Capital and Investment

Best Private Wealth

Management Bank Award

BDO Private Bank



ASIAMONEY

Country Deals of the Year 2012:

BDO Unibank Php43.51 billion (USD1.04 billion) Rights Offering

Bookrunners:

BDO Capital, Citi, Deutsche, JP Morgan



ASIAN BANKING & FINANCE

Credit Card Initiative

of the Year - Philippines



ASIANINVESTOR

"2013 Investment Performance Awards" MARKET AWARDS -Philippines

BDO Trust and Investments Fund House of the Year



CORPORATE GOVERNANCE ASIA: 3RD ASIAN EXCELLENCE **RECOGNITION AWARDS**

Recipient of the 3rd Asian

Excellence Recognition Awards:

BDO Unibank

Asia's Best CEO (Investor Relations):

Teresita Sy-Coson

Asia's Best CFO (Investor Relations):

Pedro M. Florescio III

Best Investor Relations

Company (Philippines):

BDO Unibank

Best Investor Relations

Professional (Philippines):

Luis S. Reyes, Jr.



CORPORATE GOVERNANCE ASIA: THE BEST OF ASIA

Recipient of the
9th Corporate Governance Asia
Recognition Awards:



CORPORATE GOVERNANCE ASIA: 4TH ASIAN CORPORATE DIRECTOR

4th Asian Corporate Director Recognition Awards:

Teresita Sy-Coson, BDO Unibank

BDO Unibank

CORPORATE GOVERNANCE ASIA: 1ST ASIAN COMPANY SECRETARY RECOGNITION AWARDS 2013

Recipient of the

1st Asian Company Secretary Recognition Awards 2013:

Atty. Edmundo L. Tan, BDO Corporate Secretary



EUROMONEY

Best Bank in the Philippines



EUROMONEY
PRIVATE BANKING SURVEY 2013
Best Private Bank Overall
in the Philippines:
BDO Private Bank



GLOBAL FINANCE WORLD'S BEST TRADE FINANCE BANKS 2013 Best Trade Finance Bank in the Philippines



GLOBAL FINANCE WORLD'S BEST INVESTMENT BANK AWARD

Best Investment Bank in the Philippines:

BDO Capital and Investment



READER'S DIGEST
Trusted Brand Gold Award



THE ASIAN BANKER
Best Retail Bank in the Philippines



Leading Counterparty in the Philippines



THE ASSET TRIPLE A COUNTRY AWARDS

Best Domestic Investment Bank:

BDO Capital and Investment

Best Deal in the Philippines:

BDO US\$1 billion rights issue (BDO Capital and Investment Corporation as the Issue Manager and Domestic Underwriter)

THE ASSET TRIPLE A
PRIVATE BANKING, WEALTH
MANAGEMENT AND INVESTMENT
AWARDS 2013

Best Private Bank in the Philippines

THE ASSET EXCELLENCE IN
MANAGEMENT AND CORPORATE
GOVERNANCE AWARDS 2013
Platinum Awardee



THE BANKER

Bank of the Year in the Philippines Rank # 1 in the Philippines in Top 1000 Corporation



CORPORATE SOCIAL RESPONSIBILITY

2013 was a challenging year for the country as it saw calamities—man-made and natural—, the strongest of which was the Typhoon Yolanda that battered Leyte, Samar and Panay regions including Northern Cebu, causing unparalleled destructions and loss of lives.

The Bank's socio-civic arm, BDO Foundation, and the institution as a whole, took on these challenges, responding in unison to the needs of the victims and subsequently, helping the families rebuild their lives.

With disaster response as the Foundation's flagship program, simultaneous relief efforts were mounted with the active support of BDO volunteers from the Bank's nationwide network of branches. The employee-volunteers braved

the odds in distributing relief goods to the victims of calamities and to those affected by the insurgency in Mindanao.

From its various relief operations across the country, BDO Foundation reached over 110,000 families with close to P20 million worth of relief goods delivered to the victims of Typhoons Labuyo, Maring and "habagat", Santi, Super Typhoon Yolanda, Negros Oriental flood victims, Zamboanga siege and Bohol Earthquake victims.

Given the massive destruction of Yolanda, the Foundation concentrated on 10 provinces with over 50,000 affected families (as per NDRRMC list). Its simultaneous relief operations in various provinces and municipalities were supported by SM stores in the areas near the provinces where the Foundation worked to facilitate the movement of goods.

Aside from the help extended to the calamity victims, a fund drive was also initiated by the Bank to help the employees who





were affected by the devastation caused by typhoon Yolanda and the Bohol earthquake. Around P5.3 million have been raised through employee donations in cash and in kind and credited to the affected employees' BDO accounts and another P5 million to support the rehabilitation and reconstruction projects of the Foundation for the communities affected.

The second phase of the BDO Foundation's disaster response program focused on rehabilitation and reconstruction.

The Foundation started its rehabilitation and reconstruction efforts through the renovation of barangay health centers and school buildings with SM Foundation, Inc. (SMFI) and Federation of Filipino Chinese Chambers of Commerce & Industry in the provinces and municipalities hit by the earlier disasters.

In partnership with SMFI, BDO Foundation worked for the rehabilitation of select rural health centers in Tagum City, Davao del Norte; Calasiao, Pangasinan; San Fernando, Pampanga; Cabanatuan, Nueva Ecija; Binan, Laguna; and Tagbilaran, Bohol. The two foundations likewise funded the reconstruction of four-classroom school building in Sampaloc National High School in Tanay, Rizal.

With its continuous focus on education, two-classrooms units, in Partnership with FFCCCII's "Barrio School Project", were donated for Nan Chong School in Vigan, Ilocos Sur; Divine Healer Academy, Sorsogon; Bubukal Elementary

School in Barangay San Juan, Sta. Cruz, Laguna; Pangangan High School in Calape, Bohol; Liloan National High School in Ormoc City, Leyte; Elisa P. Bernardo Memorial Elementary School in Barangay Passi, Tacurong Sultan Kudarat; Ala Central School in Ala Esperanza Sultan Kudarat; Midsayap Dilangalen National High School in Poblacion 1, Midsayap, North Cotabato; Talon, Talon Elementary School in Talon, Talon Zamboanga City; and Sangali Elementary School in Poblacion Sangali, Zamboanga City. Target project completion for the classrooms is on the second quarter of 2014. Another beneficiary of the Foundation's renovation projects was the St. Martin Mission School (Assumption) in Baguio City.

For its shelter program, the Foundation is finishing off the housing project in Cagayan de Oro for typhoon Sendong

victims in partnership with SM Prime Holdings and Gawad Kalinga. It likewise embarked on a project in Baliuag, Bulacan for the walling of its previous resettlement site to secure the BDO Foundation – Red Cross Village. The development of a resettlement site in Mati, Davao Oriental with CFC – ANCOP and the office of the provincial government for typhoon Pablo victims, was started in December 2013 and is expected to finish before the end of 2014.

Apart from providing shelter to typhoon victims, other projects under Capacity Building which is the Foundation's second major advocacy, were embarked on to develop the capabilities of the youth and micro-finance officers from its partner NGOs. Towards this goal of developing capabilities, it conducted training seminars with its BDO

Speakers Bureau such as "Personality Development" for CARD-MRI (Center for Agriculture and Rural Development – Mutually Reinforcing Institutions) in the areas of Laguna, Masbate, Dipolog, Dumaguete and Agusan del Norte and "Time Management" sessions in Cebu and Tagum, Davao del Sur.

The Speaker's Bureau also participated in the "National Book Reading Day" celebrated simultaneously in 47 SM malls for kids across the country. The Foundation participated as one of the major sponsors in the Micro Credit Summit at PICC to network with the world's organizations involved in providing support and developing capacities of the underprivileged.

Moving forward, BDO Foundation will prepare and lay the groundwork for the continuation of its rehabilitation and reconstruction projects for the





last quarter disasters—the Zamboanga seige, Bohol earthquake and super typhoon Yolanda—under the 2014 plans and programs.

The Bank's continuous efforts to fulfill its responsibilities to the community did not go unnoticed. Before the year ended, BDO Foundation bagged an international award for "Best Employee Engagement Strategy" for its BDO Volunteer Program in the Asian Social Innovation Leadership Awards held in Dubai. Truly, this award is a testament to how the entire BDO makes corporate social responsibility a part of its business.

GO GREEN

The Bank continues to implement initiatives to support its advocacy on environmental awareness and sustainable development.

Environment-friendly initiatives brought by LEED (Leader in Energy and Environmental Design) program were considered in the construction of the BDO Corporate Center Ortigas, a 48-storey contemporary structure currently being put up in Metro Manila's second largest business district.

A more open-type space planning was executed to maximize natural lighting inside the building and reduce cost of mechanical ventilation. This was further complemented with the use of low heat absorbing, reflective and high efficient curtain wall system that not only increases natural sunlight inflow to the building, but also reduces air conditioning requirements. The building's dual piping system and sewage treatment plant will allow the use of recycled water, thus the reduction in its water

flushing requirements. Paints and water proofing materials used have low Volatility Compound or VOC and are compliant with the Clean Air Act.

Energy efficiency initiatives were likewise implemented in other BDO offices. The Bank standardized the use of LED lighting fixtures and inverter type air conditioning system in all of its new and renovated branches. Newly constructed regional offices likewise implemented the use of energy efficient elevators and inverter type escalators and low emissivity facade glazing to further reduce air conditioning load. The Bank's corporate center in Makati now uses timer controls for its sky signs, ATM wall backlights and canopy lighting. CFL and metal halide lamps in the building are also being replaced with LED.



CORPORATE GOVERNANCE

BDO Unibank fully recognizes its role in the continued progress of the country's financial system. Apart from stability in financial position, it believes that implementing sound corporate governance practices are vital in attaining and preserving the public's trust and belief in the banking sector.

The corporate governance practices of the Bank adheres to five (5) basic principles: accountability, fairness, integrity, transparency and performance. BDO believes that all directors, officers and staff are accountable to its stakeholders for their actions guided by respect for the rights of the minority shareholders, integrity in everything it does, and transparency in all its dealings.

In the end, having the highest governing standards rooted in its corporate way of life produce well-motivated people with the right attitude and ethical behavior leading to excellent business performance.

How the Bank practices good corporate governance is mirrored in these efforts:

THE STRUCTURE

Board of Directors

It is composed of eleven (11) members, three of whom are independent directors and complemented by board advisers. All are professionals from various fields of expertise such as banking, accounting, finance, law, merchandise marketing, bank regulation and strategy formulation.

The Board is collectively responsible for the long-term shareholder value of the institution and has the responsibility to approve, oversee and review the implementation of strategic objectives; financial plans and annual budgets; key operational initiatives; major funding and investment proposals consistent with long-term strategic goals; compliance and accountability systems; enterprise risk strategy and financial performance reviews to ensure the continued success of the organization.

Of equal importance is its task to implement good corporate governance cascaded down to the management and employees. It ensures that the Organization is being run in a sound and prudent manner to fulfill its obligations to all shareholders while upholding and protecting the interests of different constituencies.

The Board holds regular monthly meetings in addition to special meetings as needed. In 2013, it met thirteen (13) times to evaluate and approve various matters related to the Bank's operations.

The following sets forth the attendance of the Board for the calendar year January to December 2013:

NAME OF DIRECTOR	NO. OF MEETINGS ATTENDED	TOTAL NO. OF MEETINGS	PERCENTAGE RATING
Teresita T. Sy	13	13	100%
Jesus A. Jacinto, Jr.	13	13	100%
Nestor V. Tan	13	13	100%
Josefina N. Tan	13	13	100%
Jose F. Buenaventura*	6	8	75%
Antonio C. Pacis	12	13	92%
Jimmy T. Tang	11	13	85%
Henry T. Sy, Jr.	13	13	100%
Christopher A. Bell-Knight**	5	5	100%
Cheo Chai Hong	9	13	69%
Jones M. Castro, Jr.	12	13	92%
Teodoro B. Montecillo***	5	5	100%
Farida Khambata****	7	7	100%

- Elected as Director on April 19, 2013
- Elected as Director on July 27, 2013
- *** Term ended April 19, 2013
- **** Term ended June 29, 2013

Board Committees

The Board is supported by seven (7) committees with their respective mandates as follows:

1. Executive Committee

Chairperson:

Teresita T. Sy

Members:

Jesus A. Jacinto, Jr. Josefina N. Tan Nestor V. Tan

and Antonio N. Cotoco

The Executive Committee acts on behalf of the Board as the main approving body for Bank exposures particularly approval/confirmation of credit proposals, investments, disposal of acquired assets and other projects or initiatives to enhance the Bank's operating and service delivery capabilities.

In 2013, the committee met at least once a week of every month, of which attendance from all the members ranged from 76% to 94%.

2. Audit Committee Chairpersons:

Teodoro B. Montecillo (Independent Director until April 18, 2013) Jose F. Buenaventura (Independent Director from April 19 to December 31, 2013)

Members:

Jones M. Castro, Jr. (Independent Director) Jimmy T. Tang (Independent Director) Jesus A. Jacinto, Jr. Antonio C. Pacis (until April 18, 2013)

Advisers:

Shirley M. Sangalang and Corazon S. de la Paz-Bernardo The Audit Committee provides oversight of the internal and external audit functions and ensures both the independence from management of internal audit activities as well as the compliance with the regulations governing accounting standards on financial reporting. It approves the annual audit plan, the annual audited financial statements, and the analysis of quarterly results of operations as submitted by the Internal and External Auditor. It reviews the results of the audits and evaluates with the external and internal auditors the system of internal controls, governance processes and risk management policies as designed and implemented by senior management for adequacy, effectiveness and improvements. It has authority to investigate any matter within its Terms of Reference.

For the 2013 financial year, the Audit Committee has reviewed the audited financial statements with management and external auditors and believes that the financial statements are fairly presented in conformity with the relevant financial reporting standards in all material aspects.

The Committee met thirteen (13) times in 2013 with Messrs. Jacinto and Castro, Tang, Buenaventura, Montecillo and Pacis attending 12, 11, 8 and 4 meetings, respectively. Advisers Ms. Sangalang and de la Paz-Bernardo attended 12 meetings.

3. Compensation Committee Chairperson:

Jimmy T. Tang (Independent Director)

Members:

Jesus A. Jacinto, Jr. Josefina N. Tan and Teresita T. Sy The Compensation Committee provides oversight on directors' compensation and remuneration of senior management consistent with the Bank's culture, corporate values and strategic objectives, effectively aligned with prudent risk taking and commensurate with corporate and individual performance. It also ensures consistency of the compensation policies and practices as applied across the Group with the objective of attracting, motivating, rewarding and retaining quality personnel and creating incentives for delivering longterm performance within established risk limits.

The Committee held two meetings in 2013 with all members in attendance.

4. Corporate Governance Committee Chairpersons:

Teodoro B. Montecillo (Independent Director until April 18, 2013) Jones M. Castro, Jr. (Independent Director from April 19, 2013 to December 31, 2013)

Members:

Jesus A. Jacinto, Jr.
Farida Khambata (until April 18, 2013)
Antonio C. Pacis (until April 18, 2013)
Jimmy T. Tang (Independent Director)
Christopher A. Bell-Knight
(December 7 to December 31, 2013)
Adviser:

Christopher A. Bell-Knight (until December 6, 2013)

The Corporate Governance Committee is primarily tasked to assist the Board in formulating the policies and overseeing the implementation of the corporate governance practices of the Bank and its subsidiaries and affiliates. It conducts periodic performance

evaluation of the Board of Directors, its Committees (including the Corporate Governance Committee itself), and Executive Management. It also oversees the implementation of the Directors Orientation and Continuing Education Program.

In line with this, the Committee undertook the annual performance evaluation and detailed analysis of the survey results for improvements; revised the Corporate Governance Manual to align with the requirements of BSP Circular 749; and, published the Bank's compliance with the Organization for Economic Cooperation and Development (OECD) principles on Corporate Governance.

It also initiated the creation of the Lead Director position in the Board of Directors to chair the periodic meetings of the independent and non-executive directors with the external auditor. heads of internal audit, compliance and risk management without the presence of senior management. This was approved by the Board on December 4, 2013 and Independent Director Mr. Jones M. Castro, Jr. was appointed as the Lead Director. On the continuing education of directors, a seminar on Anti-Money Laundering regulations was conducted and attended by the directors of the Bank and its subsidiaries.

The Committee met six (6) times in 2013 with Messrs. Castro, Jacinto, and Tang, attending 4, 6 and 5, respectively while Messrs. Montecillo and Pacis were present in 2 meetings. Ms. Khambata attended 3 meetings. Adviser Mr. Bell–Knight was present in all meetings.

5. Nomination Committee

Chairperson:

Henry T. Sy, Jr.

Members:

Iosefina N. Tan and

Jimmy T. Tang (Independent Director)

The Nominations Committee leads the process of identifying and recommending candidates for appointment as Directors and for other key positions giving full consideration to succession planning and the leadership needs of the Bank. It recommends the composition and chairmanship of the various committees. It reviews the structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the nonexecutive Directors, and recommends changes if necessary. It also reviews all nominations for the appointment, re-appointment, election or reelection of Directors of the Bank and members of the various committees and makes recommendations to the Board on appointment of new Directors, when necessary.

In 2013, the Committee conducted a search for an independent director and nominated Mr. Jose F. Buenaventura. It also nominated Mr. Jones M. Castro, Jr. as Lead Director and Adviser Mr. Christopher M. Bell-Knight as regular member of the Board to replace Ms. Farida Khambata.

The Committee met three (3) times in 2013 with all members in attendance.

6. Risk Management Committee

Chairperson:

Jones M. Castro, Jr. (Independent Director)

Members:

Nestor V. Tan

Josefina N. Tan

Christopher A. Bell-Knight

(from December 7 to 31, 2013)

Adviser:

Christopher A. Bell-Knight (from January to December 6, 2013)

The Risk Management Committee is responsible for the development of the Bank's risk policies, defines the appropriate strategies for identifying, quantifying, managing and controlling risk exposures including preventing and/or minimizing the impact of losses when they occur. It supports the Board in performing its risk oversight functions and reviews the overall risk management philosophy, risk strategy and risk tolerance levels, oversees the implementation and review of the risk management plan on an integrated enterprise-wide basis, system of limits of management of discretionary authority delegated by the Board and takes immediate corrective actions when breached. It is also responsible for reassessing the continued relevance, comprehensiveness and effectiveness of the risk management plan, and revises it when needed. The Committee also reviews risk reports that controls and monitors risk exposures and limits.

The Committee met twelve (12) times in 2013 with Messrs. Bell-Knight, Castro and Tan attending 12, 11 and 8 meetings, respectively. Ms. Tan was present in 11 meetings.

7. Trust Committee

Chairpersons:

Josefina N. Tan (until April 19, 2013) Antonio C. Pacis (from April 19 to December 31, 2013)

Members:

Henry T. Sy, Jr. (from April 19 to December 31, 2013) Cheo Chai Hong Nestor V. Tan Ador A. Abrogena and Teresita T. Sy (until April 19, 2013)

The Trust Committee reviews and approves transactions between trust and/or fiduciary accounts, the investment, reinvestment and disposition of funds or property, offering of new products and services, establishment and renewal of lines and limits with financial institutions, investment outlets and counterparties, accepts and closes trust/other fiduciary accounts. It evaluates trust and other fiduciary accounts at least once a year and reviews the Trust and Investment Group's overall performance, profile of funds and accountabilities under its management, industry position, and the risk management reports.

The Committee met twelve (12) times in 2013 with Messrs. Tan and Abrogena attending 11 meetings; Messrs. Pacis, Sy and Cheo present in 7 meetings; and, Ms. Tan and Sy attending 5 meetings.

GOVERNANCE MECHANISMS

In promoting good governance across the Organization, the Bank put in place the following policies and practices:

Independence of Directors

This is achieved through the Board structure which is composed mostly of independent and non-executive directors (7 out of 11) who are independent of management and could exercise unfettered and independent judgment, free from any business or other relationship that could materially interfere with the exercise of their ability to act in the best interest of the Bank. In determining the independence of directors, each independent and non-executive director is required to submit an annual disclosure of all relevant information related to his/her business interests and affiliation. The Board has also adopted a procedure to ensure that it operates independently of management. A Lead Director was appointed to chair the meetings of independent and non-executive directors together with the external auditor and heads of internal audit, compliance and risk without the presence of senior management.

Segregation of Roles

The roles of the Board Chairman and the Bank President & CEO are separate and distinct from each other to achieve a balance of authority, clear accountability, and capacity for independent decision–making by the Board.

The Chairman's primary responsibility is for leading the Board and ensuring its effectiveness while the

President & CEO is responsible for running the Bank's business.

INDEPENDENT CHECKS & BALANCES

The Bank has institutionalized the following independent functions to ensure the safety and soundness of its operations:

Internal Audit

Under the direct supervision of the Board Audit Committee, the Internal Audit Group is tasked to provide independent assessment and reasonable assurance of the adequacy and effectiveness of the Bank's system of internal controls, risk management and governance processes of all units of the Bank including subsidiaries and affiliates. It has implemented the riskbased approach in auditing major areas of operations and prioritized their work based on assessment of risk exposures. It is staffed by individuals with relevant qualifications and has unfettered access to the Audit Committee, Board and senior management. The Internal Audit Group Head reports directly to the Audit Committee which is responsible for the appointment and removal of the Internal Auditor.

External Audit

Punongbayan and Araullo was reappointed External Auditors of the Bank at the last Annual Stockholders Meeting on April 19, 2013. It is tasked to perform audit risk assessment, conduct an independent audit of the Group's financial statements, render an opinion thereof and report the results of the audit to the Board of Directors and

stockholders. The Audit Committee makes the recommendations to the Board for the appointment, reappointment and removal of the external auditors including the audit fees and terms of engagement.

Risk Management

The Risk Management Group (RMG) is the one responsible for developing guidelines and policies for effective risk management of the Bank. It is also responsible in identifying the key risk exposures, assessing and measuring the extent of risk exposures of the Bank in the conduct of its business on an enterprise wide basis. It performs independent monitoring and objective assessment of decisions to accept particular risks whether these are consistent with board approved policies on risk tolerance and the effectiveness of the corresponding risk mitigation measures. On a regular basis, it reports to senior management and to the Board of Directors the results of their assessment and monitoring. RMG is staffed by competent personnel with sufficient experience, qualifications, knowledge of the banking business as well as mastery of risk disciplines. It is headed by a Chief Risk Officer (CRO) who is independent from any revenuegenerating and executive functions, business line responsibilities and operations. The CRO reports directly to the Risk Management Committee and could only be appointed and replaced with prior approval from the Board.

The BDO Group uses an integrated risk management framework covering the parent bank and subsidiaries to address the material risks it faces in its banking activities

particularly credit, market, business cycle, liquidity and operational risks.

Compliance and Anti-Money Laundering

The Compliance and Anti-Money Laundering Unit is responsible to oversee, coordinate, monitor and ensure compliance with existing laws, rules and regulations through the implementation of the Bank's compliance system and program in accordance with the requirements of the BSP and other regulatory agencies, including but not limited to the identification and control of compliance risks, prudential reporting obligations as well as compliance training. It has a robust compliance system focused on the enforcement of the Anti-Money Laundering Act and its implementing rules and regulations, Corporate Governance Manual, Code of Conduct and Personal Trading Policy and other regulatory requirements. It coordinates with regulators on their examinations and reports significant compliance issues and regulatory findings to senior management and the Board. The unit is headed by a Chief Compliance Officer (CCO) who was appointed by the Board and approved by BSP. The CCO reports directly to the Audit Committee.

CODE OF CONDUCT AND BUSINESS ETHICS

The Bank institutionalizes the highest ethical standards through the strict implementation of the BDO Unibank Code of Conduct that outlines the principles and policies governing the activities of the institution, its directors, officers and employees.

The Code specifies the fair treatment of customers, investors, stockholders, employees, suppliers, vendors, service providers, creditors, business partners and even competitors. The Bank's Code of Conduct is available on the Bank's website at www.bdo.com.ph.

Restrictions in Dealing in Securities

The Bank has a Personal Trading Policy to eliminate the possibility, or even the appearance of insider trading. It is in place to regulate buying and selling of BDO and non-BDO shares by directors, advisors, officers and employees of the Bank to ensure that material, non-public price-sensitive information on shares being traded are not being used for personal gain.

The Personal Trading Policy covers the required disclosures of trades of BDO shares within three (3) days from date of transactions, restrictions of trades of shares by bank officers and employees directly managing banking relationship with publicly listed companies and the imposition of a trading blackout to take effect before and after the disclosure of the Bank's net income figures quarterly to the Securities and Exchange Commission and the disclosure of the annual audited financial statement results.

Related Party Transactions

The Bank complies fully with the legal and regulatory requirements pertaining to the approval and disclosure of related party transactions. It has put in place adequate procedures to implement them, if it or any person in the Group may enter into a related party transaction such as credit accommodations, products or services

extended by the Bank to directors and officers in their personal capacity or to their company and vice versa. Specifically, it has a way of determining the persons in its related party groups to whom a conflict of interest may arise vis-à-vis the Bank and the criteria which have to be satisfied for proposed related party transaction such as but not limited to the terms and conditions that are not more favorable than similar transactions with non-related parties under similar circumstances. These transactions are all presented to the Executive Committee and are submitted to the Board for approval.

Whistle Blower Protection

The Code enjoins anybody who becomes aware of any violations of law, regulations or policies to report his/her suspicions to any of the designated office or individuals without fear of reprisal. The Bank has a whistle blower protection program that enables directors, all employees and even temporary staff to report in good faith irregularities, misconduct or raise serious concerns internally with high level of confidentiality and immunity so that appropriate remedial action could be taken.

TRANSPARENCY AND DISCLOSURES

The Bank is fully committed to provide its investors and other stakeholders full transparency and timely information disclosures through filings with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE), as found in the following:

- General Information Sheet (GIS)

- Definitive Information
 Statement (DIS)
- SEC Form 17-A
- Audited Financial Statements (AFS)

Required disclosures relating to:

- Financial information is stated in the AFS and the DIS
- Shareholder matters are provided in the DIS
- Executive compensation policy is stated in the DIS
- Directors' fees are found in the DIS
- Corporate actions, among others, are provided in the PSE official website www.pse.com.ph

To ensure an even wider access by the investors and the public, these disclosures and other corporate information are also uploaded in the Bank's official website www.bdo.com.ph (See "Investor Relations" and "Corporate Governance"). The details of the established corporate governance policies could be found in the Revised Corporate Governance Manual. The Bank also uses its Annual Report to highlight its corporate governance practices and corporate social responsibility.

STAKEHOLDERS' INTEREST

The Bank has put in place various practices for the protection, fair treatment and dealings with all stakeholders. It is fully committed to its corporate mission to be the preferred Bank in every market it serves by consistently providing cutting edge products and seamless delivery of services, proactively reinventing itself to meet market

demands, creating shareholders' value through superior returns, giving importance to the betterment of its employees, and maintaining active involvement in the community it serves. (Additional information on the rights of shareholders, equitable treatment of shareholders and roles of stakeholders is provided further in the 2013 Definitive Information Statement.)

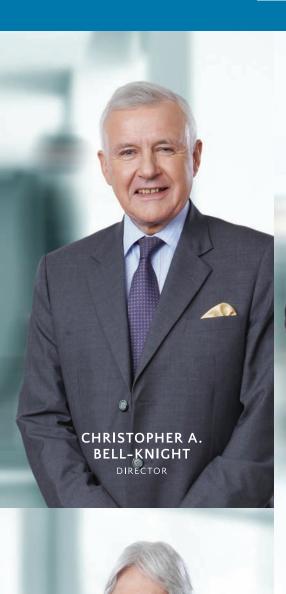
RECOGNITIONS OF CORPORATE GOVERNANCE PRACTICES

The implementation of best governance practices has earned the Bank a place among the Top 50 publicly-listed companies in the Philippines in the recently released Institute of Corporate Directors report on the results of the ASEAN Scorecard for Corporate Governance.

More than the accolades and awards the Bank has received, it is the trust and confidence of the public and stakeholders that BDO considers its biggest accomplishments in practicing good corporate governance. Not only will these recognitions translate to positive impact on its financial performance, these will also steer the Bank to further raise the bar of its corporate governance to meet stricter global standards.

BDO

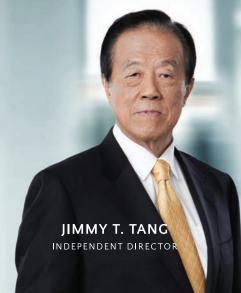
BOARD OF DIRECTORS







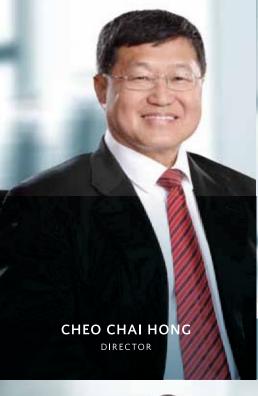




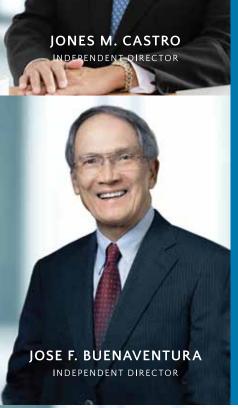














HENRY T. SY, JR.

DIRECTOR

DIRECTORS' PROFILE



Teresita T. Sy, 63, Filipino, is the Chairperson of BDO and was first elected to the Board in March 1997. Concurrently, she serves as the Chairperson, Vice Chairperson, and/or Director of various subsidiaries and affiliates of BDO such as BDO Private Bank, Inc., BDO Leasing & Finance, Inc., BDO Capital and Investment Corporation, BDO Foundation, Inc., Generali Pilipinas Holding Company, Inc., Generali Pilipinas Life Assurance Company, Inc., and Generali Pilipinas Insurance Co., Inc. Ms. Sy is the Vice Chairperson of SM Investments Corporation and adviser to the Board of SM Prime Holdings, Inc. She also sits as Chairperson, Vice Chairperson and/or Director of companies such as Multi-Realty Development Corporation, Bellshare Holdings, Inc. (formerly SM Commercial Properties, Inc.), SM Mart, Inc., SM Retail, Inc., Prime Metroestate Inc. (formerly Pilipinas Makro, Inc.), and First Asia Realty Development Corp. A graduate of Assumption College, she brings to the board her varied expertise in banking and finance, retail merchandising, mall and real estate development.

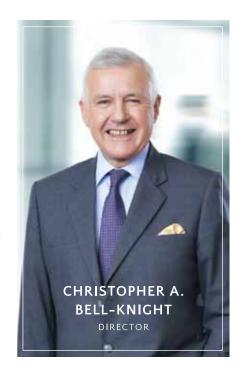
Jesus A. Jacinto, Jr., 66, Filipino, has been elected Vice Chairman of BDO since May 1996, and is concurrently the Chairman and President of BDO Insurance Brokers, Inc. He also heads Jaces Corp. as Chairman and President; and Janil Realty, Inc. and JAJ Holdings, Inc. as President. He is likewise Director of Bayer Phil., Inc. Formerly, he was Director and Executive Vice President of CityTrust Banking Corp.; Director of CityTrust Investments Phil. and CityTrust Finance Corp.; and Vice President and Managing Partner of Citibank N.A. He holds a Bachelor's degree in Business Administration from Fordham University in New York City and MBA (International Business) from Columbia University, New York City.





Nestor V. Tan, 56, Filipino, has been elected President of BDO since July 1998. He also concurrently holds vice chairmanships and/ or directorships in the following subsidiaries of BDO Unibank, Inc.: BDO Capital and Investment Corporation, BDO Insurance Brokers, Inc., BDO Leasing and Finance, Inc., BDO Private Bank, Inc., and BDO Remit (USA), Inc. He is also a Director in Generali Pilipinas Life Assurance Company, Inc., Generali Pilipinas Insurance Co., SM Keppel Land, Inc., Asian School of Business & Technology, Bankers Association of the Philippines as well as directorship in the Advisory Board of Mastercard Worldwide. He also concurrently holds chairmanship of BDO Strategic Holdings, Inc. and Megalink, Inc. He is a Trustee of the following: BDO Foundation, Inc., Pinoy Me Foundation, De La Salle University Board of Advisors, Asian Institute of Management and Philippine Business for Education. Mr. Tan's banking career includes a fifteen-year international experience with Mellon Bank (now Bank of New York-Mellon) in Pittsburgh, PA, the Bankers Trust Company (now Deutsche Bank) in New York, and the Barclays Group in New York and London. Prior to joining the Bank, he was Chief Operating Officer for the Financial Institutions Services Group of BZW, the investment banking subsidiary of the Barclays Group. He holds a Bachelor's Degree in Commerce from De La Salle University and received his MBA from Wharton School, University of Pennsylvania.

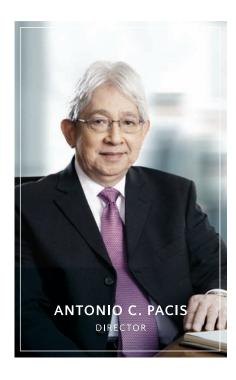
Christopher A. Bell-Knight, 69, Canadian, was elected Director of BDO Unibank, Inc. on July 27, 2013. Until his election as Director, Mr. Bell-Knight has been acting as Adviser to the Board of BDO Unibank for more than two (2) years. He had also previously served as Director of BDO Unibank from May 2005 until September 2010. He was an Independent Director of Dumaguete City Development Bank Philippines from March 2007 to March 2013. He is currently a consultant to the Board of Dumaguete City Development Bank of the Philippines. He was formerly a Director of Solidbank Corp. and Vice President and Country Head of The Bank of Nova Scotia. He has had over forty (40) years of banking experience in England, Canada, and Asia of which thirty-five (35) years were spent in credit and marketing. Mr. Bell-Knight is an Associate of the Chartered Institute of Bankers – British, an Associate of the Institute of Canadian Bankers, and a Fellow of the Institute of Corporate Directors. He studied at Frome Grammar School, Somerset, England and universities both in England and Canada.





Cheo Chai Hong, 61, Singaporean, was elected Director of BDO in May 2010. He currently sits as Director of United Overseas Bank Philippines (UOB Philippines), UOB Global Capital Private Limited, United Overseas Bank (Thai) Public Company Limited, UOB International Investment Pte Ltd., UOB Asset Management Ltd. and the Anglo-Chinese Schools Foundation Ltd. He is Managing Director of Group Credit and Head of Corporate Planning and Strategy Department of UOB Singapore. He holds an Honour's Degree in Business Administration from the University of Singapore.

Antonio C. Pacis, 73, Filipino, currently serves both BDO and BDO Capital and Investment Corporation as a director. He has been in law practice since 1967 counseling bank and corporate clients in the areas of regulatory, business, corporate and trust law, and individuals in the areas of family law and estate plans. In the course of his practice, he has served in various capacities in companies upon invitation of clients. He holds degrees from the Ateneo de Manila University (AB), from the Ateneo School of Law (LLB) and from the Harvard Law School (LLM).





Josefina N. Tan, 68, Filipino, was elected Director of BDO in July 2007. Concurrently, she serves as President/Director of BDO Private Bank, Inc. She is also Chairman of the Board of Miriam College and a Trustee of Development Center for Finance, Laura Vicuña Foundation and Finex Foundation. She was a Director of Banco de Oro Universal Bank from 2001 to August 2005. She was also Executive Vice President of the former Far East Bank & Trust Co.; Director and President of FEB Leasing & Finance Corp.; Executive Director and Trustee of FEB Foundation, Inc.; and Executive Vice President of FEB Investments, Inc. until 2000. She was a Director of Equitable PCI Bank, Inc. from September 2005 until its merger with BDO in May 2007.

Henry T. Sy, Jr., 60, Filipino, is presently Director of BDO. He is also the Vice Chairman of the Board of Directors of SM Investments Corporation, Chairman and Chief Executive Officer of SM Development Corporation; and Vice Chairman & President of Highlands Prime, Inc., SM Land, Inc.; and Director of SM Prime Holdings, Inc. He is likewise the President of National Grid Corporation of the Philippines. He is responsible for the real estate acquisitions and development activities of the SM Group which include the identification, evaluation, and negotiation of potential sites as well as the input of design ideas. He graduated with a management degree from De La Salle University. He also holds board positions in several companies within the SM Group.

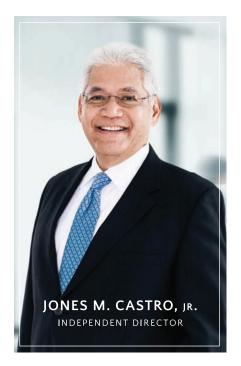




Jose F. Buenaventura, 79, Filipino, was elected Independent Director of BDO Unibank on April 19, 2013. He is a Senior Partner of the Romulo Mabanta Sayoc & de los Angeles Law Offices since 1976. He is President and Director of Consolidated Coconut Corporation. He is likewise Director and Corporate Secretary of 2B3C Foundation, Inc. and Peter Paul Philippines Corporation. He is also a Member of the Board of BDO Securities Corporation, Capital Managers & Advisors, Inc., Cebu Air, Inc., GROW, Inc., GROW Holdings, Inc., Hicap Properties Corporation, Himap Properties Corporation, La Concha Land Investment Corp., Melco Crown (Philippines) Resorts Corp., Philippine First Insurance Co., Inc., Philplans First, Inc., Techzone Philippines, Inc., The Country Club, Inc., Total Consolidated Asset Management, Inc., and Turner Entertainment Manila, Inc. Atty. Buenaventura holds the degrees of Bachelor of Arts and Bachelor of Laws from the Ateneo de Manila University, and Master of Laws from Georgetown University Law Center in Washington, D.C.

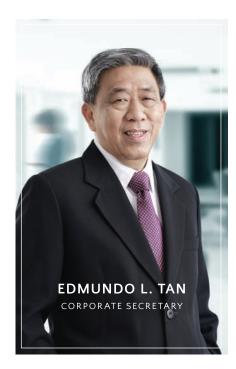
Jimmy T. Tang, 78, Filipino, has been an Independent Director of BDO since July 27, 2002. He served as a regular director of BDO from 1984 until his election as independent director. He is the President and Chairman of the Board of the Avesco Group of Companies. He currently serves as Honorary Adviser of the Federation of Electrical and Electronics Suppliers and Manufacturers of the Philippines, Inc. (PESA) & PESA Foundation; and Honorary President of the Federation of Filipino–Chinese Chambers of Commerce and Industry, Inc. (FFCCCII). Mr. Tang was the 9th President of PESA and the first Chairman of the PESA Foundation, which he served for seven (7) years. He also served two (2) terms as the 11th President of FFCCCII. He holds a Bachelor's Degree in Electrical Engineering from the Mapua Institute of Technology and was awarded the "Top Outstanding Mapuan for Entrepreneurship" in 1987.





Jones M. Castro, Jr., 65, Filipino and American, was elected independent director of the Bank on April 20, 2012. Mr. Castro has 39 years of banking expertise, with 32 years of international banking experience. From 2009 to 2011, Mr. Castro was the Area Head for South and Southeast Asia of the Wells Fargo Bank, San Francisco. As Area Head, Mr. Castro managed 12 countries, 11 overseas offices, 102 team members and US\$3 Billion in loans. From 2006 to 2009, Mr. Castro was Regional Head for Latin America 1, including the Caribbean, of the Wachovia Bank, Miami, and managed 25 countries, 3 overseas offices, 30 team members and US\$1.8 Billion in loans. From 2005 to 2006, he was EVP and International Banking Group Head of the Union Bank of California, San Francisco. Mr. Castro is currently Executive Vice Chairman and Trustee of the PhilDev USA. Mr. Castro obtained his Bachelor's Degree in Applied Mathematics, Cum Laude, from Harvard University. He received his Masters in Business Administration, Accounting & Finance, from Stanford University.

Edmundo L. Tan, 68, Filipino, has been appointed Corporate Secretary of BDO since July 27, 2007. He is also the Corporate Secretary of BDO Private Bank, Inc. He serves as Director and Corporate Secretary of APC Group, Inc. and Adviser to the Board of BDO Leasing and Finance, Inc.(BDOLF). He is currently a director of Philippine Global Communications, Inc., Sinophil Corporation, Aragorn Power & Energy Corporation, and PRC-Magma Energy Resources, Inc. Atty. Tan was formerly the Officer-in-Charge of EBC Strategic Holdings, Inc., and Chairman of the Board of EBC Investments, Inc. He is a former Director of BDOLF. He was elected member of the Board of Trustees of Philippine Dispute Resolution Center, Inc. (PDRCI) in 2010. He is the Managing Partner of Tan Acut Lopez & Pison Law Offices. He was formerly Senior Partner in Ponce Enrile Cayetano Reyes & Manalastas Law Offices, and a Partner in Angara Abello Concepcion Regala & Cruz Law Offices.



STATEMENTS OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of BDO Unibank, Inc. (the Bank), is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2013, 2012 and 2011 in accordance with the financial reporting standards in the Philippines for banks, including the following additional supplemental information filed separately from the basic financial statements:

- a. Supplementary Schedules required under Annex 68-E of the Securities Regulation Code Rule 68;
- b. Reconciliation of Retained Earnings Available for Dividend Declaration;
- c. Schedule of Philippine Financial Reporting Standards and Interpretations adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2013; and,
- d. Map Showing the Relationship Between and Among the Bank and its Related Entities.

Management responsibility on the financial statements includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements, and the additional supplemental information, and submits the same to the stockholders

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has examined the financial statements of the Bank in accordance with Philippine Standards on Auditing and, in its report to the Board of Directors and stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

TERESITA T. SY
Chairman of the Board

NESTOR V. TAN

PEDRO M. FLORESCIO III Treasurer

President

Signed this 5th day of March 2014

SUBSCRIBED and **SWORN** to me before this 10th day of March, 2014 affiant exhibiting to me their Competent Evidence of Identity (CEI), as follows:

Name CEI Number Date & Place of Issue 1. Teresita T. Sy Passport No. - EBO826424 08.25.2010/Manila CTC No. - 10712237 02.14.2014/Manila Passport No. - EB7352142 02 11 2013/Manila 2. Nestor V. Tan CTC No. 02254577 02.10.2014/Makati Passport No. - EB1502366 12.03.2010/Manila 3. Pedro M. Florescio III CTC No. - 35449562 02.10.2014/Manila

WITNESS BY HAND AND SEAL on the day first above-mentioned in Makati City

Doc. No. 491 Page No. 100 Book No. 1 Series of 2014

(Sgd.) Atty. EDGARDO P. MALOLES Notary Public for Makati City, Philippines

until 31 December 2014 Appointment No. M–388 14/F BDO North Tower, BDO Corporate Center 7899 Makati Avenue, Makati City Roll No. 35632

Not. 3-3632 IBP Lifetime Member No. 03168 PTR No. 3673397, 1/4/2013, Makati City MCLE Compliance No. III-0004287, 7/28/2009

STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011 (Amounts in Millions of Philippine Pesos)

				BDO U	BDO Unibank Group					Par	Parent Bank			
	Notes		2013	(As	2012 (As Restated— see Note 2)	2 (As Re	2011 (As Restated— see Note 2)		2013	(As	2012 (As Restated— see Note 2)	(As	2011 (As Restated— see Note 2)	
RESOURCES														
CASH AND OTHER CASH ITEMS	۲	Ъ	27,824	Ь	21,539	Ь	33,129	Ā	27,736	Ь	21,512	Ь	33,102	
DUE FROM BANGKO SENTRAL NG PILIPINAS	7		408,383		156,591		124,894		384,361		151,303		115,992	
DUE FROM OTHER BANKS	∞		26,939		12,645		24,719		24,655		11,488		22,777	
TRADING AND INVESTMENT SECURITIES	6		227,910		237,294		188,418		207,747		218,322		171,081	
LOANS AND OTHER RECEIVABLES - Net	10		922,553		760,500		673,927		907,393		746,299		653,857	
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	11		17,908		16,390		15,690		16,325		15,616		15,074	
INVESTMENT PROPERTIES - Net	12		10,381		680,6		10,137		7,518		8,609		9,571	
OTHER RESOURCES - Net	13		30,880		27,479		23,273		39,046		34,823		30,827	
TOTAL RESOURCES		e.	1,672,778	ط	1,241,527	ď	1,094,187	4	1,614,781	d.	1,207,972	십	1,052,281	
LIABILITIES AND EQUITY														
DEPOSIT LIABILITIES	15	Ъ	1,345,333	Ь	931,641	Ы	858,569	Ы	1,317,132	Ъ	919,794	П	838,748	
BILLS PAYABLE	16		94,243		72,179		59,474		82,827		65,177		51,378	
SUBORDINATED NOTES PAYABLE	17		3,007		28,180		38,255		3,007		28,180		38,255	
OTHER LIABILITIES	18		65,841		55,156		44,089		58,107		49,120		37,294	
Total Liabilities			1,508,424		1,087,156		1,000,387		1,461,073		1,062,271		965,675	
EQUITY Attributable to: Shareholders of the Parent Bank Non-controlling Interests	19		163,711		153,714		93,167		153,708		145,701		86,606	
			164,354		154,371		93,800		153,708		145,701		86,606	
TOTAL LIABILITIES AND EQUITY		Ы	1,672,778	a.	1,241,527	Ъ	1,094,187	Ы	1,614,781	d.	1,207,972	ď	1,052,281	

See Notes to Financial Statements.

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011 (Amounts in Millions of Philippine Pesos)

	2011	(As Restated—	see Note 2)	P 48,024	16,203	31,821	5,945	25,876	17,976	33,353	10,499	1,303	P 9,196			P 3.30
BDO Unibank Group		ted-	e 2)	51,657 I	17,245	34,412	4,850	29,562	21,703	37,104	14,161	1,117	13,044			4.06
	2012	(As Restated—	see Note 2)	Ы									d			Q (
			2013	54,431	13,014	41,417	6,216	35,201	27,080	40,364	21,917	1,418	20,499			5.63
Parent Bank			2	Ъ									ď			E 1
	2011	(As Restated—	see Note 2)	50,467	16,866	33,601	6,144	27,457	20,899	35,773	12,583	1,739	10,844	10,787	10,844	3.89
	. •	(As R	see	Ъ						ļ			Ы	В	Д	<u>ط</u> (
	2012	(As Restated—	see Note 2)	54,014	17,893	36,121	4,941	31,180	24,427	39,494	16,113	1,571	14,542	14,483	14,542	4.52
		(As	Se	Ь									Ы	Ъ	<u>a</u>	심
			2013	56,606	13,440	43,166	7,001	36,165	31,844	43,259	24,750	2,104	22,646	22,608	22,646	6.22
				Ь									Q.	ē.	Ð.	<u>در</u> (
			Notes	20	21		14		22	22		27				78
				NCOME	XPENSE	NET INTEREST INCOME	IMPAIRMENT LOSSES - Net	NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	OTHER OPERATING INCOME	OTHER OPERATING EXPENSES	ORE TAX	SE	Ĺ.	rributable To: Shareholders of the Parent Bank Non-controlling Interests		Share:
				INTEREST INCOME	INTEREST EXPENSE	NET INTER	IMPAIRMEN	NET INTER AFTER IN	OTHER OPE	OTHER OPE	PROFIT BEFORE TAX	TAX EXPENSE	NET PROFIT	Attributable To: Shareholders o Non-controllin		Earnings Per Share: Basic

See Notes to Financial Statements.

Geronimo D. Diaz

Jonathan C. Diokno

MANAGEMENT DIRECTORY

BOARD OF DIRECTORS

Chairman Emeritus

Henry Sy, Sr.

Chairperson

Teresita T. Sy

Vice Chairman

Jesus A. Jacinto, Jr.

Directors

Christopher A. Bell-Knight
Jose F. Buenaventura
Jones M. Castro, Jr.
Cheo Chai Hong
Antonio C. Pacis
Henry T. Sy, Jr.
Josefina N. Tan
Nestor V. Tan - President & CEO
Jimmy T. Tang

Advisers

Corazon S. de la Paz-Bernardo Teodoro B. Montecillo Jose T. Sio Washington Z. SyCip

Corporate Secretary

Edmundo L. Tan

PRINCIPAL OFFICERS

(BANKS & SUBSIDIARIES)
As of December 31, 2013

President & CEO

Nestor V. Tan

Senior Executive Vice President

Antonio N. Cotoco Walter C. Wassmer Jaime C. Yu

Executive Vice President

Ador A. Abrogena
Stella L. Cabalatungan
Julie Y. Chua
Gerard Lee B. Co
Lucy C. Dy
Pedro M. Florescio III
Eduardo V. Francisco
Bienvenido M. Juat Jr.
Ricardo V. Martin
Edmundo S. Soriano
Rolando C. Tanchanco
Dennis B. Velasquez
Evelyn L. Villanueva

Senior Vice President

Ursula A. Alano
Noel L. Andrada
Rafael G. Ayuste Jr.
Melanie S. Belen
Gamalielh Ariel O. Benavides
Rafael G. Besa
Ma. Ophelia L. Camiña
Marilou L. Cesario
Arthur Vincent D. Chung
Angelita O. Cortez
Jonathan T. Cua
Ramon S. David
Ma. Lourdes T. De Vera
Montiel H. Delos Santos

Noel D. Dizon Ismael G. Estela Jr. Marvin V. Fausto Belinda C. Fernandez Georgiana A. Gamboa Geneva T. Gloria Jonathan C. Go Alvin C. Go Marilyn K. Go Lazaro Jerome C. Guevarra Enrico R. Hernandez Eleanor M. Hilado Antonio N. Jacinto Jeanette S. Javellana Roberto E. Lapid Gabriel U. Lim Mercedes M. Limson Manuel Z. Locsin Jr. Ma. Corazon A. Mallillin Angelita C. Manulat Dalmacio D. Martin Jose Noel M. Mendoza Ramon T. Militar Aurea Imelda S. Montejo Emmanuel T. Narciso Jaime M. Nasol Annie H. Ngo Estrellita V. Ong Martin B. Ordoñez Maria Rhoda B. Orsolino Jose Alfredo G. Pascual Antonio O. Peña Maria Nannette R. Regala Luis S. Reyes Jr. Evelyn C. Salagubang Shirley M. Sangalang Ma. Theresa S. Simbul Evylene C. Sison

Erlaster C. Sotto

Noel B. Sugay

Robert W. Sy

Edwin R. Tajanlangit

Lorna A. Tan

Arthur L. Tan

Maria Theresa L. Tan

Reynaldo A. Tanjangco Jr.

Rebecca S. Torres

Rosola A. Vivas

Edward G. Wenceslao

Ma. Teresita Susana L. Yap

First Vice President

Jocelyn D. Agas

Gerard M. Aguirre

Dulce Amor E. Alimbuyuguen

Milagros R. Alindogan

Maria Carina S. Antonio

Felina M. Arellano

Corinne G. Astillero

Onofre D. Avellanosa

Maria Cecilia M. Avila

Pedro C. Bautista Jr.

Wilma N. Berioso

Manuel Patricio J. Bondad

Maria Eleanor B. Briones

Rolino C. Bucao Jr.

Aurora M. Castro

Regina G. Caynap

Susie S. Cham

Ruby A. Chua

Joseph C. Chua

Edna Christine P. Cruz

Lolita L. Damasco

Cesario C. Dayego

Lamberto B. Del Fonso Jr.

Ma. Victoria F. Dela Cruz

Rolando L. Dillague

Ma. Fe H. Dy

Rolando A. Embrador

Gwyneth M. Entao

Paul A. Evora III

Bernard M. Florencio

Maria Elisa A. Franco

Expedito G. Garcia Jr.

Florish M. Gianan

Yolanda M. Go

Judy L. Go

Sonia Maribel D. Go

Renato S. Gongora

Myrianne Joan D. Gonzales

Lily C. Huang

Lilian T. Khu

Ma. Cecilia G. Lantin

Ma. Remedios B. Lapuz

Benjamin A. Larin Jr.

Geraldine C. Liggayu

Juan Sabino P. Lizares

Joseph Rhoderick B. Lledo

Peter S. Lo Jr.

Gertrudes J. Lumain

Maria Pia L. Maceda

Francis Jay T. Magboo

Jose Paolo Enrique A. Magpale

Roy Allan V. Magturo

Ronald M. Manalastas

Jesus A. Mañego Jr.

Edgardo R. Marcelo Jr.

Thelma D. Mazo

Tomas Victor A. Mendoza

Proceso Z. Mendoza Ir.

Anthony R. Milan

Edelwina Victoria E. Millan

Merceditas P. Montesclaros

Cristina G. Ngo

Felicitas C. Nonato

Renato G. Oñate

Larry G. Ong

Alvin Victor D. Ortiz

Ma Bella C. Paguiligan

Aurora Zita G. Panopio

Clarissa M. Peñalosa

Yolanda A. Pilapil

Rita Y. Poa

Eduardo C. Ramos

Jonathan L. Ravelas

Rogel A. Raya

Susan Audrey P. Rivera

Luisito S. Salazar

Emily D. Samoy

Bennett Clarence D. Santiago

Ma. Cecilia S. Santos

Cerwina Elenore A. Santos

Agnes B. Santos

Joel Jovencio E. Sarreal

Salvador R. Serrano

Gregorio C. Severino

Teresita C. Siy

Mary Lou D. Son Keng Po

Virginia N. Sy

Angelita C. Tad-Y

Judy C. Tan

Antonio U. Tan

Divina N. Tan

Marites L. Tan

Richard R. Tan

Federico P. Tancongco

Edna R. Tarroza

Alice O. Teh

Aniana A. Timbre

Ma. Mercedes P. Tioseco

Frederick N. Tiu

Agnes C. Tuason

Wendeline Therese M. Tumolva

Myla R. Untalan

Arlene Marie H. Uson

Maria Dolores C. Uyliapco

Noemi T. Villanueva

Francisco B. Vista Jr.

Joy T. Yap

Margaret L. Yu

Vice President

Donabel R. Aala

Jeffrey R. Abacan

Ma. Cecilia T. Abola

Fitzgerald L. Aclan

Edna C. Agajan

Peter Blair S. Agustin Nadine Anne R. Alapan

Nadirie Affre R. Ala

Melissa A. Alcantara Carlos S. Alindogan

Susan G. Almendral

Jose Virgilio O. Alvarez

Patricia Lei D. Alvarillo

Jose Joel S. Andres

Leticia L. Ang Ley

Ma. Ophelia R. Angeles

Maria Agnes R. Aragon

Susan Marie J. Atienza Manuel E. Aviles

Ferdinand C. Bacungan

Janet B. Bagnes

Olivia A. Barcarse

Jose Luis F. Bautista

Marites A. Bautista

Joel Z. Belardo

Jimmy A. Belarmino

Mary Jean T. Borbe Lelisa R. Bouazzi

Marie Therese D. Brillantes

Ma. Eloisa S. Britanico

Conrado T. Buenaventura VI

Julius O. Buendia Benilda G. Cabardo Barbara P. Cabo Mary Grace R. Caguioa

Michael R. Cahigas Rodolfo M. Carlos Jr. Jose Rene C. Carlos

Abigail Marie D. Casanova Ma. Fatima C. Catambacan

Edmund S. Chan Robic S. Chavez Ronell C. Chiong

Abigail Kathryn L. Chiw

Eugenio D. Chua Helen T. Chua Edwin L. Chua Leticia T. Chua Peter T. Chua Salva Fe S. Cirilos

Luisa J. Co Sonia C. Co

Ma. Cristina Barbara V. Concepcion

Rita V. Coronel Rosario C. Crisostomo Antonio M. Cruz Ruby A. Cruz Prescilla J. Cruz

Iris Susan F. De Guzman Ma. Rita K. De La Vega Vicente A. De Ocampo III Ma. Cecilia B. De Paz Priscilla R. De Villa

Ma. Dina B. Desembrana

Jorge E. Dioneda Albert Dizon

Ma. Eliza Cristina G. Dolina

Cezar G. Domingo George R. Dosado

Angela Veronica M. Dulalia

Armina C. Empeño Rolando C. Eriga Joel M. Escala

Florencia Ma. Carina P. Esguerra

Elizabeth G. Estrada

Marirose A. Fernando

Florencio Aquillo V. Florendo

Patricia L. Forbes
Michael J. Francisco
Cheryll B. Gaviño
Marcelita I. Geollegue
Genevieve W. Go
Angeline Grace T. Go

Katherine L. Go

Maria Carmela M. Guerrero Mary Josephine J. Hyndman

Mary Jean A. Ibuna
Marietta M. Jamilla
Rosalisa B. Kapuno
Wilfred Kong Chi Man
Emma M. Lacsamana
Ernesto L. Ladrido IV
Charlie Ka Ki Lam
Rafael Martin C. Lara
Grace G. Lastimosa
Avelino F. Lazona Ir.

Michelette S. Legaspi Ma. Jeanette H. Leonor Lilian Leslie T. Lim Normita D. Lising

John Emmanuel M. Lizares

Alberto V. Lizares
Margarita Y. Locsin
Mary Grace O. Lojo
Ma. Mona Lisa R. Lopez
Maria Dolores P. Magsalin
Maria Lourdes S. Maraingan

Elena D. Mariano Rosano B. Marpuri Ma. Clotilde G. Medalla

Ariel T. Melo

Gaudencio F. Mendoza Francis Jay F. Nacino Christina T. Nakanishi Cynthia T. Nopia Sophia O. Ong Herman L. Ong Emily T. Oquias

Arnaldo Emerito E. Palad Carla Sherrylyn C. Papa Rommel L. Parong

Eva M. Paz

Juvencio L. Pereche Jr. Cyrus M. Polloso Maria Teresa (Marisa) M. Quiogue

Edlyn L. Quiroz Gilbert P. Ramos

Amaneci Grace V. Ramos

Charisse B. Recto Raoul L. Reniedo Evangeline P. Reyes Myra A. Reyes Ray R. Reyes

Ma. Ana Elena R. Reyes Pamela Ann S. Reyes Ma. Elena I. Rigor Albert Henry G. Rios Anthony B. Rivera Edna T. Rogando Antonio D. Rona

Cynthia Sadang

Lily T. Roxas

Maria Carolina T. Santana

Arsenia S. Santos Jennifer B. Santos Bernard Q. Santos Gerard R. Santos Roberto P. Sarile Rafael O. Simpao III

Philip L. So Jennifer F. So

Ma. Corazon H. Socorro Ma. Theresa M. Soriano Catherine C. Tan

Catherine C. Tai

Carmelita Teresa D. Tan

Steven C. Te

Ken Arthur J. Tiambeng Ma Rosita J. Tinio

Eric Noel D. Tiongquico Robert John R. Tolentino

Ma. Ramona T. Torres Zenaida A. Triunfante Bernhard Aloysius G. Tsai Sharon Mae S. Vicente

Blandina Uvyhilda B. Vicente

Mary Lou B. Villarba Jaime Claro L. Weber Eleanor D. Wee Adora A. Yanga Dandy T. Yap Joel T. Yee

Beatriz Y. Zalazar William P. Zulueta

PRODUCTS AND SERVICES

BRANCH BANKING

DEPOSITS

Peso Checking Account
Peso Savings Account
Peso Time Deposit
US\$ Savings Account
US\$ Time Deposit
Third Currency Time Deposit

BUSINESS BANKING

COMMERCIAL LOANS AND RELATED SERVICES

Revolving Credit Line
Term Loan
Discounting Facility
Trade Finance
Documentary Collection

CONSUMER LOANS AND RELATED SERVICES

Auto Loans
Home Loans
Small Business Loans
Personal Loans
Contract-to-Sell Financing
Credit Cards
Merchant Acquiring

TRADE SERVICES

LC Opening Trust Receipts Imports/Exports Collection of Final Tax and Duties Shipping Guarantees

TREASURY DEALERSHIP AND BROKERING SERVICES

Fixed Income Brokering Services Foreign Exchange

- · Spot/Purchases
- Forwards
- · Swaps

TRANSACTION BANKING

Cash Management Services Electronic Banking Debit Cards

ASSET MANAGEMENT

Property Leasing Property Sales

TRUST AND INVESTMENTS

Unit Investment Trust Funds
- Peso/Dollar
Customized Portfolio Management
Special Trust Agency
and Custody Services

REMITTANCE

BDO CAPITAL AND INVESTMENT CORPORATION

Equity and Quasi-Equity Financing Fixed Income Financing Financial Advisory Services Stock Brokerage

BDO PRIVATE BANK, INC.

Wealth Advisory
Estate Planning
Trust Agency and Special Trust

BDO INSURANCE BROKERS, INC.

Property and Casualty Insurance Brokerage

BDO LEASING AND FINANCE, INC.

Finance Leases
Operating Leases
Floor Stock Financing

BDO GROUP OF COMPANIES

PHILIPPINE SUBSIDIARIES AND AFFILIATES

Armstrong Securities, Inc.

20th Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City 878–4043

Averon Holdings Corporation

6780 Ayala Avenue, San Lorenzo Village, Makati City 625-0726

BDO Capital and Investment Corporation

20th Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City 878–4155 / 878–4125

BDO Elite Savings Bank, Inc.,

(formerly GE Money Bank, Inc.) 14th Floor, Net Cube Center 30th Street corner 3rd Avenue, Crescent Park, West Bonifacio Global City 840-7000

BDO Insurance Brokers, Inc.

22nd Floor, Pacific Star Building, Senator Gil Puyat Ave. corner Makati Ave., Makati City 846-7008 / 702-6000

BDO Leasing and Finance, Inc.

(formerly PCI Leasing and Finance, Inc.) BDO Leasing Centre, Corinthian Gardens, Ortigas Ave., Quezon City 635–6416

BDO Private Bank, Inc.

Mezzanine & 2nd Floor, BDO Equitable Tower 8751 Paseo De Roxas, Makati City 1226 848-6300

BDO Rental, Inc.

2nd Floor, BDO Leasing Centre, Corinthian Gardens, Ortigas Ave., Quezon City 635–6416 local 209

BDO Securities Corporation

20th Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City 878–6386 / 878–4070

BDO Strategic Holdings, Inc.

(formerly EBC Investments, Inc. or EBCII) BDO Building, Paseo De Roxas corner Sen. Gil Puyat Avenues, Makati City 840–4396

Equimark-NFC Development Corp.

Rm. 603, EBC Bldg., 262 Juan Luna St., Binondo, Manila 878–4395

Generali Pilipinas Holdings Company, Inc.

5th Floor, Gercon Plaza Building 7901 Makati Avenue, Makati City Philippines 1227 885–4100

MDB Land, Inc

Units 903 & 904, 139 Corporate Center 139 Valero Street, Salcedo Village Makati City 840-7000 loc. 31111

Manila North Tollways Corp.

NLEX Compound, Balintawak Caloocan City 479–3000

NorthPine Land, Inc.

Units 1505–1508, 15th Floor, The Taipan Place, F. Ortigas Jr. Road, Ortigas Center, Pasig City 637–1531

PCI Insurance Brokers, Inc.

BDO Corporate Center 7899 Makati Avenue, Makati City 840–7000

PCIB Securities, Inc.

20th Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City 878–4560

SM Keppel Land, Inc.

Penthouse, Benguet Centre Bldg.,
12 ADB Ave. Ortigas Center,
Mandaluyong City
(temporarily moved to Units 2203–2204
Raffles Corporate Center,
F. Ortigas Road, Ortigas Center,
Pasig City)
570–9832

Taal Land, Inc.

12th Floor, PSBank Center, 777 Paseo De Roxas Avenue, Makati City 898–8890

FOREIGN SUBSIDIARY/AFFILIATE

BDORO Europe Ltd.

5th Floor, 6 St. Andrew Street London, EC4A 3AE United Kingdom (0207) 495–2434

CBN Grupo International Holdings B.V.

Kruisdonk 66 NL-6222PH Maastricht, The Netherlands

REMITTANCE SUBSIDIARIES, REPRESENTATIVE AND DESK OFFICES ABROAD AS OF DECEMBER 31, 2013

REMITTANCE SUBSIDIARIES

BDO Remit (USA) Inc.

1559 East Amar Road, Suite U West Covina, California 91792

215 South Vermont Avenue Los Angeles, California 90004

4830 Mission Street, Suite 101 San Francisco, California 94112

Express Padala Frankfurt GmbH

Grosse Friedberger Strasse 6 60313 Frankfurt, Am Main, Germany

Express Padala (HK) Ltd.

Shop 231–232 & 237, 2/F, Worldwide Plaza 19 Des Voeux Road Central Hongkong

Shop 159, G/F Lik Sang Plaza 269 Castle Peak Road, Tsuen Wan New Territories, Hongkong

BDO Remit Ltd.

Shop 219, 2/F Worldwide Plaza 19 Des Veoux Road Central Hong Kong

BDO Remit (Macau) Ltd.

Avenida de D. Joao IV No.6B Edificio China Plaza R/C (U) Macau, SAR

Avenida de D. Joao IV No.6A Edificio China Plaza R/C (V) Macau. SAR

CBN London Ltd.

G/F 50 Margaret Street London W1W 8SF, England

3/F Middleton Bldg.
10 High Street Belfast BT1 2BA,
Northern Ireland

Wallnerstrasse 2/5A Stiege 1, 1010 Wein, Austria

Corso Vittorio Emanuelle II 22/1 20122 Milan, Italy

Via Delle Quattro Fontane, 7 00184 Rome, Italy

Via Germanico 50 00192 Rome, Italy

Via Dei Mille 30 00185 Rome, Italy

Via Della Spada 36 R 50123 Florence, Italy

76/78 Avenue des Champs-Elysees, 75008 Paris, France

CBN Ireland Remittance Centre Ltd.

1/F 16 Suffolk St., Dublin 2, Ireland

CBN Remittance Center S.A.

Calle Pelayo 56 4–1 08001 Barcelona, Spain

Sor Angela de la Cruz, 36 Planta Baja Madrid, Spain 28020

CBN Greece S.A.

52 Kifissias Avenue Ambelokipi Athens, Greece 115 23

REPRESENTATIVE OFFICES

Banco De Oro Unibank, Inc.

- Taipei Representative Office Unit D 3/F No.132/134, Sec O3 Minsheng East Rd. Songhan District Taipei, Taiwan

BDO Unibank, Inc. Representative Office

76/78 Avenue des Champs-Elysees, 75008 Paris, France

BDO Remit (Israel) Ltd.

4/F Shop 4412 New Tachana Merkazit, 108 Levisnky St. Tel Aviv, 66052 Israel

BDO Unibank, Inc.

(Singapore Representative Office)

27–63 One Raffles Place, Office Tower 2 04816, Singapore

DESK OFFICES

(Attached to remittance tie-ups)

Dalil Exchange

PO Box 20404, Gov't Rd. Manama Kingdom of Bahrain

Oman Exchange

PO Box 26057, Safat 13121, Kuwait

Etemadco Exchange

Souk Al-Watiya, #95 Near Adidas, Maliya, Kuwait

Al Jadeed Exchange

PO Box 3705, P.C. 112, Sultanate of Oman

Gulf Exchange

PO Box 4847 Doha, Qatar

Al Zaman Exchange

PO Box 23497 Souq Najada Doha, Qatar

Al Zamil Exchange

PO Box 83, King Saud St. Cor. Cross A, Al Khobar 31952, KSA

Bank Al Bilad

Enjaz Remittance Center Branch 153 Batha, Riyadh, KSA

Bank Al Bilad

Enjaz Remittance Center Branch Al Balad, Jeddah, KSA

Al Ansari Exchange

PO Box 325 Liwa St., Heirs of Ameen Mohamed Baker Khoory Bldg., Abu Dhabi, UAE

Al Ghurair Exchange (UAE)

401 & 402, 4/F Acico Business Park, Port Saeed (Plot No. 129–392), Sheikh Rashid Rd., Dubai, UAE

Redha Al Ansari Exchange (UAE)

Office No. 605, Al Masraf Tower, Baniyas Street, P.O. Box 8828 Dubai, UAE

Al Ghurair Exchange (Jordan)

PO Box 3729, Al Gardens Street, 11953 Amman, Kingdom of Jordan

COMPANY HEADQUARTERS

BDO Unibank, Inc.

BDO Corporate Center 7899 Makati Avenue, Makati City 0726, Philippines

STOCKHOLDER INQUIRIES

BDO Unibank, Inc.'s common stock is listed and traded in the Philippine Stock Exchange under the symbol "BDO".

Inquiries regarding the dividend payments, account status, address changes, stock certificates, and other pertinent matters should be addressed to the company's transfer agent:

Stock Transfer Service, Inc.

34th Floor, Unit D, Rufino Pacific Tower 6784 Ayala Ave., Makati City, 1200 Philippines Tel. (+632) 403–2410 to 12 Fax (+632) 403–2414

The Bank will provide without a charge a copy of the 2013 Annual Report Financial Statements to its stockholders upon receipt of a written request addressed to the **Corporate Secretary**

14th Floor, North Tower, BDO Corporate Center 7899 Makati Avenue, Makati City 0726, Philippines.

INVESTOR INQUIRIES

BDO Unibank, Inc. welcomes inquiries from analysts, investors and the financial community.

Please visit www.bdo.com.ph or contact BDO Investor Relations & Corporate Planning 4th Floor, South Tower, BDO Corporate Center 7899 Makati Avenue, Makati City 0726, Philippines Tel. (+632) 840–7000 local 6069, 4809 or 4700 Email: irandcorplan@bdo.com.ph

For the complete listing of BDO branches and ATM locations, please refer to the Bank's official website, www.bdo.com.ph.

BDO Corporate Center 7899 Makati Ave. Makati City 0726, Philippines +632 840-7000 www.bdo.com.ph

