



2016 ANNUAL REPORT

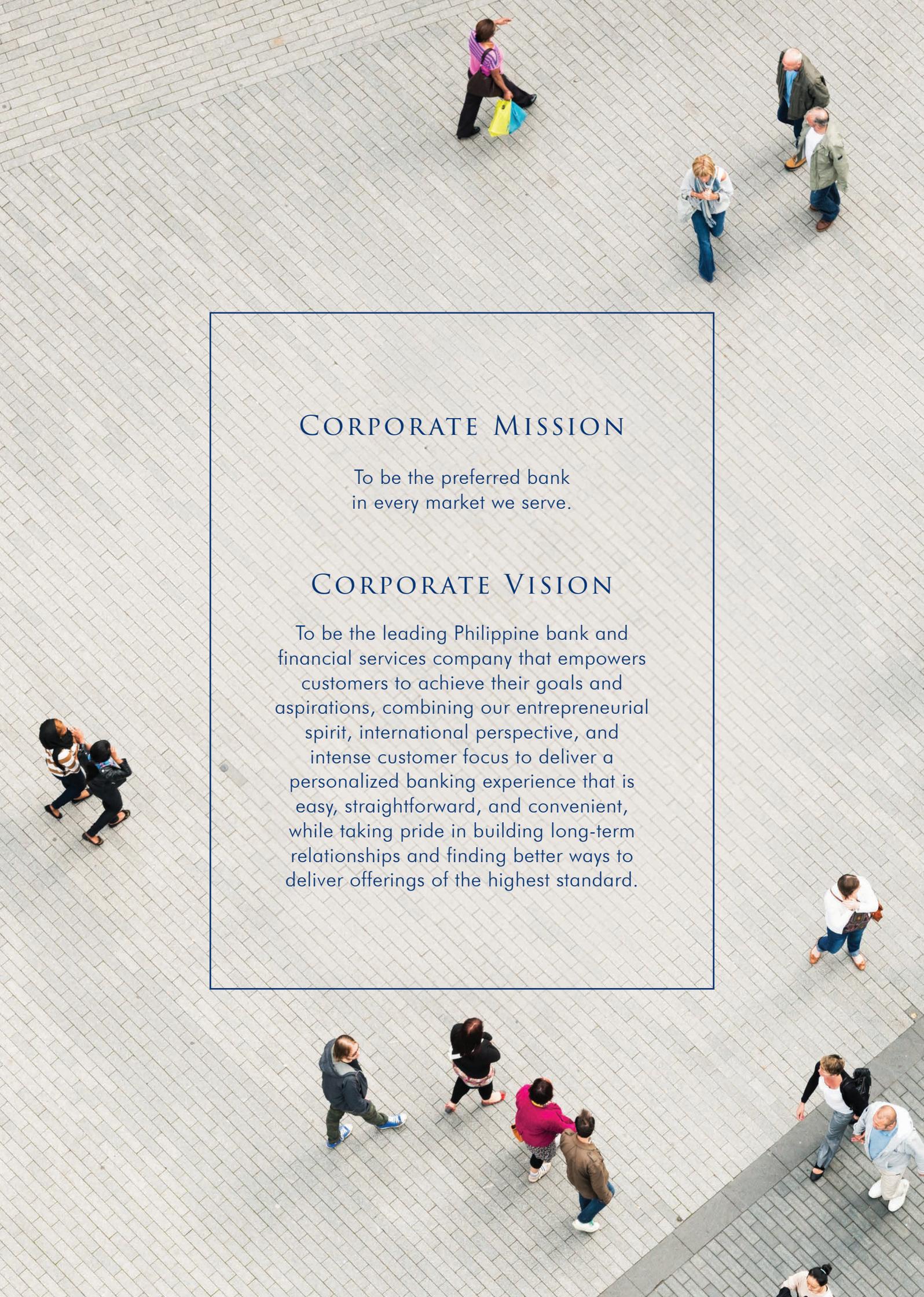




2016 ANNUAL REPORT

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An aerial photograph of a paved plaza with a grid pattern. Several people are walking across the plaza in various directions. A large, empty rectangular box is superimposed in the center of the image, containing text.

CORPORATE MISSION

To be the preferred bank
in every market we serve.

CORPORATE VISION

To be the leading Philippine bank and financial services company that empowers customers to achieve their goals and aspirations, combining our entrepreneurial spirit, international perspective, and intense customer focus to deliver a personalized banking experience that is easy, straightforward, and convenient, while taking pride in building long-term relationships and finding better ways to deliver offerings of the highest standard.

CORPORATE PROFILE

BDO is a full-service universal bank in the Philippines. It provides a complete array of industry-leading products and services including Lending (corporate 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, Rural Banking, Life Insurance, 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. 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 1,000 operating branches and over 3,000 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 31 December 2016, BDO is the country's largest bank in terms of total resources, customer loans, 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 retail, mall operations, property development (residential, commercial, hotels and resorts), and financial services. Although part of a conglomerate, BDO's day-to-day operations are handled by a team of professional

managers and bank officers. Further, the Bank has one of the industry's strongest Board of Directors, composed of professionals with extensive experience in various fields that include banking, accounting, finance, law, risk management, and merchandise marketing.

BDO is a publicly listed company (PLC), with its shares currently being traded at the Philippine Stock Exchange under the symbol "BDO".

CORE VALUES

Commitment to Customers

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

Commitment to a Dynamic and Efficient Organization

We are committed to creating an organization that is flexible, responds to change, and encourages innovation and creativity. We are committed to the process of continuous improvement in everything we do.

Commitment to Employees

We are committed to our employees' growth and development and we will nurture them in an environment where excellence, integrity, teamwork, professionalism, and performance are valued above all else.

Commitment to Shareholders

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

FINANCIAL HIGHLIGHTS

	2016	2015	CHANGE
BALANCE SHEET (in billion Php)			
Resources	2,325.0	2,031.3	14.5%
Gross Customer Loans	1,482.0	1,279.4	15.8%
Trading and Investment Securities	269.0	225.8	19.2%
Deposits	1,905.2	1,663.9	14.5%
Equity ^{1/}	217.5	199.6	9.0%
INCOME STATEMENT (in billion Php)			
Net Interest Income	65.6	57.0	15.2%
Non-Interest Income	41.6	31.9	30.3%
Gross Operating Income	107.2	88.9	20.6%
Operating Expenses	70.1	55.1	27.2%
Net Profit ^{2/}	26.1	25.0	4.3%
FINANCIAL PERFORMANCE INDICATORS			
Profitability			
Return on Average Common Equity	12.6%	13.6%	
Return on Average Assets	1.2%	1.3%	
Margins and Liquidity			
Net Interest Margin	3.24%	3.17%	
Gross Customer Loans to Deposit Ratio	77.8%	76.9%	
Liquid Assets to Total Assets	33.5%	33.8%	
Cost Efficiency			
Cost to Income Ratio	65.4%	62.0%	
Cost to Average Assets Ratio	3.2%	2.8%	
Asset Quality			
NPL to Gross Customer Loans	1.3%	1.2%	
NPL Cover	139.3%	166.1%	
Capital and Leverage			
CET 1 Ratio ^{3/}	10.7%	11.4%	
Tier 1 Ratio ^{3/}	11.0%	11.7%	
Capital Adequacy Ratio ^{3/}	12.4%	13.3%	
Assets to Equity	10.7x	10.2x	

	2016	2015	CHANGE
DISTRIBUTION NETWORK AND MANPOWER			
Branches	1,104	1,029	7.3%
ATMs	3,655	3,195	14.4%
Employees	31,443	28,217	11.4%
SHAREHOLDER INFORMATION			
Market Value			
Share Price (in Php)	112.10	105.00	6.8%
Market Capitalization (in billion Php)	409.16	382.76	6.9%
Valuation			
Earnings per Share (in Php)	7.06	6.84	3.2%
Book Value per Share (in Php)	57.98	53.17	9.1%
Price-Earnings Ratio	15.9x	15.4x	
Price to Book Value	1.9x	2.0x	
Dividends			
Cash Dividends Paid to Common Shareholders (in billion Php)	4.38	7.56	
Cash Dividends per Common Share (in Php)	1.20	2.10	
Dividend Payout Ratio ^{4/}	16.8%	30.2%	
Dividend Yield ^{5/}	1.1%	2.0%	
Stock Dividends per share	-	-	

1/ Total capital accounts, inclusive of minority interest and preferred shares

2/ Net Income attributable to shareholders of the parent bank

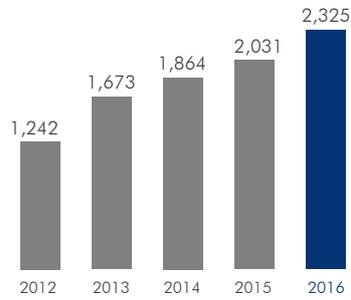
3/ Based on audited financial statements

4/ Cash dividends paid during the year divided by net profit for the year

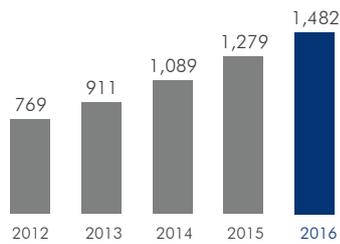
5/ Cash dividends per share paid during the year divided by average daily closing price for the year

HISTORICAL TRENDS & FIGURES

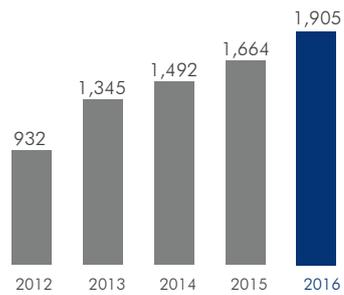
RESOURCES



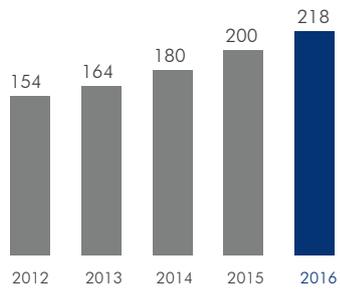
GROSS CUSTOMER LOANS



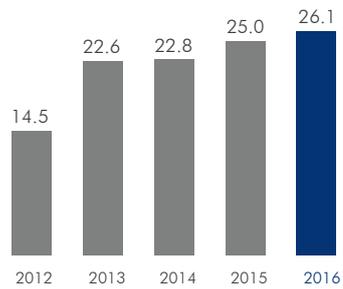
DEPOSIT LIABILITIES



CAPITAL FUNDS



NET INCOME*



*Attributable to shareholders of the parent bank

(In Billion Php)



MESSAGE FROM THE CHAIRMAN EMERITUS

Dear shareholders,

In 2016, the operations of BDO Unibank were defined by strategic initiatives and essential decisions. Through this, the Bank once again delivered a solid performance and continued to be the country's leading bank.

We achieved our targets and did well in our key business segments because we have been able to implement the right strategies and we have a reliable working team to carry them out. With these combined and more, I am expecting that the growth momentum will be sustained in 2017.

I wish to sincerely thank the members of the Board and our management team for their unwavering dedication to BDO. I also thank our employees for their hard work and commitment to excellently execute our "We find ways" philosophy. Your expertise, loyalty, and passion continue to be the force behind a solid BDO.

Sincerely,


HENRY SY, SR.
Chairman Emeritus



MESSAGE FROM THE CHAIRPERSON

To our valued shareholders,

2016 has been a good year, maintaining our lead in the banking industry while implementing initiatives aimed at long-term success.

We have made significant progress across all our businesses. Our financial performance finished according to our expectations, generating a net income of P26.1 billion on the back of a healthy growth noted in lending, deposit-taking, and fee-based services. Our total resources is P2.3 trillion by the end of the year.

We have committed to delivering the target we have set to accelerate revenue growth and improve efficiency. We will continue to enhance our capacities in pursuing customer expansion, system upgrades, product innovations, and employee engagement to navigate through volatile markets.

We will continue to find ways to look for more growth opportunities and execute well to further enhance the BDO brand of service.

Let me extend my sincerest thanks to the Board of Directors and the management for continuing the growth. To our valued clients and shareholders, we are privileged to be the recipient of your continued support and confidence.

Yours truly,


TERESITA T. SY
Chairperson



MESSAGE FROM THE PRESIDENT & CEO

Dear Fellow Shareholders,

Our 2016 result was once again a demonstration of the strength of the Bank's franchise, its capacity to accomplish a great deal even under difficult market conditions.

We finished the year generating above-industry returns, expanding our range of products and services, broadening our reach and laying the groundwork to further enhance our competitive advantage.

The Bank continued to perform strongly, ending 2016 with a record net profit of P26.1 billion, matching the Bank's earnings guidance. Underpinning the headline numbers was a robust performance across all our businesses. Deposits soared 15% to P1.9 trillion, sustained by a 21% growth in low-cost deposits. Customer loan portfolio recorded a growth of 16% to P1.5 trillion, translating to a 15% growth in net interest income. Our capital base remains to be the largest in the industry, reaching P217.5 billion by the end of the year. This translates to a capital adequacy ratio of 12.4%, well above the regulatory minimum under the Basel III framework.

Along with this noteworthy performance, we also embarked on a few initiatives to support our future growth. We consolidated our ownership in Generali Pilipinas Life Assurance Corp and rebranded it as BDO Life. By leveraging on the solid reputation of BDO, we will be in a position to provide protection services to the emerging Filipino middle class hand in hand with our branch expansion.

"WE CONTINUE TO
INVEST HEAVILY
IN TECHNOLOGY
TO IMPROVE OUR
PRODUCTS AND
PROCESSES, AND IN
STAFF DEVELOPMENT
TO ENSURE
CONTINUITY OF
OUR GROWTH"

We also launched a joint venture with Nomura Securities, enabling us to tap the investing needs of the emerging affluent in a cost-efficient way. We completed the integration of One Network Bank, our rural banking subsidiary, to align its business processes and IT infrastructure with BDO. One Network will spearhead the BDO Group's effort to extend its reach and impact to the underserved markets.

We continue to invest heavily in technology to improve our products and processes, and in staff development to ensure continuity of our growth. While we expect the macroeconomic environment to remain challenging, these investments will allow us to sustain our performance well into 2017 and beyond.

These achievements would not have been possible without the leadership and able oversight of our Board of Directors, the commitment of our officers and staff, the continued patronage of our valued clients, and the unwavering support of our shareholders. I wish to extend my gratitude and appreciation to all our stakeholders for their contributions. With our collective effort, we have made great strides in positioning BDO for long-term success.

Sincerely,



NESTOR V. TAN

President & Chief Executive Officer

THE ECONOMIC ENVIRONMENT

In 2016, the Philippine economy grew by 6.8% — the fastest pace in the last three years and the highest performance in the Asia Pacific region. The underlying support from Overseas Filipino Worker (OFW) remittances and Business Process Outsourcing (BPO) revenues plus general optimism following the peaceful elections and President Rodrigo Duterte’s socio-economic agenda fueled the economic expansion.

Private consumption grew by 6.9% on the back of a growing consumer base boosted by dollar incomes from OFWs and BPOs. Government spending went up by 8.3% from election-related expenditures in the first half of the year. Meanwhile, fixed capital investments increased by 20.8%, as businesses upgraded capacity to meet growing demand on the back of consumer and business confidence.

The strong domestic demand showed in the favorable performance of the services and industry sectors. Services, comprising over 57% of GDP, expanded by 7.5% led by real estate, financial intermediation and trade. Industry went up by 8.0% on solid contributions from construction and manufacturing. Meanwhile, the agricultural sector fell by 1.3% due to the impact of El Niño and strong typhoons in the latter part of the year.

Inflation picked up pace towards year-end to hit a three-year high of 2.6% by December. However, headline inflation averaged at 1.8% for the year, settling below the BSP’s 2% to 4%

target. Interest rates remained low as the BSP kept monetary settings and shifted to the Interest Rate Corridor (IRC) framework.

Meanwhile, the Philippine Peso depreciated by over 5% to close at P48.80/US\$, weighed down by concerns over the US Fed Funds rate hike, the consequences of US President Donald J. Trump’s economic policies, Brexit, and domestic political noise. Still, the country’s dollar reserves stayed robust at US\$81 billion, providing sufficient cover for the country’s import requirements and short-term external debt payments.

FACTORS TO WATCH FOR IN 2017

The outlook this year is one of guarded optimism. Firmer growth prospects in the US and other advanced economies augur well for global trade recovery. However, rising interest rates, higher inflation, and President Trump’s “America First” policy may temper prospects.

Despite the challenging external environment, the Philippine economy is seen to deliver broad-based expansion on the back of resilient consumer demand and continuing investments with upside from infrastructure spending and its multiplier impact.

Moving forward, the Duterte government’s ability to execute its socio-economic agenda — particularly infrastructure build-up, countryside development, and tax reform — should propel the country to a higher growth trajectory and secure its place as a standout performer in the region.



REVIEW OF
OPERATIONS

OPERATIONAL HIGHLIGHTS

A solid performance across core businesses paved the way for BDO to deliver a net income of P26.1 billion in 2016, a record high and matching the Bank's earnings guidance. Total customer loans went up by 16% to P1.5 trillion, while total deposits expanded by 15% to P1.9 trillion on the back of the faster growth in low-cost deposits. Net interest income went up by 15% to P65.6 billion, reflecting the quality growth in the loan portfolio.

Meanwhile, fee-based income grew by 15% to P22.2 billion and insurance premiums contributed P8.0 billion, as the Bank's efforts at diversifying its income streams start to bear fruit. These fee income sources compensated for the decline in trading and foreign exchange gains to P4.8 billion. Overall, gross operating income settled at P107.2 billion.

BDO's capital base stood at P217.5 billion, with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) Ratio at 12.4% and 10.7%.

As at end-2016, BDO remained the country's largest bank in terms of total resources, customer loans, deposits, and trust assets under management. The Bank holds 18% market share in terms of total resources, 22% in terms of customer loans, and 19% in terms of customer deposits. It continued to maintain its dominant position in terms of Assets Under Management (AUM), with a market share of 36%.

NET INCOME

P26.1 BILLION

TOTAL ASSETS

P2.3 TRILLION

TOTAL LOANS

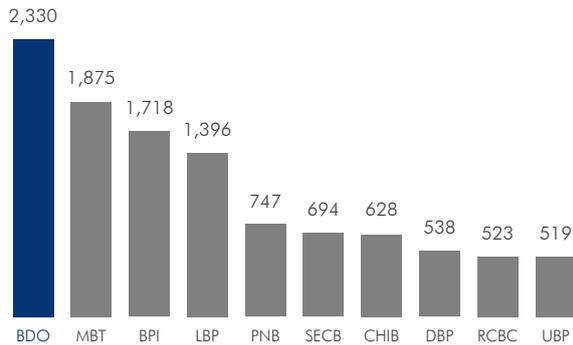
P1.5 TRILLION

TOTAL DEPOSITS

P1.9 TRILLION

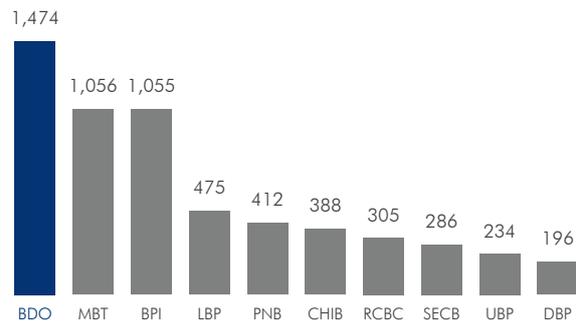
INDUSTRY RANKINGS

TOTAL ASSETS



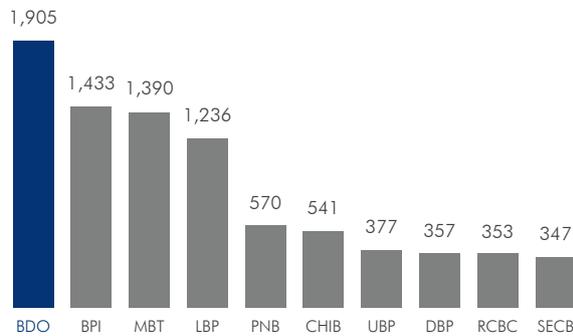
BDO MARKET SHARE - 18%

GROSS CUSTOMER LOANS



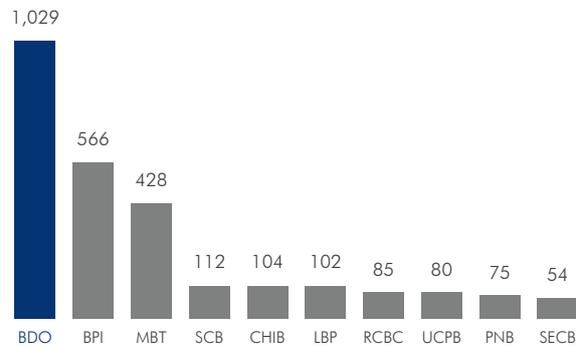
BDO MARKET SHARE - 22%

CUSTOMER DEPOSITS



BDO MARKET SHARE - 19%

ASSETS UNDER MANAGEMENT



BDO MARKET SHARE - 36%

(In Billion Php)

Source: Company data, consolidated statements of condition SOC. Ranking as at 31 Dec 2016
 Note: Financials prepared by banks under BSP's SOC requirements differ slightly from reported financials under SEC guidelines due to certain differences in accounting rules requested by the two authorities

LENDING

Capitalizing on the country's robust economy and its wide presence in fast developing markets, the Bank's lending business manifested a solid performance in 2016 and remains an essential growth driver. Consumer loans went up by 18%, while corporate and middle-market lending, including leasing, expanded by 16%.

Strong growth in the Bank's consumer lending business continued to be fueled by rising affluence, particularly in the rural areas. The home loans segment continued to respond to the financing needs of home buyers by offering affordable product variants and flexible loan payment terms. Home loan levels are up 20% from the previous year, buoyed by a strong demand from overseas Filipinos and local buyers. The Bank teamed up with more developers to offer clients an expanded range of options for residential properties.

Meanwhile, the auto loans segment saw its volume expand due to attractive financing schemes and the introduction of new car models. Auto loans expanded by 23%, leveraging on the Bank's huge client base, increased dealer coverage, and its capacity to provide fast results.

The Bank's card acquiring business increased its activity as it benefited from the increasing usage of credit and debit cards. Market share continued to expand on the back of wider coverage, commendable service delivery, and excellent customer relationship. BDO also became the exclusive issuer of Diners Club cards in the Philippines as well as the acquiring partner for Diners Club International Ltd., a business unit of Discover Financial Services and a part of the Discover Global Network.

Lending to the middle market and SME segments registered a 17% growth, on the back of a strong need for capital among medium-sized companies, reflecting the vibrancy of the segment. For next year, priorities in the middle market and SME loans segments are anchored on increasing market coverage in the countryside.

Meanwhile, progress in the Bank's corporate lending business is reflective of last year's favorable GDP mainly driven by the services and industry sectors. Loans extended to large corporates went up by 15%, mainly driven by the demand for long-term funding and asset buildup requirements. The Bank was an essential participant in notable expansion and acquisition ventures, financing major projects in renewable energy and power generation,

CONSUMER LOANS
18% GROWTH
CORPORATE AND
MIDDLE-MARKET LOANS
16% GROWTH
LEASE AND LOAN PORTFOLIO
14% GROWTH

bulk water facilities, air transport, infrastructure and property development including leisure and recreation, among others.

The Bank's International Desks (IDesks) saw a steady growth in its core business, propelled by the expansion of its portfolio by 48%. IDesks undertook several initiatives to sustain penetration of cross-border businesses that will support foreign direct investments. Specifically, it forged strategic partnerships with Japanese financial institutions that have direct access to Japanese clients with investments in the Philippines. It also signed Memoranda of Understanding (MOU) with government-owned Taiwanese banks to capitalize on the South-bound investment policy by the new Taiwan government. IDesks Multilaterals Team also executed Agreements with the International Finance Corporation (IFC/WorldBank) for Advisory Services on Solar Energy and Green Building Financing and the Japan Bank for International Cooperation (JBIC) for a US\$50M Green Facility.

The Bank's leasing and finance business continued to do well in 2016 amid stiff competition brought about by a very liquid market and low interest rates. Lease and loan portfolio rose to P32 billion, a growth of 14%, as the Company continued to support operational expansion of clients engaged in construction, transport, trading, financial services, and domestic tourism projects. Total assets were up by 12%. BDO Leasing and Finance (BDOLF) remains the biggest capitalized leasing company in the country and is among the top three leasing and financing companies in terms of equity, total assets,



"Portfolio growth should always be premised on risk reward. We must try to avoid achieving short-term wins at the expense of longer-term gains. At BDO, we plan for the long term."

WALTER C. WASSMER
Head, Institutional Banking Group



"With favorable economic conditions coupled with high consumer confidence, the demand for consumer lending products remained strong, boosting double-digit growth rates in 2016 and setting up an optimistic trajectory for 2017."

ROLANDO C. TANCHANCO
Head, Consumer Lending Group



"BDO Leasing's synergy with BDO Unibank's Institutional Banking Group sustained its double-digit growth in lease and loan portfolio for the third consecutive year while maintaining below industry average NPL ratio due to prudent underwriting and strict adherence to corporate governance."

ROBERTO E. LAPID
President, BDO Leasing and Finance

lease portfolio, revenue, and net income. It was also recognized as one of the highest-scoring publicly listed companies in the ASEAN Corporate Governance Scorecard.

BDOLF has a Short Term Commercial Paper program of P25.0 billion, which remains the largest in the financing industry, and also garnered a high issuer credit rating of “PRs Aa” from the Philippine Rating Services Corporation. To further expand its lending business, the Company embarked on a partnership with Mitsubishi Motors; MMPC Auto Financial Services Corporation (MAFS) started operations in the last quarter of 2016.

DEPOSIT-TAKING

The Bank sustained its efforts to bring banking closer to clients with the opening of 60 more branches, half of which were located in provincial areas to align with its nationwide expansion blueprint and in support of the thrust of Bangko Sentral ng Pilipinas (BSP) to promote inclusive banking through countryside branching and lending. By the end of 2016, BDO operated a network of 982 branches including its Hong Kong branch. Together with the branches of One Network Bank, Inc. (ONB), its rural banking subsidiary that covers underserved market segments, BDO’s branch network stood at 1,104 as at end-2016, the largest in the industry.

The strategic location of its branches coupled with efficient service delivery yielded a 15% improvement in the total deposit portfolio of P1.9 trillion. Low cost deposits grew by 21% over the previous year and accounted for 73% of total deposits. To accelerate the efficiency of processing transactions, more Teller Assist Units and Cash Accept Machines were deployed at branches. Clients can look forward to a more convenient banking experience as the Bank exerts continued efforts to calibrate its products and services across various channels.

TOTAL DEPOSIT PORTFOLIO

15% GROWTH

CASA DEPOSITS

21% GROWTH

TOTAL NO. OF BRANCHES

1,104

TOTAL ATMS NATIONWIDE

3,655

TREASURY

BDO's treasury business maintained its core strategy of reducing duration and maintaining a flat portfolio in an increasing interest rate environment. In 2016, the Bank generated trading and foreign exchange gains amounting to P4.8 billion after taking the market's mid-year rally in asset prices as an opportunity to further rebalance its portfolio. Recurring income from client flows likewise contributed to the earnings. Moving forward, the Bank will continue to be on the lookout for opportunities that will complement the balance sheet, liquidity and profitability objectives in a rising interest rate environment.

TRADING AND FX GAINS

P4.8 BILLION

NON-INTEREST INCOME SOURCES

Payments and information businesses

In 2016, key achievements were noted in the Bank's suite of personal online banking offerings, cash management solutions (CMS), and remittance services. As a result, the Transaction Banking Group received accolades from clients, partners, and industry players.



"We take great pride in providing clients with a convenient banking experience when they visit our branches for their financial needs."

JAIME C. YU

Head, Branch Banking Group



"ONB stands at the forefront of BDO's foray in the countryside. In 2016, we opened 15 new branches spread all over the archipelago. This enabled us to offer ONB's products and quality of service to a wider clientele base. In 2017, ONB will be more visible, creating new products and services to serve the unbanked and the underserved."

RAMON T. MILITAR

Officer-in-Charge, One Network Bank



"A strong US Economy will push inflation higher, setting the stage for more interest rate hikes and a stronger US dollar. This will influence the direction of global rates."

PEDRO M. FLORESCIO III

Treasurer

The personal online banking business posted a 23% revenue increase as it continued to ride on the shift in transaction behavior from manual to electronic channels. In recent years, the volume for electronic banking, covering mobile and internet, jumped by 38%; ATM transactions registered an improvement of 12%; and debit and cash cards went up by 9%. Cash Accept Machines, the latest addition to the product suite, recorded a robust fivefold increase over a two-year period. For the next year, personal online banking efforts will be directed toward more product innovation, security enhancements, and increased market coverage.

revenues increasing by 20%, mainly driven by an increasing consumer preference for banking through digital channels. Collections recorded average growth rates of 15% and 20% in terms of volume and transaction value, respectively, over the last few years. Electronic collections posted the most substantial volume count and expanded by 28% on the back of an ever increasing auto debit transaction volume. The payment solutions business also sustained its positive trajectory, with a growth rate of 11% in terms of transaction value. Electronic payments went up by 9% in terms of volume, propelled by the 71% volume buildup in auto credit service representing solid payment flows between businesses. For 2017, key initiatives for cash management solutions will focus on the enhancement of existing systems and the development of more modern payment platforms.

PERSONAL ONLINE
BANKING REVENUE

23% GROWTH

CMS REVENUE

20% GROWTH

REMITTANCE REVENUE

17% GROWTH

The remittance business remained resilient despite industry headwinds and continued to adapt and work with new players while transforming to meet the ever-changing demands of the market. In 2016, the remittance team sealed more than 20 partnerships that cover the Middle East, North America, Europe, and Asia as well as the shipping industry, resulting in a 17% increase in total income.

Cash management solutions continued to leverage on relationships cultivated with corporations and institutions by providing a full spectrum of financial services — by market segment — for effective business management. These financial services include collections, disbursements, reconciliation and reporting, and other value-added services. The growth momentum was sustained in 2016 with total

BDO Remit (Japan) Ltd. was opened in Shinjuku-ku, Tokyo, to cater to Filipinos working in the area. BDO also reinforced its European presence following its increased ownership of CBN Grupo International Holdings, BV by BDO Capital & Investments Corporation and renaming it BDO Remit International Holdings BV. Under BDO Remit International Holdings BV, the Bank operates 11 remittance offices

in Europe with ownership interests in London, Ireland, Spain, and Greece. These will be complemented by new offices to be opened in Strand Bridge House in London and another one in Milan. For 2017, the Bank likewise aims to set up an office in Canada, which, with its large Filipino community, is a constant source of remittances to the Philippines.

Over the last three years, remittance volumes have increased by an average of 14% while transaction value grew by an average of 11%. Through the years, the Bank's remittance offerings have connected families across wide geographies while helping drive regional growth to higher levels. The Bank remains the industry leader in remittances with a 40% market share.

Insurance

The Bank's insurance business exhibited sustained growth. Its property and casualty insurance brokerage business, through BDO Insurance (BDOI), continued to lead the industry in terms of premiums and commissions with growth rates of 23% and 15%, respectively. This feat was made possible by cultivating strong ties with clients and constantly collaborating and partnering with other business units. BDOI likewise continued to consistently promote the right risk management and insurance solutions backed by responsive claims handling. The distribution of prepaid insurance products was enhanced, along with the expanded use of digital media for the retail market. BDOI will continue to complement the Bank's other business groups and protect the Bank's clients, their assets, and productive capacity.



"A 19% growth in total revenue is compelling, given the changing transaction processing landscape. As new risks and opportunities abound, future-proofing our business and thinking differently will help address challenges as we strive to deliver excellent customer service. This includes being nimble and digitally savvy."

EDWIN R. REYES
Head, Transaction Banking Group



"Our focus for 2017 is sustainability. We were ranked the number one insurance broker in the country as of December 2015 by the Insurance Commission but beyond that, we need to ensure that the business we generate is sustainable and profitable across all market segments, both retail and corporate. BDOI will continue to implement better internal efficiencies and ensure that our people get better at what they do, most especially in service delivery."

MA. THERESA L. TAN
General Manager, BDO Insurance Brokers

INSURANCE PREMIUMS

23% GROWTH

INSURANCE COMMISSIONS

15% GROWTH

BDO LIFE PREMIUMS

27% GROWTH

Complementing the property and casualty insurance brokerage is the Bank's life insurance business. In 2016, the Bank took full control of Generali Pilipinas Life Assurance Corporation and rebranded the insurance operations as BDO Life Assurance Company, Inc. The strong BDO brand equity opened doors for BDO Life, allowing it to leverage on the Bank's wide market reach to create synergies and maximize cross-selling opportunities. As a wholly owned subsidiary, BDO Life can now have a more focused insurance strategy and be more nimble in addressing the needs of its target markets.

BDO Life ended the year with a growth of 27% in total premiums. Despite the volatility in the equity markets, the company's unwavering focus on developing its recurring premium business resulted in a 33% growth in renewal

premiums. New variable life products were launched in 2016, which included the Peso Dragon Equity Fund, Peso Equity Index Fund and two new US dollar unit-linked funds.

For 2017, BDO Life will continue to focus on traditional protection, maximize cross-selling particularly to the broad-based middle income market, and enhance client access with its ongoing sales force expansion aimed at covering all BDO branches. It endeavors to develop a professional and productive sales force, raise operational efficiencies, create bundled products for the Bank's different market segments, enhance the quality of client interaction, and strengthen life insurance branding efforts.

Investment Banking and Capital Markets

BDO Capital & Investment Corporation, the Bank's investment banking subsidiary, noted a more active domestic equities market despite a volatile global IPO market and changes in local politics, following the listing of two big IPOs at the Philippine Stock Exchange. It participated in several preferred share issuances that were well received by the market. Public and private debt instruments were raised for specific investors depending on the needs of borrowers or issuers.

In the equities market, BDO Capital was Joint Issue Manager, Joint Lead Underwriter, and Joint Bookrunner for the P30-billion preferred shares issue of San Miguel Corporation. It was also the Sole Domestic Lead Underwriter for the P25.1-billion global IPO of CEMEX Holdings, Philippines.

BDO was also very active in the bond market, playing major roles in six out of eight corporate bond issues and in other fixed-income issues including acting as Joint Issue Manager for the P100-billion RTB issue of the Philippine government; and Joint Mandated Lead Arranger and Issue Coordinator for the US\$670-million project financing facility for GNPower Dinginin Ltd. Co., which will construct and operate a 668-megawatt supercritical coal-fired power plant in Mariveles, Bataan.

For 2017, BDO Capital expects a more active debt capital market as more borrowers are expected to secure financing for Private Public Partnerships and other infrastructure projects which are priority programs of the new administration.

Notwithstanding headwinds from geopolitical uncertainties and rising global interest rates, the Bank is confident that the domestic economy will remain resilient to external shocks. BDO Research forecasts 2017 GDP growth of 6.3% as the Philippine economy continues to outpace the rest of the world. The Bank remains bullish on Philippine equities and expects positive surprises for both the economy and the stock market especially if the government is able to execute planned tax reforms and infrastructure rollouts quickly.

The Bank's securities brokerage business is handled by BDO Securities Corporation for traditional, trader-assisted trading, and by BDO Nomura Securities, Inc. for retail online and foreign institutional trading business.



"BDO Life products ensure that BDO customers enjoy access to a different set of financial planning tools that will help preserve family unity and, more importantly, financial dignity."

RENATO VERGEL DE DIOS
President and CEO, BDO Life



"We are witnessing less investment banking activities and fees worldwide, but here at home, the BDO investment banking team has solidified its leadership position with landmark transactions in 2016. We look forward to an active 2017 as we expect the private sector to step up investments and fund-raising in anticipation of the government's infrastructure spending and buildup."

EDUARDO V. FRANCISCO
President, BDO Capital & Investment Corporation



"BDO Nomura is the first and so far the only online equities brokerage company in the Philippines that offers a paperless application process — just one of the advantages we have over our competitors. The joint venture will continue to leverage on the strengths of both partners: BDO's wide reach, huge client base, and reliable infrastructure, and Nomura's access to global and regional research."

MARIA OPHELIA L. CAMIÑA
Director and Treasurer, BDO Nomura

BDO Securities remains one of the top domestic equity trading houses in the country today. With its highly reliable execution team, it continues to cater to the growing and complex needs of the Bank's widely diverse clients. It assists clients in riding the volatile market to attain investment objectives, providing easily digestible data coupled with reliable execution of favorable trades. In 2016, BDO Securities ranked 20th overall, and 6th among local brokers with no known foreign tie-up or partner.

Meanwhile, the Bank's online securities business was formally launched in October 2016 through BDO Nomura Securities, a joint venture between BDO and Nomura Securities. It aims to become one of the premier securities firms in the country to provide online trading services of local stocks to individual investors. With this partnership, the Bank shall leverage on research publishing, global distribution, and overall brand strength of Nomura to attract institutional investors. The joint venture has also been extended to Equity Research, which allows BDO Nomura clients to benefit from BDO Research's broad, in-depth domestic corporate coverage as well as Nomura's top-down perspective and regional expertise. The Bank shall also empower BDO Online Banking account holders with easy and seamless access to the Nomura trading platform that provides real-time pricing, execution, and analysis with a user-friendly trading interface. The Bank makes continuous efforts to boost its systems to give clients better access to both local and international exchanges as well as more investment opportunities, and tools for in-depth view of the markets through robust local and global research.

Investment and Wealth Management

The Bank's trust and wealth management businesses carved a solid performance in 2016, with total assets held in trust breaching the P1 trillion mark. This makes BDO the first Philippine financial institution to cross the threshold, growing its assets under management by 12% from its end-2015 level of P917 billion.

The Bank experienced a higher patronage of its Unit Investment Trust Funds (UITFs) and fund management services. The BDO ESG Equity Fund, the first Philippine investment fund that incorporates environmental, social, and governance factors in the selection of equity investments, was launched in 2016. The product responds to the demand of institutions, schools, non-profit organizations and religious entities for a socially responsible fund. The BDO US Equity Feeder Fund was also launched for clients seeking exposure to the US equities market.

Accredited and designated as the country's first administrator for the Personal Equity and Retirement Account (PERA), BDO is also set to launch the BDO Personal Equity and Retirement Account (PERA), a voluntary retirement account which shall be invested solely in eligible PERA investment products.

Understanding the evolving needs of its diverse clients, the Bank continues to leverage on its online investment facility to ensure that clients can perform UITF transactions online, whether via a lump sum investment or via the Easy Investment Plan. For 2017, the Bank also plans to launch more feeder funds in response to the global diversification needs of its more experienced clients.

BDO Private Bank, the Bank's private banking arm, created more opportunities for clients to grow and diversify their investment portfolios using its open architecture approach. New funds and insurance products suitable for different investment return profiles were added to the suite of investment solutions made available to clients, as a response to the renewed appetite of the market. By the end of 2016, Assets Under Management of BDO Private Bank expanded by 14%, composed of trust assets and client placements. Its net income reached P683 million.

BDO Private Bank allows clients to experience the best investments in the market, enabling the access of products from other banks and financial institutions and providing channels to diversify investment portfolio in both domestic and off-shore markets. For 2017, BDO Private Bank aims to introduce a new system that will allow greater ease of access to portfolios. It will continue to ensure that clients are kept abreast of new developments and are empowered to make decisions for their portfolios as deemed fit for their financial goals.

ASSETS UNDER MANAGEMENT
P1 TRILLION



"We are grateful to our clients whose continuing confidence in our products and services propelled us to reach P1 trillion consolidated Assets Under Management. This achievement strengthens our resource base that allows us to fully harness economies of scale and inspires us to work harder to deliver an even better performance for them."

ADOR A. ABROGENA
Head, Trust & Investments Group



"In 2016, we achieved a robust growth rate amidst a politically and economically challenging environment. As the industry leader, we shall continue to find new ways of bringing the complete private banking service in the Philippines."

JOSEFINA N. TAN
President, BDO Private Bank

SUPPORT AND DELIVERY GROUPS

The success of BDO hinges on the synergies harnessed within its support groups whose performance and dedication has enabled the Bank to continually deliver on its growth objectives.

The Bank's IT Group focused on the timely delivery of requirements for the Bank's major expansion initiatives for 2016, and on its march towards digitization. The replacement of ONB systems with BDO IT applications enabled the rural bank subsidiary to more readily comply with regulatory requirements and benefit from the Parent Bank's investments in robust and scalable systems. The implementation of BDO Nomura's online equity trading system commenced successfully, enabling the Bank to enter new markets and expand its wealth management and securities trading channels. The leasing system for BDO's joint venture with Mitsubishi Motors was also implemented, bolstering the Bank's range of consumer lending products.

In addition to completing the integration process for ONB and BDO Life, the Bank's IT team delivered the infrastructure provisioning requirements for MMPC Auto Financial Services Corporation (MAFS) and BDO Nomura. It also provided support for the new, relocated, and consolidated bank branches and for the offices set up in China and Japan. All ATMs of the Bank were configured to be EMV-ready before the year closed. In addition, enhancements have been implemented in the Bank's IT oversight and governance functions,

IT operations, IT risk management processes and key IT security areas earned a satisfactory rating from BSP.

For 2017, the Bank will continue to upgrade the capacities of its data center, core system servers and internet access infrastructure. It will sustain efforts to expand its application program interface and software libraries to support interoperability and make the system development more agile.

More analytic applications for big data were rolled out during the year, on which the Bank continues to leverage to gain more client insight, support cross-selling initiatives of all businesses, and monitor feedback for marketing programs. Marching ahead, platform upgrades will be sustained to enrich the Bank's data mining and analytics capability. To complement the Know Your Client initiatives and to be the basis for service enhancements under the Bank's digital strategy, a biometrics platform with fingerprint and photo match capability will be implemented across branches starting 2017.

In the area of risk management, BDO sustained its efforts in managing credit, market, and operational risks. An enhanced credit risk rating system was implemented for corporate and commercial accounts, and Loan Loss Methodology in compliance with BSP Circular 855. The Bank continuously monitored and actively managed perceived risks in the market given the volatility in financial markets and reduction in the duration of the investment portfolio.

To counter operational risks, an information security awareness campaign that highlighted cyber security was launched for Bank employees and clients, including the issuance of reminders on phishing and other counter-measures. The Bank likewise randomly conducted tests to ensure the effectiveness of its Business Continuity Plan (BCP) and identified the areas for improvement.

To proactively manage risks in 2017, the Bank aims to refine market risk quantification measures, continuously monitor credit risk models and approach credit decision making through enhanced analytics and models, and improve processes relation to Internal Loss Data collection.

On the investor relations front, active engagement with the investment community was sustained in 2016. The Bank interacted with over 600 fund management firms in meetings and domestic and international roadshows and conferences covering Asia, North America, the UK and continental Europe. Senior officers were tapped in investor meetings and conferences to impart broad insights on the Bank's strategic directions and key business segments.

Maximizing the country's favorable macroeconomic scene, the Bank increased its corporate access activities and engaged with retail investors in key growth areas of the country by taking part in SM Investments Corporation's (SMIC) series of Domestic Retail Roadshows. Analysts' Briefings were also regularly organized to present financial performance and latest developments to



RICARDO V. MARTIN
Head, Information Technology



MYLA R. UNTALAN
Head, Digital Infrastructure



EVELYN L. VILLANUEVA
Head, Risk Management



LUIS S. REYES, JR.
Head, Investor Relations and
Corporate Planning

analysts. For greater transparency, the Bank maximized its digital platform for timely disclosures and updates on investor relations. These efforts helped increase confidence among shareholders in the Bank's initiatives.

BDO and its subsidiaries were conferred with various institutional awards, manifesting robust performance not only in terms of key financial metrics but also in investor relations, corporate governance, social responsibility and environmental responsibility. For 2017, the Bank remains determined to forge stronger ties with existing shareholders and expand relations to prospective investors, leveraging on the continued support of its key executive officers in its investor engagement initiatives.

As the Bank scales up its business, Premises Management continues to ensure that appropriate facilities are in place for the Bank's increasing workforce. Renovation of older branches were implemented to streamline the visual image of all branches, including the use of environment-friendly lights and air-conditioning systems. To accommodate the expansion of its head office manpower complement, the Bank opened 15 additional floors in its LEED-certified Corporate Center in Ortigas to house various support groups. In 2017, regional offices are set to be opened in Tarlac, Lipa Rotonda, General Santos, Dagupan, Sta. Rosa, and Bacolod; and the Gercon Building will be fully incorporated into the Makati Corporate Center Complex.

Digitization initiatives were undertaken by the Retail Business Process Center to boost process efficiency and enhance customer service. The

Bank launched the availability of Time Deposit Statement for individual accounts which can be accessed through Personal Online Banking, following the previously launched electronic Statement of Account (eSOA) which provides Personal Checking Account holders the convenience of electronic viewing of monthly statement and images of negotiated checks. Meanwhile, enhancement of eSOA services through the Bank's internet channels is underway for corporate accounts, alongside the implementation of PCHC's project on Check Image Clearing System.

The Bank's Rewards program focused on promoting increased affinity to the Bank and strengthening member engagement. These entailed having more promos for earning BDO Rewards points to encourage frequent usage of particular bank offerings, as well as launching a new point earning scheme via electronic facilities such as BDO Trust's Invest Online, Personal Online Banking's Send Money feature, and BDO Nomura's Online Trading, targeting the younger market segment conducting banking transactions. Other initiatives included activating the viewing of Basic Rewards information whenever, wherever thru Personal Online Banking facility. These continuing efforts to be dynamic and relevant to the market's evolving lifestyle and needs translated to a 93% surge in members' participation rate.

For 2017, the Bank will be working towards establishing an in-branch redemption facility that will allow BDO Rewards cardholders to use their points to pay for ancillary services and bancassurance products. More than promoting increased member engagement, this

strategy reinforces BDO Rewards as the most comprehensive enterprise-wide loyalty program in the country's banking industry.

To efficiently manage consumer concerns, the Bank implemented an effective Consumer Assistance Management System (CAMS) involving all Business Units serving the retail customers. Overall, the Bank's performance has been very good with complaints and resolution rates well below benchmark tolerance levels.

The successful operating model of BDO Customer Contact Center was replicated for BDO Nomura Securities and ONB. BDO Nomura Securities Customer Service Hotline was launched to provide online trading service for local stocks to individual investors. Meanwhile, ONB Customer Service Center's role was enhanced with backroom support strategies, particularly resolution management, and customer feedback and quality assurance. A Japan Help Desk was also established to assist Japanese clients with their banking needs.

For 2017, the Bank looks forward to the implementation of an upgraded Customer Relationship Management System (CRMS) that will improve customer servicing, account management, and marketing campaign management and boost enhancement of product offerings. Performance and leadership of the CCC Team will also be further developed through workshops and talent development programs.

On the asset management front, the Bank benefited from the upbeat property market propelled by healthy demand from the BPO,



DENNIS B. VELASQUEZ
Head, Central Operations Group



ALVIN C. GO
Head, Legal Services, and
Assistant Corporate Secretary



ANTHONY Q. CHUA
Head, Global Operations

housing, and hotel and leisure sectors. Amid stiff competition from new completions by real estate developers, the Bank managed to dispose of residential, commercial, and chattel properties for end-use and investment purposes. The Bank will continue to maximize the use of digital media to further promote marketing activities.

The Bank made great strides in ensuring that the company culture is embodied by each and every employee, believing that the key element to excellent service delivery and business sustainability is continued human resource development. Through Values Immersion sessions, employees were coached on living out the BDO attributes of being confident, collaborative, competitive, solid, inventive, and agile in the workplace. Culture Integration and Compensation and Benefits Harmonization were also conducted for ONB and BDO Life employees as an integral part of their transition. In addition, efforts were made to groom the leadership skills of staff with high potential for promotion to junior officer level, thereby improving the quality and retention rate of future officers. At the same time, quarterly leadership sessions covering current management trends were provided to senior officers and their direct reports.

The Bank was recognized as the 4th Top of Mind Employer by jobstreet.com in 2016 – four notches higher than its 2015 rank – and is the only bank in the Top 10 category. BDO is also the first Bank awarded in 2016 by the Department of Labor with a Certificate of Compliance for General Labor Standards and Certificate of Compliance for Occupational

Safety and Health Standards. Going forward, the Bank will continue to prioritize strengthening its culture with training programs geared towards improving customer service and interactive e-learning platforms designed for enhancing the technical competencies of its millennial workforce.

BDO's Marketing Communications Group has been steadfast in preserving the Bank's brand strength, executing relevant grassroots campaigns that resonate with its target market. Various localized marketing activities were aimed at communicating the Bank's commitment to bringing its products closer to the retail market, with a keen focus on improving financial literacy. With the campaign message of "*Abot pangarap 'pag BDO ang kausap*", the Bank succeeded in extending its products covering deposit, loans, and investments as well as its online banking solutions and remittance services to diverse customer segments, helping clients realize their aspirations for a better life.

LOOKING AHEAD AND STAYING AHEAD

By exhibiting a solid core performance that continues to be on pace with its growth objectives, BDO has never been more motivated to be at the top of its game. A reinforced capital base, combined with a robust business franchise and extensive distribution network, puts the Bank in a premier position to capture growth opportunities and face headwinds from an increasingly competitive and volatile environment.

A stronger balance sheet and higher growth trajectory is expected for 2017 as the Bank is keen on making the most out of the current administration's socio-economic agenda while building on the gains it has achieved. The Bank will continue to focus on further building its strong business franchise to maintain leadership positions across most business lines as well as strengthen its capabilities to support its future growth, while actively responding to strategic opportunities and market challenges. Leveraging on a wide geographic footprint, its ability to quickly respond to customer's evolving needs, and its affinity towards finding ways to do things better, BDO will remain to be a standout performer in the region, sustaining a growth momentum across all its businesses.



EVELYN C. SALAGUBANG
Head, Human Resources



REBECCA S. TORRES
Chief Compliance Officer



LUCY C. DY
Comptroller

AWARDS & RECOGNITION

BEST BANK:

BDO UNIBANK, INC.

Best Bank in the Philippines (2010-2016)

Alpha Southeast Asia

Philippine Bank of the Year 2016

Charlton EastColes Corporate Performance Awards

Best Bank in the Philippines (2010-2016)

FinanceAsia 2016 Country Awards

Best Bank in the Philippines (2014-2016)

Global Finance Best Bank Awards

Best Retail Bank in the Philippines

(2012-2013, 2016)

The Asian Banker International Excellence in Retail Financial Services Awards 2016

Best Domestic Bank, Philippines

(2011, 2013-2016)

The Asset Triple A Country Awards 2016

Best Domestic Bank in the Philippines

(2006, 2011, 2014-2016)

GlobalCapital Asia/Asiamoney Best Domestic Bank Awards 2016

Best Corporate Institutional Bank in the Philippines

The Asset Triple A Country Awards 2016

2015 Largest Bank Award – The Philippines

Yazhou Zhoukan's Asian Banks 300 Banking Report

Outstanding Partner Bank – Universal & Commercial Banks (Clean Note Policy Campaign Category)

2016 Bangko Sentral ng Pilipinas Stakeholders Awards

BEST INVESTMENT BANK

BDO CAPITAL & INVESTMENT CORPORATION

Best Investment Bank (2007-2016)

Alpha Southeast Asia's 10th Annual Best Financial Institution Awards

Best Domestic Investment Bank

20th FinanceAsia Platinum Awards

Best Domestic Equity House

20th FinanceAsia Platinum Awards

Best Equity House

(2008, 2013, 2016)
Alpha Southeast Asia's 10th Annual Best Financial Institutions Awards

Best Bond House

(2007-2010, 2012, 2013, 2016)
Alpha Southeast Asia's 10th Annual Best Financial Institution Awards

Best Loan House, Philippines

(2015-2016)
The Asset Triple A Country Awards 2016

Best Equity/Best IPO, Philippines

(2008, 2010, 2015-2016)
The Asset Triple A Country Awards 2016

Best Deal Award:

PPP, Asia Pacific
(Mactan-Cebu International Airport)
IJ Global Awards 2015

Best Country Deal for the Philippines

(Monde Nissin's Loan Due 2018)
GlobalCapital Asia/Asiamoney Best Country Deal Awards 2015

Asia-Pacific Power Deal of the Year

(San Buenaventura Power Limited Company
PhP42.15 Billion Loan Facility)
Project Finance International Awards 2015

Transport Deal of the Year

(Mactan Cebu International)
Project Finance International Awards 2015

Best Power Deal, Philippines

(San Buenaventura Power Limited Company
PhP42.15 Billion Loan Facility)
The Asset Triple A Asia Infrastructure Awards 2016

Project Finance Deal of the Year

(San Carlos Sun Power PhP3.247 Billion Financing)
The Asset Triple A Asia Infrastructure Awards 2016

Best Energy/Renewable Energy Deal of the Year

(San Carlos Sun Power PhP3.247 Billion Financing)
The Asset Triple A Asia Infrastructure Awards 2016

Most Innovative Deal, Philippines

(Therma Visayas PhP31.97 Billion Loan Facility)
The Asset Triple A Asia Infrastructure Awards 2016

**BEST PRIVATE BANK
BDO PRIVATE BANK**

Best Private Wealth Management Bank:

BDO Private Bank
(2008-2016)
Alpha Southeast Asia's 10th Financial Institution Awards 2016

Best Private Bank – Philippines Domestic

Asian Private Banker Awards for Distinction 2015

Best Private Banking Services Overall

(2013-2014, 2016)
Euromoney Private Banking & Wealth Management Survey

Best Private Bank in the Philippines

(2008-2016)
FinanceAsia 2016 Country Awards

Best Domestic Private Bank

20th FinanceAsia Platinum Awards

Best Private Bank

(2015-2016)
Global Finance Best Private Bank Awards

Best Private Bank in the Philippines

(2010-2016)
The Asset Triple A Private Banking, Wealth Management & Investment Awards

CORPORATE GOVERNANCE

Best for Disclosure & Transparency in the Philippines

2016 GlobalCapital Asia/Asiamoney Corporate Governance Poll

BDO Unibank, Recipient of The 6th Asian Excellence Award

(2015-2016)
Corporate Governance Asia's 6th Asian Excellence Award 2016

BDO Unibank, Inc: Top 15, Philippines Company of the Year 2016

Charlton EastColes Corporate Performance Awards

Best Corporate Governance Disclosure and Transparency Award

2016 Bangko Sentral ng Pilipinas Stakeholders Awards

Best IR Company (Philippines)

(2011-2016)
Corporate Governance Asia's 6th Asian Excellence Award 2016

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Program of the Year – Silver
(2014-2016)

*Asian Banking & Finance
Retail Banking Awards 2016*

Best CSR
(2014-2016)

*Corporate Governance
Asia's 6th Asian Excellence
Award 2016*

Best Environmental Responsibility
(2015-2016)

*Corporate Governance
Asia's 6th Asian Excellence
Award 2016*

INDIVIDUAL RECOGNITION

Asia's Best CEO, Investor Relations: Teresita Sy-Coson, Chairperson
(2013-2016)

*Corporate Governance
Asia's 6th Asian Excellence
Award 2016*

Asia's Best CEO, Investor Relations: Nestor V. Tan, President & CEO
(2011-2012, 2016)

*Corporate Governance
Asia's 6th Asian
Excellence Award 2016*

Asia's Best CFO, Investor Relations: Pedro M. Florescio III
(2013-2016)

*Corporate Governance
Asia's 6th Asian Excellence
Award 2016*

Best Investor Relations Professional (Philippines): Luis S. Reyes, Jr.
(2011-2016)

*Corporate Governance
Asia's 6th Asian Excellence
Award 2016*

Most Astute Investor in Asian G3 Bonds, Philippines, Rank #1: Nadine Alapan
(2015-2016)

*The Asset Triple A Benchmark
Research Awards 2016*

Most Astute Investor in Asian G3 Bonds, Philippines, Rank #5: Analen R. Reyes
(2015-2016)

*The Asset Triple A Benchmark
Research Awards 2016*

Most Astute Investor in Asian Local Currency Bonds, Philippines, Rank #7: Tiffany Lim

*The Asset Triple A Benchmark
Research Awards 2016*

Most Astute Investor in Asian Local Currency Bonds, Philippines, Highly Commended: Ryanna Berza-Talan
(2015-2016)

*The Asset Triple A Benchmark
Research Awards 2016*

OTHER AWARDS

Best Deposit Initiative in the Philippines
(2015-2016)

*The Asian Banker
Country Awards*

Automotive Lending Initiative of the Year

*Asian Banking & Finance
Retail Banking Awards 2016*

Mortgage & Home Loan Product of the Year

*Asian Banking & Finance
Retail Banking Awards 2016*

Best Transaction Bank in the Philippines

*The Asian Banker Transaction
Banking Awards 2016*

Best Cash Management Bank in the Philippines
(2011, 2014-2016)

*The Asian Banker Transaction
Banking Awards 2016*

Best Cash Management Bank
(2015-2016)
Alpha Southeast Asia
10th Annual Best Financial Institution Awards

Best Local Cash Management Bank As Voted By Corporates
(2014, 2016)
2016 Asiamoney Cash Management Poll

Philippines Domestic Cash Management Bank of the Year
(2014-2016)
Asian Banking & Finance Wholesale Banking Awards 2016

Best Mobile Payment Initiative
The Asian Banker Country Awards 2016

Online Banking Initiative of the Year – Philippines
(2014-2016)
Asian Banking & Finance Retail Banking Awards 2016

Commercial Bank that Generated the Largest Overseas Filipino Remittances
2016 Bangko Sentral ng Pilipinas Stakeholders Awards

Outstanding PhilPaSS (Philippine Payments and Settlements System) REMIT Participant
2016 Bangko Sentral ng Pilipinas Stakeholders Awards

Outstanding PhilPaSS Participant Servicing Customer ePayments – Commercial Bank (BSP PhilPass Category)
2016 Bangko Sentral ng Pilipinas Stakeholders Awards

Best in Treasury and Working Capital – SMEs, Philippines
The Asset Triple A Treasury, Trade and Risk Management Awards 2016

Best Investment Management Company, Philippines
World Finance's Investment Management Awards 2016

Top Investment House in Asian G3 Bonds, Bank (Rank #1)
The Asset Triple A Benchmark Research Awards 2016

Top Five Investment Houses 2016 in Asian Local Currency Bonds, Philippines (Rank #5)
The Asset Triple A Benchmark Research Awards 2016

Best FX Bank for Corporate & Financial Institutions
(2011-2016)
Alpha Southeast Asia

Best Foreign Exchange Provider in the Philippines
(2011, 2016)
Global Finance

Best Trade Finance Provider in the Philippines
(2008, 2011-2016)
Global Finance

Fund House of the Year, Philippines
Asian Investor Asset Management Awards 2016

Asset Management Company of the Year for the Philippines Market
The Asset Triple A Servicing Fund Management & Investors Awards 2016

Impact Investor of the Year
(One of two recipients)
The Asset Triple A Servicing Fund Management & Investors Awards 2016

Best Corporate Liability Management, Philippines
The Asset Triple A Country Awards 2016

Platinum Award Winner
(2010-2016)
The Asset Corporate Awards 2016

Best Social Media Initiative: BDO Project Kiss Campaign
The Asian Banker Country Awards 2016

CORPORATE GOVERNANCE

The corporate governance system of BDO focuses on the objective of maximizing value creation on a sustainable basis for the benefit of all stakeholders in a manner that is supported by the right values, culture, and business conduct throughout the Group. In pursuing this objective, BDO has continuously evolved its corporate governance standards to include essential elements of regulations, international best practices, and voluntary commitments.

We have taken further steps in 2016 to align our corporate governance system with international practices, taking into account the continuous developments in national regulations. This report summarizes the key focus of the Bank that affirms our deep commitment to a high standard of corporate governance.

FAIRNESS,
ACCOUNTABILITY,
TRANSPARENCY,
INTEGRITY &
PERFORMANCE

GOVERNANCE FRAMEWORK

BOARD OF DIRECTORS

The Board of Directors leads in establishing the tone and practice of good corporate governance. It sets the Bank's corporate values and ethical standards of business conduct for itself and all members of the Group. Through its oversight, approval, and review functions, the Board ensures that the Group is being run in a sound and prudent manner in order to fulfill its obligations to all shareholders while upholding and protecting the interests of other stakeholders.

Currently, the Board is composed of 11 members and aided by 5 advisers. It has an appropriate mix of executive, non-executive, and independent directors with a good balance of diverse skills and expertise in the fields of banking, accounting, finance, law, risk management, and merchandise marketing.

Independent Directors now constitute 45% of the Board's membership, more than the requirement of the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission (SEC).

The Board is vested with the collective responsibility to review and guide corporate strategy. It is the decision-making body with the power to approve the issuance of capital stock, distribution of dividends, strategic plans, major capital expenditures,

acquisitions, equity investments, mergers, joint ventures, divestments, and significant related party transactions.

It reviews and approves financial plans, and assesses management performance against annual budgets and business plans, enterprise risk strategy and policies, succession planning, and annual and interim financial statements. It is also responsible for ensuring that management maintains both an effective system of internal controls and a sound enterprise risk management framework to effectively identify, monitor, assess, and manage key business risks.

In 2016, the significant matters taken up by the Board include among others, the Bank's capital and funding plan for 2016 through a Php60 Billion Rights Offering, issuance of up to Php30 Billion Long-Term Negotiable Certificates of Deposits over a period of 2 years, and issuance of Unsecured Subordinated Debt, qualifying as Tier 2 Capital; the consolidation of BDO Life Assurance Holdings Company and BDO Life Assurance Company, with the latter as the surviving company; 2016 Recovery Plan; 2016 Internal Capital Adequacy Assessment Document; 2015 Audited Financial Statements; declaration and payment of cash dividends; strategic planning; and, the 2016 annual operating plan and budget. The Board also reviewed and approved the management's replies to the 2015 BSP Report of Examination.

The Board reviews the work of various committees to ensure that they have fully complied with their respective mandates.

To measure the effectiveness of the Board, the individual directors, and the various committees, the Corporate Governance Committee conducts an annual performance evaluation that includes a self assessment. It also assesses the performance of the senior management team. It welcomes the feedback of the directors and advisers, particularly on areas where it could deepen its involvement to become more effective and relevant.

The results of the previous evaluation showed that the Board has the appropriate composition and continues to function very well, committees operate effectively, senior management has the right mix of competencies and abilities to manage the Bank, while the relationship between directors and advisers in the diverse BDO Board remains strong.

During the year, the Board held 17 regular and special meetings that were fully attended by the directors. This demonstrates their strong commitment to devote time and attention necessary to properly and effectively perform their duties and responsibilities.

ATTENDANCE

Board of Directors Meetings 2016

Directors	No. of Meetings Attended	Total No. of Meetings	Percentage Rating
1. Teresita T. Sy	17	17	100.00
2. Jesus A. Jacinto, Jr.	17	17	100.00
3. Nestor V. Tan	17	17	100.00
4. Josefina N. Tan	17	17	100.00
5. Antonio C. Pacis	17	17	100.00
6. Jimmy T. Tang	17	17	100.00
7. Dioscoro I. Ramos*	16	16	100.00
8. Jones M. Castro, Jr.	17	17	100.00
9. Jose F. Buenaventura	17	17	100.00
10. Christopher A. Bell-Knight	17	17	100.00
11. Gilberto C. Teodoro, Jr.	17	17	100.00

*Director Dioscoro I. Ramos was first elected to the Board during the January 9, 2016 meeting.

BOARD COMMITTEES

The Board has 9 committees to support the effective performance of its functions, roles and responsibilities. The composition, duties, and responsibilities of these committees are contained in their respective Terms of Reference published in our website and are summarized below, together with their significant accomplishments in 2016.

Executive Committee

Chairperson: Teresita T. Sy

Members: Jesus A. Jacinto, Jr., Nestor V. Tan, Josefina N. Tan, Antonio N. Cotoco, Guia C. Lim

The Executive Committee acts as the main approving body for the Bank's credit exposures, particularly approval and confirmation of credit accommodations to corporate and financial counterparties, financial investments, branch locations, foreclosures, and disposal of acquired assets.

In 2016, the Committee met 55 times with Ms. Teresita Sy attending 54 meetings, Mr. Jesus A. Jacinto, Jr. 52 meetings, Mr. Nestor V. Tan 43 meetings, Ms. Josefina T. Tan 49 meetings, Mr. Antonio N. Cotoco 47 meetings, and Ms. Guia C. Lim 51 meetings.

Audit Committee

Chairman: Jose F. Buenaventura
(Independent Director)

Members: Jones M. Castro, Jr. (Independent and Lead Director), Jimmy T. Tang (Independent Director)

Advisers: Jesus A. Jacinto, Jr., effective January 20, 2016; Corazon S. de la Paz-Bernardo; Christopher A. Bell-Knight, effective April 22, 2016

The Audit Committee is responsible for assisting the Board in performing its oversight responsibilities in relation to financial reporting requirements, compliance with laws, regulations and internal policies, safeguarding of assets, the maintenance of an adequate, effective and efficient internal control system, internal and external audit processes. The Committee has oversight over the following areas:

Financial Reporting

- Reviewing the Bank's financial reporting process and ensuring the integrity of its financial statements and compliance with regulations and financial reporting standards.
- Reviewing with management the financial statements before submission to the Board focusing on clarity of disclosures and material areas with significant changes.

Internal Audit and Controls

- Reviewing and evaluating the effectiveness of internal controls, risk management systems, regulatory compliance and governance processes of the Bank, approving the scope of the internal audit work, analysis of the main areas of risk and adequacy of resources and efficiency of the internal audit function.

- Reviewing and approving the management's response on matters related to the report of examination by regulatory bodies and reports on actions taken or status of follow-up items.

External Audit Engagement and Reports

- Recommending the appointment, reappointment and removal of external auditors, and the approval of terms of engagement and payment of fees for all services rendered by the auditors.
- Approving the annual audit plan and reviewing their reports of examination including that of wholly-owned subsidiaries focusing on significant findings with financial impact and their resolutions.
- Reviewing management's response to the audit findings and actions taken.
- Assessing the performance of the External Auditor.

In 2016, the Audit Committee reviewed and recommended to the Board for approval the quarterly unaudited and annual audited financial statements. At the meeting held on February 24, 2016, the Audit Committee endorsed to the Board for approval the audited financial statements for the year ended December 31, 2015. This was approved by the Board on February 27, 2016.

It approved the Internal Audit's annual plan after a thorough review of its scope, audit methodology, risk assessment and rating process and resource requirements, reviewed the Internal Audit Charter and regular audit reports focusing on high and moderate risk

findings relating to operational, financial and compliance controls including risk management systems with impact to financials, reputation and information security. It kept track of the timely resolution of findings including updates on Information Technology's security controls and action plans in further strengthening IT risk management.

On external audit, it reviewed and approved the external auditor's engagement letter including the audit plan and scope, focus areas, audit approach, fraud risk and timetable as well as updates on new accounting standards and tax regulations prior to commencement of audit work. It reviewed the external audit reports, with focus on internal controls, risk management, governance and matters with financial impact together with the Management's response and action taken on these findings. It assessed the performance of the external auditor and recommended to the Board the re-appointment of Punongbayan and Araullo as the Bank's External Auditor for the year ended December 31, 2016.

On its compliance oversight function, it reviewed and approved the annual plans and compliance roadmaps, enhanced manuals and independent testing frameworks of the Compliance and Anti-Money Laundering Units, reviewed the results of the independent testing of the Bank and its subsidiaries, reviewed the compliance to mandatory ratios and regulatory reports as well as continuous improvement of the Bank's Compliance and AML system, and the BSP Report of Examination as of September 2015 including the results of regulatory

examinations of the Bank's foreign subsidiaries together with the Management's reply to the findings and recommendations ensuring that committed actions are implemented.

The Board Audit Committee reported its evaluation of the effectiveness of the internal controls, financial reporting process, risk management systems, and governance processes of the Bank based on information obtained from the reports of the External and Internal Auditors and additional reports and information requested from Senior Management, and found that these are generally adequate across BDO.

The Committee held 12 meetings in 2016 with all members in attendance.

Corporate Governance Committee

Chairman: Jones M. Castro, Jr.
(Independent and Lead Director)

Members: Jesus A. Jacinto, Jr., Jimmy T. Tang (Independent Director), Christopher A. Bell-Knight

The function of the Corporate Governance Committee is to assist the Board in fulfilling its responsibilities for corporate governance across the BDO Group. Its role includes ensuring the compliance with corporate governance principles and practices of the Bank; monitoring new regulations on corporate governance and recommending appropriate changes; reviewing and reporting to the Board on corporate governance regulatory or compliance issues;

reviewing and recommending to the Board on best practices to be adopted as applicable particularly those enunciated in the ASEAN Corporate Governance Scorecard; and, reviewing periodically the succession plan and disclosure of corporate governance policies and information on the Bank's website.

The Committee plans, proposes, and oversees relevant training programs for the continuing education of directors and conducts the annual performance evaluation of the Board, committees, directors, and senior management. It provides an assessment of the outcome and reports to the Board the final results of the evaluation including recommendations for improvement and areas of focus to enhance effectiveness.

During the year, it recommended the revision of the Corporate Governance Manual on the term limit of the Independent Directors; Policy on Related Party Transactions and Terms of Reference of the Related Party Transactions Committee to conform with the requirements of BSP Circular 895; and, Whistle Blower Policy to include the reporting process for issues or concerns involving the President, other Executive Directors and Related Party Transactions. It continued to engage the regulators on the proposed new regulations on corporate governance by giving feedback on its possible impact on the Bank.

The Independent Directors and Non-Executive Directors, chaired by Lead Director Jones M. Castro, Jr., conducted 3 executive sessions with the External Auditor, Internal Auditor, Chief Risk Officer, and Chief Compliance Officer without

the presence of senior management to discuss various matters/issues outside of the regular meetings of the Audit and Risk Management Committees. The results of these sessions were discussed with the Bank's Chairperson, President and CEO, and Executive Directors.

It conducted a seminar on cybersecurity for the continuing education of directors and key officers; annual performance evaluation of the Board, committees, directors and executive management and submitted the report to the Board with comparative results for the last 3 years; monitored the submission of regulatory corporate governance reports, and the publication and updating of corporate governance policies and continuous disclosures in the Bank's website to promote transparency and effective communication to shareholders, investors, media, analysts, industry participants, regulators, and the general public.

The Committee met 6 times in 2016 with all the members in attendance.

Trust Committee

Chairman: Antonio C. Pacis

Members: Gilberto C. Teodoro, Jr. (Independent Director); Dioscoro I. Ramos (Independent Director; member effective April 22, 2016); Nestor V. Tan; Ador A. Abrogena

The Trust Committee is primarily responsible for overseeing the fiduciary activities of the Bank. It ensures that fiduciary activities are done in

accordance with applicable laws, rules and regulations, and prudent practices, and that an effective risk management framework and internal controls are in place and continue to be relevant, comprehensive, and effective.

It reviews and approves transactions between trust and/or fiduciary accounts, the investment, reinvestment, and disposition of funds and 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 over-all performance, profile of funds and accountabilities under its management, industry position, and the risk management reports. It also oversees and evaluates the performance of the Trust Officer.

In 2016, the Committee approved the revision of its Terms of Reference to include the membership and trust officer qualifications; 2016 Trust Budget, Trust Risk Limits, Investment Outlets, Counterparties and Traders' Limits, Risk Adjusted Performance Measures, Audited Combined Financial Statements of BDO Trust and Investment, Global Plus System Single Approving Authority Limits for Special Trust, Corporate Trust and Agencies Department, Amended Plan Rules of Four Feeder Funds and other operational matters recommended by Trust and Investment Group.

In performing its oversight function, the Committee reviewed and noted the monthly performance of the Trust & Investment Group,

breaches in exposure and duration limits, monthly risk reports, results of annual review of policies, exposures in specific local and foreign counterparties, directed investments, and resolutions and actions taken on internal and external audit issues including implementation of measures to address previous examination findings.

The Committee met 10 times in 2016 with all the members in attendance.

Risk Management Committee

Chairman: Jones M. Castro, Jr. (Independent and Lead Director)

Members: Nestor V. Tan, Josefina N. Tan, Christopher A. Bell-Knight

The Risk Management Committee is responsible for ensuring the effectiveness of the Bank's enterprise risk management system. It approves the Bank's risk plans and policies and the appropriate risk management strategies for identifying, quantifying, managing, and controlling risk exposures. It supports the Board in performing its risk oversight functions and reviews the overall risk appetite levels and tolerance limits, 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 and Management's activities in managing credit, liquidity, market, operational, legal, and

other risk exposures. It is also responsible for the continuing assessment of the relevance, comprehensiveness and effectiveness of the risk management plan, and revises it when needed including how the business and operating units are addressing and managing these risks. The Committee also reviews risk reports that control and monitor risk exposures and limits.

During the year, the Committee conducted regular discussions of the Bank's exposures (including the Trust Unit) to credit risks (including country risks), market and liquidity risks, and operational risks, including risk mitigation strategies, where necessary and applicable; large exposures and concentration, asset quality, results of credit stress tests and its impact on capital adequacy; approved the Bank's Loan Loss Methodology in compliance with BSP Circular 855 (Guidelines on Sound Credit Risk Management Practices); liquidity gaps and results of liquidity stress tests; Value-at-Risk (VAR), Earnings-at-Risk (EAR), results of market risk stress tests and its impact on capital adequacy; operational risk profile of the Bank, significant operational losses and impact on capital adequacy, results of Business Continuity Plan (BCP) testing and any information security incidents; approved the results of the annual review of the Bank's risk management policies and limits; the newly developed or redeveloped risk management models and conducted a discussion on the performance of all implemented models; conducted a discussion on the results of the BSP-mandated stress tests (i.e. BSP Uniform Stress Test and Real Estate Stress Test) for banks; and the profile of client

complaints/requests and a general description of the resolution/actions taken, in compliance with BSP Circular 857 on Consumer Protection.

The Committee met 12 times in 2016 with all the members in attendance.

Nominations Committee

Chairperson: Josefina N. Tan

Members: Jose F. Buenaventura (Independent Director), 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 taking into account the experience, expertise, knowledge, and skills of candidates, 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 non-executive Directors, and recommends changes, if necessary. It also reviews all nominations for the appointment, re-appointment, election or re-election of Directors of the Bank and members of the various committees considering their performance, commitment and ability to contribute to the Board and makes recommendations to the Board on appointment of new Directors, when necessary.

On April 20, 2016, having reviewed the composition of the Board and committees, it approved the nominations of the executive, non-executive directors, and independent directors to stand for re-election by shareholders at the Annual Stockholders' Meeting and the nominees to various Board committees. It also recommended the nomination of Mr. Jones M. Castro, Jr. as Lead Independent Director and the appointment of the corporate officers of the Bank. In May 2016, the Committee deliberated and recommended the promotion of senior officers. It also evaluated and recommended the appointment of senior executives for the year.

The Committee held 5 meetings in 2016 with all the members in attendance.

Compensation Committee

Chairman: Jimmy T. Tang
(Independent Director)

Members: Jesus A. Jacinto, Jr., Josefina N. Tan,
Teresita T. Sy

The Compensation Committee provides oversight on the Bank's compensation structure, consistent with the Bank's culture, corporate values, and strategic objectives, and taking into account 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, creating incentives for delivering long-term performance within established risk limits, and encouraging employees to align individual performance with the Bank's objectives.

During the year, the Committee assessed the appropriateness of the compensation structure of the Bank to ensure that it is commensurate to the overall corporate and individual performance and complies with the regulatory requirements particularly of BSP Circular 871. It also reviewed the fringe benefits program of employees under the Collective Bargaining Agreement.

The Committee held 3 meetings in 2016 with all the members in attendance.

Information Technology Steering Committee

Chairman: Gilberto C. Teodoro, Jr.
(Independent Director)

Members: Nestor V. Tan, Ricardo V. Martin

The Information Technology Steering Committee provides oversight and governance over the Bank's IT functions, including approvals of information technology-related policies and practices of the Bank and applicable guidelines. It informs the Board of both internal and external IT-related developments and activities, potential challenges and risks, progress versus strategic objectives, and major IT projects. It approves and endorses to the Board IT-related best practices, strategic plans, policies and procedures.

In 2016, the Committee approved the Bank's High Level IT Strategic Plan, Systems Availability Criteria for Business Online Banking and Remittance System, noted the status of the Bank's efforts to achieve EMV compliance, results of the quarterly testing report on the Bank's Technical Contingency Plans and usage of monitoring tools to enable 24/7 monitoring of critical security events and the Bank's IT security controls in relation to the Bangladesh Bank case. It also reviewed and noted the examination findings on BDO's Information Technology risk management and operations as well as the Bank's replies thereto.

The Committee held 9 meetings in 2016 with all the members in attendance.

Related Party Transactions Committee

Chairman: Jose F. Buenaventura
(Independent Director)

Members: Jimmy T. Tang
(Independent Director),
Jones M. Castro, Jr.
(Independent and Lead Director)

Adviser: Jesus A. Jacinto, Jr.

The Related Party Transactions Committee assists the Board in its oversight of the conduct of all Related Party Transactions (RPTs) to protect the interest of the Bank and its stakeholders. It ensures proper disclosure of all approved RPTs in accordance with

applicable legal and regulatory requirements for confirmation by majority vote at the Annual Stockholders' meeting.

In 2016, the Committee reviewed and endorsed for approval of the Board of Directors the Revised Related Party Transactions Policy to comply with BSP Circular 895 and 914, and significant Related Party Transactions of DOSRI, subsidiaries/affiliates and other related parties. The Committee also reviewed and revised its Terms of Reference for approval of the Board to align with regulatory requirements.

The Committee met 6 times in 2016 with all the members in attendance.

COMPLIANCE WITH SEC CODE OF CORPORATE GOVERNANCE

The Bank has consistently complied with all the provisions of the Revised Code of Corporate Governance of 2009, applying these principles across the Bank and its subsidiaries. The Corporate Governance Manual approved by the Board of Directors is continually being updated to comply with the latest issuance of regulatory authorities and improved to incorporate international best practices, where appropriate. It is our essential reference point to principled actions in discharging our responsibilities and in fulfilling our obligations to stockholders and other stakeholders which include, among others, customers, employees, suppliers, service providers, creditors, government and community in which the Bank operates. The

Manual, in conjunction with the Bank's Articles of Incorporation, By-Laws and the charters of the Board Committees, constitutes the governance framework of the Bank.

A NEW REGIME ON CORPORATE GOVERNANCE

The Securities and Exchange Commission has implemented the principles-based Code of Corporate Governance for Publicly-Listed Companies effective January 1, 2017, which is intended to raise the corporate governance standards of Philippine corporations to a level at par with its regional and global counterparts. The Code adopts the "comply or explain" approach that will allow flexibility and address specific concerns of the companies. It combines voluntary compliance with mandatory disclosure.

As a leading practitioner of good corporate governance in the Philippines, our goal is to apply the main principles and comply with the provisions of the Code to the extent possible and appropriate to our business. As the new regime in corporate governance ushers change for the better, we believe that it will be positive for our business and will open new opportunities for the Bank to achieve greater heights in pursuing its objectives and maintaining its top position in the financial services industry.

CORPORATE SOCIAL RESPONSIBILITY

In 2016, BDO Foundation remained steadfast in the fulfillment of its disaster response advocacy. It continued to pursue relief, rehabilitation, and reconstruction programs in Luzon, Visayas, and Mindanao, particularly in provinces affected by natural or man-made disasters. Backed by BDO Unibank and BDO volunteers, the foundation found ways to give back to the community.



A CHANGE
IN
PERSPECTIVE



 DISASTERS	 PROVINCES	 NO. OF BENEFICIARY FAMILIES	 NO. OF VOLUNTEERS
Fire	Purok Litsonan, Bacolod City	114	16
Monsoon rains	San Mateo, Rizal; Baliwag, Bulacan; Rodriguez (Montalban), Rizal; Meycauayan, Bulacan; Dagupan City, Pangasinan; Calasiao, Pangasinan; Cainta, Rizal	9,040	196
Typhoon Lawin	Narvacan, Ilocos Sur; San Juan, Abra; Candon, Ilocos Sur; Sta. Maria, Ilocos Sur; Tuguegarao, Cagayan	11,300	95
Typhoon Nina	Virac, Catanduanes; Malinao, Albay; Iriga City, Camarines Sur; Nabua, Camarines Sur; Polangui, Albay; Libon, Albay; Pili, Camarines Sur; Sagnay, Camarines Sur; Buhi, Camarines Sur	14,150	180
TOTAL		34,604	487

acting as first responders, reached out to families affected by storms, monsoon rains, and incidents of fire.

Able led by branch managers, BDO volunteers mounted relief operations in evacuation centers, distributing relief packs containing food, rice, and water to calamity victims. The relief operations were conducted with the support of SM stores and in collaboration with local officials as well as non-BDO participants.

In places where a state of calamity had been declared, BDO volunteers were there to offer a helping hand. They braved heavy rains and went the extra mile to look after families in their time of need. They helped victims rebuild their lives and cope with the devastation. BDO volunteers were on the frontlines to provide aid for people distraught by disasters.

IMPROVING HEALTHCARE SERVICES

As in previous years, BDO Foundation revisited provinces where it has mounted relief operations to pursue long-term rehabilitation projects. The foundation rehabilitated rural health units in calamity-stricken communities with the goal of improving healthcare in these areas. BDO branch heads provided support by identifying health centers that needed assistance and by coordinating with local officials.

Working with local government and health officials, BDO Foundation improved the offices, clinics, pharmacies, consultation rooms, minor surgery rooms, treatment rooms, and facilities of the health centers.

VOLUNTEERS ON THE FRONTLINES

BDO Foundation conducted relief operations with the active participation of BDO volunteers from locations all over the country.

When typhoons made landfall and disasters hit, the foundation responded immediately by mobilizing employees from branches near devastated areas. BDO officers and staff, often

The foundation also constructed areas designed specifically for the comfortable use of children and the elderly.

Moreover, the foundation rehabilitated labor rooms, birthing clinics, and breastfeeding stations to provide mothers and infants the best patient care possible. These efforts support the United Nations Millennium Development Goal for the improvement of maternal healthcare.

BDO Foundation went a step further by upgrading the facilities of the health centers it has rehabilitated.

In partnership with Beiersdorf Philippines, maker of Nivea products, the foundation donated hospital furniture and basic medical equipment to nine (9) health centers jointly rehabilitated by the partners. BDO Foundation and Beiersdorf Philippines equally funded the donation of equipment to the following: Alangalang Municipal Health Center, Leyte; Basey Municipal Health Center, Western Samar; Bogu City Main Health Center, Northern Cebu; Cabatuan Main Health Center, Iloilo; Carigara Municipal Health Center, Leyte; Catbalogan City Main Health Center, Western Samar; New Washington Municipal Health Center,



REHABILITATED RURAL HEALTH UNITS



POPULATION COVERED

Catbalogan Main Health Center, Western Samar	101,435
Sta. Barbara Main Health Center, Pangasinan	83,352
Polomolok Municipal Health Center, South Cotabato	138,273
Pastrana Rural Health Unit, Leyte	17,911
Tuguegarao Main Health Center, Cagayan	138,865
Milagros Municipal Health Center, Masbate	55,172
Gapan City Health Unit I, Nueva Ecija	26,958
Cauayan City Health Office I, Isabela	100,320
Municipal Health Office, Virac, Catanduanes	66,951
Aborlan Municipal Health Office, Palawan	36,851
Allen Rural Health Unit, Northern Samar	26,324



RURAL HEALTH UNITS UNDERGOING REHABILITATION



POPULATION COVERED

Municipal Health Office of Calabanga and Calabanga Rural Health Unit I Birthing Facility, Camarines Sur	84,134
Sorsogon West District Health Office, Sorsogon	76,000
Escalante City Health Office and Maternity Clinic, Negros Occidental	99,547
Tandag City Health Office, Surigao del Sur	57,379
Valencia Rural Health Unit, Negros Oriental	60,000
Kabacan Rural Health Unit, North Cotabato	94,859
Catarman Rural Health Unit II, Northern Samar	16,900

Aklan; Roxas City Main Health Center, Capiz; and Sta. Barbara Municipal Health Center, Pangasinan. Medical equipment donated includes delivery beds, stretchers, wheelchairs, fetal dopplers, digital pediatric weighing scales, blood pressure monitors, stethoscopes, and fire extinguishers.

The support for rural health units did not end there. BDO Foundation and Beiersdorf Philippines collaborated once more for the distribution of more than 5,500 packs containing four Nivea soap bars each to all health centers rehabilitated by the foundation. Specifically formulated for babies, the soaps were generously donated by Beiersdorf Philippines as part of its Give the Gift of Care program for mothers and children.

The successful rehabilitation of the health centers is the result of BDO Foundation’s collaboration with stakeholders. It was made possible by the BDO Unibank community, partners, local government units, and health

officials — people and organizations that came together to achieve a common goal. By rehabilitating rural health units, upgrading their medical equipment, and distributing healthcare products, BDO Foundation has improved the delivery of health services to the people, especially the underprivileged.

BRIGHTER FUTURE FOR SCHOOLCHILDREN

BDO Foundation continued to address the need for more classrooms in the country, particularly in provinces devastated by natural disasters or armed conflict. Supported by the BDO branch network, the foundation reached out to schools in provinces such as North Cotabato, South Cotabato, Leyte, Eastern Samar, Agusan del Norte, and Zamboanga City. Branch managers, in coordination with local officials, played a crucial role in identifying schools in need of help from BDO Foundation.

Backed by reputable partners and international non-profit organizations, BDO Foundation built typhoon resilient school buildings and classrooms complete with teachers’ desks, armchairs, blackboards, and electric fans. The initiative supports the Adopt-A-School Program of the Department of Education.

The foundation provided new classrooms for teachers and schoolchildren who would otherwise conduct classes in dilapidated or damaged rooms. Pupils no longer had to study in tarpaulin tents, covered courts, cafeterias, overcrowded classrooms, or makeshift structures exposed to the elements. The foundation also constructed a school building for orphans and street children.

 RECIPIENTS	 NO. OF SOAP PACKS DONATED (4 SOAPS PER PACK)
Health centers rehabilitated in partnership with Beiersdorf Philippines	3,450
Health centers rehabilitated in partnership with SM Foundation	1,300
Health centers rehabilitated by BDO Foundation	807
TOTAL	5,557



BDO Foundation went further in the pursuit of its programs for underprivileged schoolchildren in calamity-stricken areas. The foundation partnered with non-profit organizations C&E Foundation and Kusog Tacloban for the distribution of instructional materials to elementary schools located in areas affected by Typhoon Yolanda.

The initiative was made possible with the support of BDO branch managers who assisted in the distribution. A total of 524 teaching

kits, designed to help kindergarten and grade one students develop their reading ability, was donated.

By building structures conducive to learning and distributing literature that aids in classroom instruction, BDO Foundation has made a significant impact on the lives of schoolchildren as well their families. Ultimately, the foundation has given the youth better access to education and greater opportunities to achieve a brighter future.



SCHOOLS



TOTAL STUDENT
POPULATION



CLASSROOMS
BUILT



PARTNERS

Tiwi Community College, Tiwi, Albay	1,589	4	Philippine Geothermal Production Company
Pis-anan National High School, Sibalom, Antique	875	4	PLDT-Smart Foundation and Redknee Solutions
Efraim Santibañez National High School, Passi, Iloilo	495	4	SM Prime Holdings through SM Foundation
Sibug Memorial Elementary School, Kidapawan City, North Cotabato	430	2	Federation of Filipino-Chinese Chambers of Commerce and Industry Inc.
Panalaron Central School, Tacloban City, Leyte	757	4	Sun Life Foundation
Giporlos National Trade School, Giporlos, Eastern Samar	860	4	Consuelo Foundation
Streetlight Study and Development Center, Tacloban City, Leyte	250	4	Streetlight Philippines
Koronadal Southern Elementary School, Koronadal City, South Cotabato	234	2	Federation of Filipino-Chinese Chambers of Commerce and Industry Inc.
Ampayon Central Elementary School, Butuan City, Agusan del Norte	2,018	4	Exclusively funded by BDO Foundation
Pasonanca National High School, Zamboanga City, Zamboanga del Sur	812	4	Exclusively funded by BDO Foundation
San Jose Central School, Tacloban City, Leyte*	4,094	8	University of Santo Tomas Medicine Class '79 and Soroptimist International Makati
Lawaan National School of Craftsmanship and Home Industries, Lawaan, Eastern Samar*	850	4	Consuelo Foundation

*Ongoing construction

SUPPORTING LIVELIHOOD OPPORTUNITIES

BDO Foundation constructed multi-purpose halls in calamity-stricken areas as part of its long-term rehabilitation program for communities affected by disasters.

Funded by donations from BDO employees, supported by partners, and backed by the BDO branch network, the BDO Foundation

Multi-Purpose Halls benefited communities of persons with disability, farmers, and residents affected by Typhoon Pablo.

Through the initiative, the foundation aims to uplift the socio-economic condition of families severely affected by disasters, support livelihood programs, promote community development, and support the well-being of beneficiaries.

Beneficiaries can use the multi-purpose hall as venue for their livelihood projects, trainings, workshops, meetings, events, and socio-civic activities. They can also use the structure for shelter, evacuation purposes, and the distribution of relief goods should disasters hit their area. A multi-purpose hall is equipped with fans, furniture and fixtures, and a storage room.

FINDING WAYS FOR THE UNDERPRIVILEGED

It has been a productive year for BDO Foundation. The corporate social responsibility arm of BDO Unibank has made significant strides and achieved its goals in the pursuit of its advocacy. A testament to the foundation’s achievements is the recognition it has received from prestigious international award giving bodies.

In 2016, BDO Foundation accepted the Corporate Social Responsibility Program of the Year (Silver) Award from the Singapore-based

 MULTI-PURPOSE HALLS	 PARTNERS	 NO. OF BENEFICIARY FAMILIES
BDO Foundation Multi-purpose Hall, Sta. Fe, Leyte	Foundation for These-Abled Persons Inc.	100
BDO Foundation Multi-purpose Hall, Pastrana, Leyte	United Nations Human Settlements Programme and Kusog Tacloban	118
BDO Foundation Multi-purpose Hall, Mati, Davao Oriental	CFC ANCOF Global Foundation Inc.	69

finance publication *Asian Banking and Finance* and Asia’s Best CSR Award from *Corporate Governance Asia*. This is the third year in a row that the foundation has received the Corporate Social Responsibility Program of the Year (Silver) Award, an accolade that acknowledges the noteworthy achievements of Asian banks in delivering outstanding products and services to stakeholders. Asia’s Best CSR Award, which was presented to BDO at the 6th Asian Excellence Awards 2016 in Hong Kong, recognizes the corporate citizenship initiatives of the recipients and their efforts to promote the environment, clean energy, community care, arts and culture, education, and training.

The awards reaffirm the quality of BDO Foundation’s disaster response initiatives, corporate citizenship programs, and volunteer activities. Having achieved its goals in 2016, the foundation will not rest on its laurels.

It will continue to serve marginalized members of society, especially those affected by natural or man-made disasters. Together with the BDO Unibank community, BDO volunteers, partners, and donors, BDO Foundation will continue to find ways to improve the lives of the people.

 RECIPIENTS OF TEACHING KITS	 NO. OF BENEFICIARY KINDER PUPILS	 NO. OF BENEFICIARY GRADE I PUPILS
Antique	243	360
Iloilo	768	1,296
Roxas	214	306
Aklan	2,458	3,789
Cebu	375	602
Leyte	1,673	1,980
Samar	100	115
TOTAL	5,831	8,448

BOARD OF DIRECTORS



TERESITA T. SY
Chairperson
Filipino, 66 years old

Teresita T. Sy was elected to the Board of Directors of BDO Unibank, Inc. (BDO) in 1997, and she currently serves as Chairperson of the Board. Concurrently, she serves as Chairperson and/or Director of the following subsidiaries and affiliates of BDO: BDO Private Bank, Inc., BDO Leasing & Finance, Inc., BDO Capital & Investment Corporation, BDO Foundation, Inc., BDO Life Assurance Holdings Corporation (formerly Generali Pilipinas Holding Company, Inc.), and BDO Life Assurance Company, Inc. (formerly Generali Pilipinas Life Assurance Company, Inc.). Ms. Sy also serves as Adviser to the Board of Directors of One Network Bank, Inc. (A Rural Bank).

Ms. Sy is the Vice Chairperson of SM Investments Corporation (PLC) and Adviser to the Board of SM Prime Holdings, Inc. (PLC). She also sits as Chairperson and/or Director of the following companies: Multi Realty Development Corporation, Belleshare Holdings, Inc. (formerly SM Commercial Properties, Inc.), SM Mart, Inc., SM Retail, Inc., and First Asia Realty Development Corp. A graduate of Assumption College, Ms. Sy brings to the board her diverse expertise in banking and finance, retail merchandising, and mall and real estate development.



NESTOR V. TAN

President and CEO
Filipino, 58 years old

Nestor V. Tan is the President and CEO of BDO Unibank. He was elected to the Board of Directors on June 27, 1998. Concurrently, he holds vice chairmanships and/or directorships in the following subsidiaries of BDO Unibank, Inc.: BDO Leasing and Finance, Inc. (PLC), BDO Capital & Investment Corporation, BDO Insurance Brokers, Inc., BDO Life Assurance Holdings Corp. (formerly Generali Pilipinas Holding Company), BDO Life Assurance Company, Inc. (formerly Generali Pilipinas Life Assurance Company, Inc.), BDO Private Bank, Inc., BDO Remit (USA), Inc., and SM Keppel Land, Inc. He also concurrently holds the Chairmanship of BDO Strategic Holdings Inc., One Network Bank, Inc. (A Rural Bank), BancNet, Philippine Dealings System Holdings Corp. and RBB Micro Finance Foundation. He is a Trustee of BDO Foundation, Inc., the De La Salle University Board of Advisors, and the Asian Institute of Management. At present, he is the Director of the Asian School of Business & Technology, and serves as President and Director of the Bankers Association of the Philippines.

Prior to joining BDO Unibank, Mr. Tan was Chief Operating Officer of the Financial Institutions Services Group of BZW, the investment banking subsidiary of the Barclays Group. His banking career spans nearly four decades and includes posts at global financial institutions, among them Mellon Bank (now BNY Mellon) in Pittsburgh, PA; Bankers Trust Company (now Deutsche Bank) in New York; and the Barclays Group in New York and London. He holds a bachelor's degree in Commerce from De La Salle University and an MBA from the Wharton School, University of Pennsylvania.



JESUS A. JACINTO, JR.

Vice Chairman
Filipino, 69 years old

Jesus A. Jacinto, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on May 25, 1996, and has since been Vice Chairman of the Board. He 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. Formerly, he was Director and Executive Vice President of CityTrust Banking Corporation; Director of CityTrust Investments Philippines and CityTrust Finance Corporation; 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 an MBA in International Business from Columbia University, New York City.



CHRISTOPHER A. BELL-KNIGHT

Director
Canadian, 72 years old

Christopher A. Bell-Knight was elected to the Board of Directors of BDO Unibank on July 27, 2013. Until his election as Director, he had been acting as Adviser to the Board of BDO Unibank for more than two 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 of the Philippines from March 2007 to March 2013, and currently serves as an Advisor to the Board. He was formerly a Director of Solidbank Corporation and Vice President and Country Head of The Bank of Nova Scotia. Mr. Bell-Knight has had over 40 years of banking experience in England, Canada, and Asia, 35 of which were spent in credit and marketing. He 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 in Somerset, England, and attended universities both in England and Canada.



ANTONIO C. PACIS

Director

Filipino, 76 years old

Antonio C. Pacis was elected to the Board of Directors of BDO Unibank on June 25, 2004. 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 planning. In the course of his practice, he has served in various capacities in companies upon the invitation of clients. He holds degrees from Ateneo de Manila University (AB), Ateneo School of Law (LLB), and Harvard Law School (LLM).

JOSEFINA N. TAN

Director

Filipino, 71 years old

Josefina N. Tan was elected to the Board of Directors of BDO Unibank on July 27, 2007. Concurrently, she serves as President and Director of BDO Private Bank, Inc. She is also Chairman of the Board of Miriam College and a Trustee of the Development Center for Finance and the Laura Vicuña Foundation. She was a Director of the Bank from 2001 to August 2005, and was a Director of Equitable PCI Bank, Inc. from September 2005 until its merger with BDO Unibank in May 2007. She was also Executive Vice President of the former Far East Bank & Trust Co.; Director and President of FEB Leasing & Finance Corporation; Executive Director and Trustee of FEB Foundation, Inc.; and Executive Vice President of FEB Investments, Inc. until 2000. Ms. Tan holds a Bachelor of Arts degree with a major in Communications Arts from Maryknoll College, and a Masters in Business Administration from Ateneo Graduate School of Business.

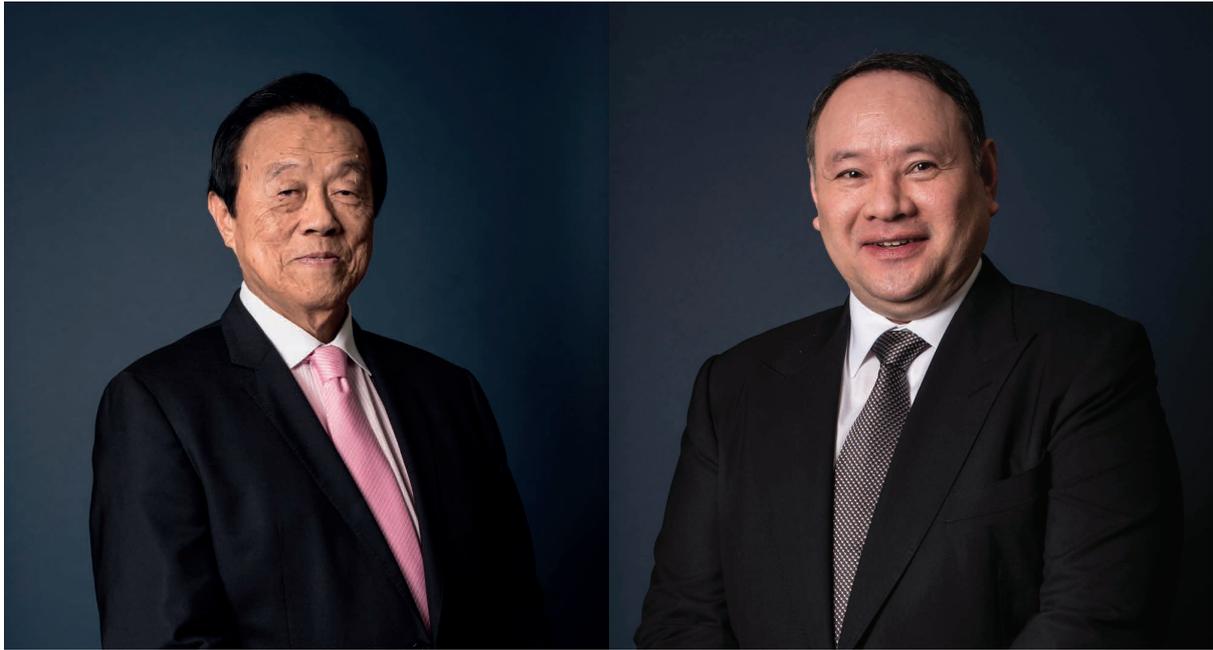


JONES M. CASTRO, JR.

Independent Director

Filipino and American, 68 years old

Jones M. Castro, Jr. was elected to the Board of Directors of BDO Unibank on April 20, 2012. Mr. Castro has 43 years of banking expertise, with 37 years of international banking experience. From 2009 to 2011, Mr. Castro was the Area Head for South and Southeast Asia of Wells Fargo Bank, San Francisco, and 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 a US\$1.8-billion loan portfolio. From 2005 to 2006, he was Executive Vice President and International Banking Group Head of the Union Bank of California, San Francisco. From 1990 to 1994, he was Senior Vice President – Controller of Bank of California, San Francisco, and from 1994 to 1997, he was its Senior Vice President of Strategic Planning in Office of the President. Mr. Castro is currently Executive Vice Chairman and Trustee of the PhilDev USA and PhilDev S & T, and is a Fellow at the Institute of Corporate Directors. Mr. Castro obtained his bachelor degree in Applied Mathematics in Economics and graduated cum laude from Harvard University. He received his master's degree in Business Administration, Accounting and Finance from Stanford University.



JIMMY T. TANG

Independent Director
Filipino, 81 years old

Jimmy T. Tang was elected to the Board of Directors of BDO Unibank on July 27, 2002. He served as a regular director of BDO from 1984 until his election as independent director. He is President and Chairman of the Board of the Avesco Group of Companies. He currently serves as Honorary President of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc. (FFCCCCII); Honorary Adviser of the Federation of Electrical and Electronics Suppliers and Manufacturers of the Philippines, Inc. (PESA); and Chairman Emeritus of PESA Foundation. He also served two terms as President of FFCCCCII. Mr. Tang was the ninth President of PESA and the first Chairman of the PESA Foundation, where he served for seven years. He holds a bachelor's degree in Electrical Engineering from the Mapua Institute of Technology and was awarded "Top Outstanding Mapuan for Entrepreneurship" in 1987.

GILBERTO C. TEODORO, JR.

Independent Director
Filipino, 52 years old

Gilberto C. Teodoro, Jr. was elected to the Board of Directors of BDO Unibank on April 25, 2014. He is the Chairman of Sagittarius Mines, Inc. and Indophil Resources Philippines, Inc. He was formerly Chairman of Suricon Resources Corporation and PNP Foundation, Inc. He is also a member of the Board of Directors of Philippine Geothermal Production Company, Inc. and Canlubang Sugar Estate. He served as Secretary of National Defense from 2007 to 2009 and was a member of the Philippine House of Representatives from 1998 to 2007. He is well-trained in litigation and was involved in a wide range of issues — constitutional, corporate, criminal, civil, and administrative — and in pro-bono work to assist various indigent litigants from 1990 to 1997. Mr. Teodoro holds a Bachelor of Science degree in Commerce, Major in Management of Financial Institutions, from De La Salle University; a Bachelor's in Law degree (LLB) from the University of the Philippines; and a Masters in Law degree (LLM) from Harvard Law School. He placed first in the Philippine Bar Examinations of 1989 and was admitted to the State Bar of New York.



JOSE F. BUENAVENTURA

Independent Director
Filipino, 82 years old

Jose F. Buenaventura was elected to the Board of Directors of BDO Unibank on April 19, 2013. Since 1976, he has been a Senior Partner at Romulo Mabanta Sayoc & de los Angeles Law Offices. He is President and Director of Consolidated Coconut Corporation, and Director and Corporate Secretary of 2B3C Foundation, Inc. and Peter Paul Philippines Corporation. He sits on the Boards of Directors of the following companies: BDO Securities Corporation (Independent Director), Capital Managers & Advisors, Inc., Cebu Air, Inc. (PLC), GROW, Inc., GROW Holdings, Inc., Hicap Properties Corporation, Himap Properties Corporation, La Concha Land Investment Corporation, Melco Crown (Philippines) Resorts Corporation (PLC), 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 Bachelor of Arts and Bachelor of Laws degrees from Ateneo de Manila University, and a Master of Laws from Georgetown University Law Center in Washington, D.C.

DIOSCORO I. RAMOS

Independent Director
Filipino, 58 years old

Dioscoro I. Ramos was elected to the Board of Directors of BDO Unibank on January 9, 2016. Since 2011, Mr. Ramos has been the Chief Investment Officer of RY&S Investments Ltd., Hong Kong. He was Head of Asia Financials Investment Research of Goldman Sachs Asia, LLC, Hong Kong from 1994 to 2011, and appointed Managing Director in 1998 and Partner in 2006. Prior to that, he was with Mellon Bank, N.A. with postings in Pittsburgh, Philadelphia, New York, and Hong Kong. Mr. Ramos is a Certified Public Accountant. He holds a Bachelor of Science degree in Business Administration and Accountancy, *cum laude*, from the University of the Philippines; and an MBA from the Wharton School, University of Pennsylvania.

**EDMUNDO L. TAN**

Corporate Secretary
Filipino, 71 years old

Edmundo L. Tan is the Corporate Secretary of BDO Unibank since July 27, 2007, and BDO Private Bank since February 2012. He was formerly a Director of BDO Leasing & Finance, Inc., where he serves as Adviser to the Board presently. Atty. Tan is a Director and the Corporate Secretary of APC Group, Inc. from 2000 up to the present. He served as Director and Corporate Secretary of Philippine Global Communications, Inc. from 2000 until his resignation as Corporate Secretary in 2010, and Aragorn Power and Energy Corporation from 2005 until his resignation as Corporate Secretary in 2012. He is currently Director of PRC MAGMA Resources, Inc. and Sagittarius Mines, Inc., and Trustee of the Philippine Dispute Resolution Center, Inc. (PDRCI) in 2011. Atty. Tan has been the Managing Partner of Tan Acut Lopez & Pison Law Offices since 1993. He was formerly a Senior Partner in Ponce Enrile Cayetano Reyes & Manalastas Law Offices; a Partner in Angara Abello Concepcion Regala & Cruz Law Offices; and an Associate in Cruz Villarin Ongkiko Academia & Durian Law Offices. Atty. Tan holds a Bachelor of Arts degree from De La Salle College, Bacolod and a Bachelor's Law degree from the University of the Philippines.

ADVISORY BOARD



CORAZON S. DE LA
PAZ-BERNARDO



CHEO CHAI HONG



VICENTE S. PEREZ, JR.



JOSE T. SIO



WASHINGTON Z. SYCIP



FINANCIAL STATEMENTS

STATEMENT 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 including the schedules attached therein, for the years ended December 31, 2016, 2015 and 2014, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Punongbayan & Araullo, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



TERESITA T. SY

Chairman of the Board



NESTOR V. TAN

President



PEDRO M. FLORESCIO III

Treasurer

Signed this 24th day of February 2017

STATEMENTS OF FINANCIAL POSITION

BDO UNIBANK, INC. AND SUBSIDIARIES

DECEMBER 31, 2016 AND 2015
(WITH CORRESPONDING FIGURES AS OF JANUARY 1, 2015)
(AMOUNTS IN MILLIONS OF PHILIPPINE PESOS)

	Notes	BDO Unibank Group		Parent Bank		
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015 (As Restated – see Note 2)	January 1, 2015 (As Restated – see Note 2)
RESOURCES						
CASH AND OTHER CASH ITEMS	7	P 40,909	P 42,729	P 39,813	P 41,767	P 41,237
DUE FROM BANGKO SENTRAL NG PILIPINAS	7	318,002	271,808	304,285	260,841	258,416
DUE FROM OTHER BANKS	8	41,794	24,837	33,463	20,944	43,165
TRADING AND INVESTMENT SECURITIES	9	269,042	225,759	207,886	196,500	195,449
LOANS AND OTHER RECEIVABLES – Net	10	1,573,924	1,382,752	1,511,981	1,323,311	1,182,184
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – Net	11	26,912	24,995	22,430	21,152	18,917
INVESTMENT PROPERTIES – Net	12	15,188	14,633	11,784	11,403	10,858
OTHER RESOURCES – Net	13	39,187	43,741	57,449	62,660	53,360
TOTAL RESOURCES		P 2,324,958	P 2,031,254	P 2,189,091	P 1,938,578	P 1,803,586
LIABILITIES AND EQUITY						
DEPOSIT LIABILITIES	15	P 1,905,204	P 1,663,853	P 1,833,013	P 1,603,047	P 1,464,089
BILLS PAYABLE	16	100,556	97,543	75,800	76,867	85,069
SUBORDINATED NOTES PAYABLE	17	10,030	10,030	10,030	10,030	10,030
INSURANCE CONTRACT LIABILITIES	18	20,548	–	–	–	–
OTHER LIABILITIES	19	71,085	60,215	55,320	49,371	65,358
Total Liabilities		2,107,423	1,831,641	1,974,163	1,739,315	1,624,546
EQUITY	20					
Attributable to:						
Shareholders of the Parent Bank		216,792	198,990	214,928	199,263	179,040
Non-controlling Interests		743	623	–	–	–
		217,535	199,613	214,928	199,263	179,040
TOTAL LIABILITIES AND EQUITY		P 2,324,958	P 2,031,254	P 2,189,091	P 1,938,578	P 1,803,586

See Notes to Financial Statements.

STATEMENTS OF INCOME

BDO UNIBANK, INC. AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(AMOUNTS IN MILLIONS OF PHILIPPINE PESOS EXCEPT PER SHARE DATA)

	Notes	BDO Unibank Group			Parent Bank		
		2016	2015	2014	2016	2015 (As Restated – see Note 2)	2014 (As Restated – see Note 2)
INTEREST INCOME	21	P 82,037	P 72,127	P 63,583	P 76,647	P 68,519	P 60,871
INTEREST EXPENSE	22	16,413	15,166	12,358	14,989	14,238	11,728
NET INTEREST INCOME		65,624	56,961	51,225	61,658	54,281	49,143
IMPAIRMENT LOSSES – Net	9, 13, 14	3,815	3,000	5,114	3,003	2,709	5,014
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		61,809	53,961	46,111	58,655	51,572	44,129
OTHER OPERATING INCOME	23	41,620	31,939	29,487	27,353	28,645	27,033
OTHER OPERATING EXPENSES	23	70,139	55,144	48,530	56,379	50,394	44,836
PROFIT BEFORE PRE- ACQUISITION INCOME		33,290	30,756	27,068	29,629	29,823	26,326
PRE-ACQUISITION INCOME	28	(391)	–	–	–	–	–
PROFIT BEFORE TAX		32,899	30,756	27,068	29,629	29,823	26,326
TAX EXPENSE	29	6,797	5,701	4,240	5,713	4,829	3,522
NET PROFIT		P 26,102	P 25,055	P 22,828	P 23,916	P 24,994	P 22,804
Attributable to:							
Shareholders of the Parent Bank		P 26,090	P 25,016	P 22,805			
Non-controlling Interests		12	39	23			
		P 26,102	P 25,055	P 22,828			
Earnings Per Share:	30						
Basic		P 7.06	P 6.84	P 6.27	P 6.47	P 6.83	P 6.27
Diluted		P 7.06	P 6.84	P 6.27	P 6.47	P 6.83	P 6.27

See Notes to Financial Statements.

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.
Antonio C. Pacis
Dioscoro I. Ramos
Josefina N. Tan
Nestor V. Tan
Jimmy T. Tang
Gilberto C. Teodoro, Jr.

Advisers
Cheo Chai Hong
Corazon S. de la Paz-Bernardo
Vicente S. Perez, Jr.
Jose T. Sio
Washington Z. SyCip

Corporate Secretary
Edmundo L. Tan

PRINCIPAL OFFICERS

President & CEO
Nestor V. Tan

*Senior Executive
Vice Presidents*
Antonio N. Cotoco
Walter C. Wassmer
Jaime C. Yu

Executive Vice Presidents
Ador A. Abrogena
Stella L. Cabalatangan
Anthony Q. Chua
Julie Y. Chua
Gerard Lee B. Co
Lucy C. Dy
Pedro M. Florescio III
Eduardo V. Francisco
Jeanette S. Javellana
Guia C. Lim
Ricardo V. Martin
Edwin Romualdo G. Reyes
Edmundo S. Soriano
Cecilia Luz L. Tan
Rolando C. Tanchanco
Dennis B. Velasquez
Evelyn L. Villanueva

Senior Vice Presidents
Noel L. Andrada
Maria Carina S. Antonio
Rafael G. Ayuste, Jr.
Melanie S. Belen
Gamalielh Ariel O. Benavides
Ma. Ophelia L. Camiña
Arthur Vincent D. Chung
Romeo R.M. Co, Jr.
Jonathan T. Cua
Ramon S. David

Ma. Lourdes T. De Vera
Montiel H. Delos Santos
Geronimo D. Diaz
Jonathan C. Diokno*
Noel D. Dizon
Gwyneth M. Entao
Ismael G. Estela, Jr.
Belinda C. Fernandez
Geneva T. Gloria
Alvin C. Go
Jonathan Cua Bian T. Go II
Marilyn K. Go
Sonia Maribel D. Go
Richard Emil R. Grau
Lazaro Jerome C. Guevarra
Enrico R. Hernandez
Eleanor M. Hilado
Antonio N. Jacinto
Roberto E. Lapid
Gabriel U. Lim
Donald Benjamin G. Limcaco
Manuel Z. Locsin, Jr.
Roy Allan V. Magturo
Manuel Patricio C. Malabanan
Ma. Corazon A. Mallillin
Angelita C. Manulat
Dalmacio D. Martin
Jose Noel M. Mendoza
Tomas Victor A. Mendoza
Aurea Imelda S. Montejo
Jaime M. Nasol
Annie H. Ngo
Cristina G. Ngo
Frederico Rafael D. Ocampo
Estrellita V. Ong
Martin B. Ordoñez

Maria Rhoda B. Orsolino
 Jose Alfredo G. Pascual
 Antonio O. Peña
 Rogel A. Raya
 Maria Nannette R. Regala
 Luis S. Reyes, Jr.
 Susan Audrey P. Rivera
 Evelyn C. Salagubang
 Shirley M. Sangalang
 Gregorio C. Severino
 Ma. Theresa S. Simbul
 Noel B. Sugay
 Robert W. Sy
 Edwin R. Tajanlangit
 Arthur L. Tan
 Lorna A. Tan*
 Maria Theresa L. Tan
 Federico P. Tancongo
 Reynaldo A. Tanjangco, Jr.
 Joseph Gerard D. Tiamson
 Dante R. Tinga, Jr.
 Ma. Mercedes P. Tioseco
 Rebecca S. Torres
 Myla R. Untalan
 Rosola A. Vivas
 Edward G. Wenceslao

First Vice Presidents

Donabel R. Aala
 Jeffrey R. Abacan
 Jocelyn D. Agas
 Sandra C. Agdamag
 Gerard M. Aguirre*
 Dulce Amor E. Alimbuyuguen
 Milagros R. Alindogan
 Jose Virgilio O. Alvarez

Stanley A. Ang
 Leticia L. Ang Ley
 Felina M. Arellano
 Susan Marie J. Atienza
 Onofre D. Avellanosa
 Maria Cecilia M. Avila
 Ferdinand C. Bacungan
 Janet B. Bagnes
 Jose Luis F. Bautista
 Pedro C. Bautista, Jr.
 Wilma N. Berioso
 Manuel Patricio J. Bondad
 Maria Eleanor B. Briones
 Rolino C. Bucao, Jr.
 Michael R. Cahigas
 Jose Rene C. Carlos
 Amelia Caridad C. Castelo
 Aurora M. Castro
 Regina G. Caynap
 Susie S. Cham
 Edmund S. Chan
 Arlene Y. Chong
 Ruby A. Chua
 Salva Fe S. Cirilos
 Luisa J. Co
 Ma. Cristina Barbara
 V. Concepcion
 Rosario C. Crisostomo
 Edna Christine P. Cruz
 Lolita L. Damasco
 Cesario C. Dayego
 Iris Suzanne F. De Guzman
 Ma. Cecilia B. De Paz
 Priscilla R. De Villa
 Lamberto B. Del Fonso, Jr.
 Ma. Victoria F. Dela Cruz

Ma. Dina B. Desembrana
 Rolando L. Dillague
 Pollyanna B. Diokno
 Maria Fe H. Dy
 Rolando A. Embrador
 Armina C. Empeño
 Maria Carla U. Ermita
 Elizabeth G. Estrada
 Marirose A. Fernando
 Bernard M. Florencio
 Cheryll B. Gaviño
 Marcelita I. Geollegue
 Sarah Kathryn T. Geronimo
 Judy L. Go
 Katherine L. Go
 Yolanda M. Go
 Renato S. Gongora
 Myrianne Joan D. Gonzales
 Lily C. Huang
 Lilian T. Khu
 Ernesto L. Ladrado IV
 Ma. Cecilia G. Lantin
 Ma. Remedios B. Lapuz
 Benjamin A. Larin, Jr.
 Grace G. Lastimosa
 Geraldine C. Liggayu
 John Emmanuel M. Lizares
 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
 Maria Dolores P. Magsalin

Ronald M. Manalastas
Jesus A. Mañego, Jr.
Edgardo R. Marcelo, Jr.
Rosano B. Marpuri
Thelma D. Mazo
Ma. Clotilde G. Medalla
Abigail P. Melicor
Proceso Z. Mendoza, Jr.
Anthony R. Milan
Edelwina Victoria E. Millan
Merceditas P. Montesclaros
Maria Anna Clarissa D. Mortel
Francis Jay F. Nacino
Ma. Concepcion Q. Narciso
Sarah Jessica M. Navarro
Felicitas C. Nonato
Larry G. Ong
Sophia O. Ong
Ma Bella C. Paguiligan*
Arnaldo Emerito E. Palad
Grace C. Palomar
Aurora Zita G. Panopio
Eva M. Paz
Yolanda A. Pilapil
Rita Y. Poa
Cyrus M. Polloso
Maria Teresa (Marisa)
M. Quiogue
Eduardo C. Ramos
Gilbert P. Ramos
Jonathan L. Ravelas
Maritess D. Rivera
Antonio D. Rona
Lily T. Roxas

Luisito S. Salazar
Bennett Clarence D. Santiago*
Cerwina Elenore A. Santos
Ma. Cecilia S. Santos
Joel Jovencio E. Sarreal
Teresita C. Siy
Mary Lou D. Son Keng Po
Ma. Theresa M. Soriano
Jose Antonio Rogelio P. Sta. Ana
Virginia N. Sy
Angelita C. Tad-Y
Antonio U. Tan
Divina N. Tan
Judy C. Tan
Marites L. Tan
Richard R. Tan
Edna R. Tarroza
Alice O. Teh
Aniana A. Timbre
Ma Rosita J. Tinio
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Bernhard Aloysius G. Tsai
Agnes C. Tuason
Wendeline Therese
M. Tumolva
Arlene Marie H. Uson
Maria Dolores C. Uyliapco
Agerico Melecio S. Verzola
Sharon Mae S. Vicente
Noemi T. Villanueva
Dandy T. Yap
Joy T. Yap
Margaret L. Yu
Beatriz Y. Zalazar

Vice Presidents
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Ma. Cecilia T. Abola
Kara Q. Abrogar
Irma I. Acayan
Fitzgerald L. Aclan
Edna C. Agajan
Peter Blair S. Agustin
Nadine Anne R. Alapan
Melissa A. Alcantara
Edgardo L. Alcaraz
Carlos S. Alindogan
Susan G. Almendral
Nena G. Alonzo
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Jocelyn A. Ang
Apolinario E. Aquino
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Lydia S. Arrieta
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Jeanette Jean L. Avendaño
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Olivia A. Barcarse
Edgar C. Basconcillo
Lilli Ann D. Bautista
Ma. Judith V. Bautista
Marites A. Bautista
Rodora V. Bautista
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Barbara May M. Billano
Ismael C. Billena, Jr.

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 Mary Jean T. Borbe
 Ernesto F. Borlado, Jr.
 Lelisa R. Bouazzi
 Adelo C. Brabante
 Marc Dominique M. Brion
 Ma. Eloisa S. Britanico
 Conrado T. Buenaventura VI
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 Ma. Imelda S. Buzon
 Benilda G. Cabardo
 Barbara P. Cabo
 Mary Grace R. Caguioa
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 Edwin L. Chua
 Keith H. Chua
 Kimberly K. Chua
 Terence C. Chua
 Vanessa Joan C. Chua
 Johanna N. Chung

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 Sonia C. Co
 Maria Cristina P. Cordero
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 Magdalena D. Cruz
 Prescilla J. Cruz
 Ruby A. Cruz
 Jerry S. Cureg
 Loretto C. De Austria
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 Ma. Rita K. De La Vega
 Ronald Allan E. De Leon
 Celine Therese
 Y. de los Santos
 Vicente A. De Ocampo III
 Mary Ann G. Dela Cruz
 Liezel Y. Dino
 Jorge E. Dioneda
 Albert Dizon
 Ellie Cecilia R. Dizon
 Ma. Eliza Cristina G. Dolina
 Cezar G. Domingo
 Angela Veronica M. Dulalia
 Leila D. Dumlao
 Candy U. Dy
 Charlotte U. Dy
 Francis Javier P. Ejercito
 Rolando C. Eriga
 Joel M. Escala
 Maria Socorro Y. Escario
 Florencia Ma. Carina
 P. Esguerra
 Rosemarie M. Espinosa
 Marilou M. Espiritu

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 Concepcion Y. Fabros
 Florencio Aquillo V. Florendo
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 Zenaida A. Gambol
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 Angeline Grace T. Go
 Rommel S. Gomez
 Grace M. Granatin
 Maria Carmela M. Guerrero
 Charles Bryan S. Ho
 Marietta M. Jamilla
 Zerlita Esperanza Z. Jandoc
 Mariann Camille M. Javellana
 Jasper M. Jimenez
 Anabelle F. Kabigting
 Ma. Karla F. Kallos
 Rosalisa B. Kapuno
 Koichi Kayumi
 Emma M. Lacsamana
 Cirila S. Lao
 Michele Y. Lao
 Rafael Martin C. Lara
 Rainelda R. Lastimosa
 Rhoda D. Lazaro
 Avelino F. Lazona, Jr.
 Edith T. Lee
 Helen W. Lee*
 Michelette S. Legaspi
 Felicitas S. Leonor
 Ma. Jeanette H. Leonor
 Lilian Leslie T. Lim
 Roderick L. Lim
 Alberto V. Lizares
 Margarita Y. Locsin

Ma. Mona Lisa R. Lopez*	Ma. Alma Ruth M. Paraiso	Elaine G. See
Lawrence Lou	Rommel L. Parong	Maria Lourdes M. Sevilla
Maripaz A. Luague	Jocelyn T. Paz	Khristine M. Siayngco
Sheryll O. Luy	Juvencio L. Pereche, Jr.*	Yvette Rhodora A. Siongco
Jerry S. Macalinao	Maria Corazon P. Pinlac	Marirose G. Sioson
Prima R. Madrelejos	Maria Natividad A. Pobre	Jennifer F. So
Peter Louie D. Magdame	Jose Eduardo A. Quimpo II	Philip L. So
Vivian D. Malonjao	Edlyn L. Quiroz	Ma. Corazon H. Socorro
Jesus Carlo M. Manalo	Amaneci Grace V. Ramos	Changsoo Sohn
Romeo Rafael O. Mangubat	Charisse B. Recto	Geraldine I. Suarez
Maria Lourdes S. Maraingan	Paul Richard P. Regondola	Maria Cristina A. Suarez
Elena D. Mariano	Raoul L. Reniedo	Evelyn K. Sy
Jose Alexis B. Marquez	Katherine U. Resari	Richard S. Sy
Lizza R. Marquez	Concepcion G. Reyes	Dean Arvin D. Tabanao
Michael Geronimo G. Martin	Leo Nathaniel M. Reyes	Maria Ryanna B. Talan
Martin Paolo L. Marty	Ma. Ana Elena R. Reyes	Jaime A. Talingdan
Ariel T. Melo	Myra A. Reyes	Carmelita Teresa D. Tan
Maria Paz L. Mendoza	Pamela Ann S. Reyes	Catherine C. Tan
Juan Nemesio V. Miraflor III	Ray R. Reyes	Grace C. Tan
Jose Marlo Jude A. Moises	Ma. Elena I. Rigor	Dennis M. Tangonan
Dalisay S. Molas	Albert Henry G. Rios	Amy T. Te
Liza M. Montajes	Anthony B. Rivera	Steven C. Te
Rolin P. Morcillo	Joseph Rey M. Rivera	Diosdado R. Teh
Mary Ann C. Muñoz	Edna T. Rogando	Benjamin V. Teodoro
Mercedita J. Nablo	Maria Martha B. Roxas	Joel Eric R. Tesoro
Lucila R. Nabong	Juancho M. Sabban	Ken Arthur J. Tiambeng
Christina T. Nakanishi	Cynthia Sadang	Esmeraldo S. Tiburcio
Raul N. Natividad	Rolando S. San Diego	Marilyn G. Tin
Maria Aleli P. Nievera	Leopoldo T. San Juan	Eric Noel D. Tiongquico
Cynthia T. Nopia	Maria Carolina T. Santana	Margarita M. Tobias
Glenn Birch G. Ong	Bernard Q. Santos	Robert John R. Tolentino
Herman L. Ong	Erlinda C. Santos	Marcelino S. Tolosa, Jr.
Rosalina G. Ong	Gerard R. Santos	Marissa F. Tomas
Raymund V. Pamittan	Jennifer B. Santos	Melissa F. Tong
Carla Sherrylyn C. Papa	Marie Anne C. Santos	Reynald Ryan S. Tongson
Maria Rozelle A. Papsin	Roberto P. Sarile	Evelyn F. Torres

Jose Anton A. Torres
 Cosme S. Trinidad, Jr.
 Zenaida A. Triunfante
 Jeffrey S. Uy
 Rosemarie F. Valdez
 Allan A. Vallido
 Blandina Uyyhilda B. Vicente
 Anson L. Villaluz
 Mary Lou B. Villarba
 Ma. Rebecca S. Villegas
 Raul B. Vivas
 Jaime Claro L. Weber
 Eleanor D. Wee
 Marietta L. Wee
 Richard O. Wenceslao
 Carolyn Ann Y. Yao
 Joel T. Yee
 Margaret C. Young
 Anthony Giovanni C. Yu
 Avery U. Yu
 Shakira C. Yu
 William P. Zulueta

**BDO LIFE ASSURANCE
 COMPANY, INC.**

President
 Renato A. Vergel De Dios

Executive Vice Presidents
 Peter C. Darvin
 Mercy S. Maloles
 Robert J. Morris

Senior Vice Presidents
 Adelita J. Angeles
 Elizabeth E. Guevara
 Jose Maria F. Ignacio

Vice Presidents
 Shirley S. Lim
 Ma. Lourdes M. Samson

**ONE NETWORK BANK,
 INC. (A RURAL BANK)**

Officer-in-Charge
 Ramon T. Militar

Senior Vice President
 Romulo C. Guerrero

First Vice Presidents
 Nelson L. Billena
 Alberto O. Quiogue

Vice President
 Maria Agnes R. Aragon

*No longer with the Bank as of March 31, 2017

PRODUCTS AND SERVICES

PERSONAL BANKING

BRANCH BANKING

Peso Deposits

 Peso Checking Account

 Peso Savings Account

 Peso Time Deposit

Foreign Currency

 US\$ Savings Account

 US\$ Time Deposit

 Third Currency Savings Account

 Third Currency Time Deposit

Other Services

 Telegraphic Transfer

 Safe Deposit Box

 Night Depository

CONSUMER LOANS

Auto Loan

Home Loan

SME Loan

Personal Loan

Credit Cards

Merchant Payment Services

BUSINESS BANKING

BDO LEASING AND FINANCE

Finance Lease

Operating Lease

Factoring of Receivables

Amortized Commercial Loan

Installment Paper Purchase

Floor Stock Financing

CORPORATE LOANS AND SERVICES

Revolving Credit Line

Term Loan

Discounting Facility

Trade Finance

Documentary Collection

Project Finance

TRADE SERVICES

Import and Domestic Letter of Credit

Standby Letter of Credit

Trust Receipts

Export Financing

BDO CAPITAL & INVESTMENT CORPORATION

Equity and Quasi-Equity Financing

Fixed Income Financing

Financial Advisory Services

Stock Brokerage

WEALTH MANAGEMENT

TRUST AND INVESTMENTS

Unit Investment Trust Funds
Customized Portfolio Management
Corporate Trusts and Agencies
Securities Services and Custodianship
Investment Management Advisory Services
Easy Investment Plan
Easy Redemption Plan
Online Investment Facility

BDO PRIVATE BANK

Wealth Advisory
Investment Advisory and Portfolio Management
Estate and Succession Planning
Trust Agency and Specialized Trust Services

INSURANCE

BDO INSURANCE BROKERS, INC.

Property Insurance
Motor Insurance
Engineering Insurance
Marine Hull Insurance
Aviation Insurance
Marine Cargo Insurance
Liability Insurance
Bonds
Specialty Insurance
Employee Benefits
Risk Assessment/Management

BDO LIFE ASSURANCE COMPANY, INC.

Individual Life Insurance
Protection
Education
Savings and Retirement
Group Life Insurance
Employee Benefits
Credit Life

PROPERTY MANAGEMENT

Property Leasing
Property Sales

TRANSACTION BANKING SERVICES

Cash Management Services
Electronic Banking
Remittances

TREASURY DEALERSHIP AND BROKERING SERVICES

Fixed Income Brokering Services
Foreign Exchange
Derivatives

BDO GROUP OF COMPANIES

PHILIPPINE SUBSIDIARIES AND AFFILIATES

Armstrong Securities, Inc.

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 840-7000, 878-4043

Averon Holdings Corporation

6780 Ayala Avenue
San Lorenzo Village
Makati City
+63 (2) 625-0726

BDO Capital & Investment Corporation

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 840-7000, 878-4155, 878-4125

BDO Insurance Brokers, Inc.

BDO Corporate Center Ortigas
12 ADB Avenue
Mandaluyong City 1554
+63 (2) 846-7008, 702-6000

BDO Leasing and Finance, Inc.

39/F BDO Corporate Center Ortigas
12 ADB Avenue
Ortigas Center
Mandaluyong City 1554
+63 (2) 688-1288

BDO Life Assurance Company, Inc.

(formerly Generali Pilipinas Life Assurance
Company, Inc.)
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 885-4100

BDO Life Assurance Holdings Corp.

(formerly Generali Pilipinas Holdings
Company, Inc.)
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 885-4100

BDO Nomura Securities, Inc.

(formerly PCIB Securities, Inc.)
BDO Equitable Tower
8751 Paseo De Roxas
Makati City 1226
+63 (2) 702-7878

BDO Private Bank, Inc.

BDO Equitable Tower
8751 Paseo De Roxas
Makati City 1226
+63 (2) 848-6300, 840-7000

BDO Rental, Inc.

BDO Corporate Center Ortigas
12 ADB Avenue
Mandaluyong City 1554
+63 (2) 688-1288, 840-7000

BDO Securities Corporation

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 840-7000
(locals 6386, 2104, 6392), 878-4070

BDO Strategic Holdings Inc.

(formerly EBC Investments, Inc. or EBCII)
BDO Building
Paseo De Roxas corner
Sen. Gil Puyat Avenue
Makati City
+63 (2) 840-7000

Equimark-NFC Development Corp.

Room 603, EBC Building
262 Juan Luna Street
Binondo, Manila
+63 (2) 840-7000

MMPC Auto Financial Services Corporation

38/F Robinsons Equitable Tower
ADB Avenue corner
Poveda Street
Ortigas Center
Pasig City
+63 (2) 588-1253

Manila North Tollways Corp.

NLEX Compound
Balintawak
Caloocan City
+63 (2) 479-3000

NorthPine Land, Inc

Units 1505-1508
15/F The Taipan Place
F. Ortigas Jr. Road
Ortigas Center
Pasig City
+63 (2) 637-1531

One Network Bank, Inc.**(A Rural Bank)**

ONB Center, Km. 9
Sasa, Davao City
+63 (82) 233-7727

PCI Insurance Brokers, Inc.

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 840-7000

SM Keppel Land, Inc.

12 ADB Avenue
Ortigas Center
Mandaluyong City 1554
(temporarily at Units 2203-2204
Raffles Corporate Center
F. Ortigas Road, Ortigas Center Pasig City)
+63 (2) 570-9832

Taal Land, Inc.

12/F PSBank Center
777 Paseo De Roxas
Makati City
+63 (2) 898-8890

FOREIGN SUBSIDIARY/ AFFILIATE

BDORO EUROPE LTD.

5/F 6 St. Andrew Street
London, EC4A 3AE
United Kingdom
+44 (020) 7495-2434

REMITTANCE SUBSIDIARIES/ AFFILIATES

ASIA

BDO REMIT LIMITED

Shops 231-234 and 237
Worldwide House
19 Des Voeux Road
Central, Hong Kong
+852 253-77148, 2525-5629, 2234-9588
Philippines: +63 (2) 840-7000 local 31030

Shop 159, G/F Lik Sang Plaza
269 Castle Peak Road
Tsuen Wan, New Territories,
Hong Kong
+852 2412-0399

EXPRESS PADALA HK LTD.

Shops 231-234 and 237

Worldwide House
19 Des Voeux Road
Central, Hong Kong
+852 253-77148, 2525-5629, 2234-9588
Philippines: +63 (2) 840-7000 local 31030

Shop 159, G/F Lik Sang Plaza
269 Castle Peak Road
Tsuen Wan, New Territories,
Hong Kong
+852 2412-0399

BDO REMIT (MACAU) LTD.

Avenida de D. Joao IV
No. 2 6B Edificio China Plaza
R/C (U) Macau, SAR
+853 2837-4385, 2837-3324
Philippines: +63 (2) 840-7000 local 31031

Avenida de D. Joao IV
No. 2 6A Edificio China Plaza
R/C (V) Macau, SAR
+853 2871-4039

432 Avenida Dr. Sun Yat
Sen Edificio Wa Fong Kok,
Unit E R/C Taipa, Macau, SAR
+853 2885-5389
Philippines: +63 (2) 840-7000
local 31032

BDO REMIT (JAPAN) LTD.

Zenken Plaza II, 1F & 2F 3-13
Nishi-Shinjuku 1-chome
Shinjuku-ku, Tokyo
Japan 160-0023
+81 (3) 5909-0601, 5909-0602
Philippines: +63 (2) 840-7000
local 33391 and 33392

EUROPE**C.B.N. IRELAND REMITTANCE CENTRE
DESIGNATED ACTIVITY COMPANY**

1/F 16 Suffolk Street
Dublin 2, Ireland
+353 (1) 672-9216

**BDO REMIT (UK) LTD.
(Formerly CBN London Ltd.)**

London
G/F 50 Margaret Street
London W1W 8SF United Kingdom
+44 (20) 7462-3000

Belfast

3/F Middleton Bldg.
10 High Street
Belfast BT1 2BA Northern Ireland
+44 (28) 9043-6580

Milan

Corso Vittorio Emanuele II 22/1
20122 Milano, Italy
+39 (02) 3944-0029

Rome-Ottaviano

Via Germanico 50
Rome, Italy 00192
+39 (06) 9357-0123

Rome-Termini

Via Dei Mille 30
Rome, Italy 00185
+39 (06) 4470-2878

Firenze

Via Della Spada 36 R
50123 Firenze, Italy
+39 (055) 2399-622

Paris

76/78 Avenue des Champs-Elysees
Paris, France 75008
+33 (1) 5659-7650

Hamburg

Gerhofstrasse 40,
20354 Hamburg Germany
+49 (40) 55444-7300

CBN REMITTANCE CENTER S.A.

Barcelona
Calle Pelayo 56 4-1 08001
Barcelona, Spain
+34 (93) 412-3653

Madrid

Sor Angela de la Cruz,
36 Planta Baja,
Madrid, Spain 28020
+34 (91) 567-1533

USA**BDO REMIT (USA), INC.**

Daly City
350 Gellert Boulevard
Daly City, California 94015 USA
+1 (650) 994-1625,
+1 (800) 472-3252
Philippines: +63 (2) 840-7000 local 31033

Los Angeles

215 South Vermont Avenue
Los Angeles, California 90004 USA
+1 (213) 386-5069

CANADA

BDO REMIT (CANADA) LTD.

(Not yet operational)
2004 Yonge Street
Toronto, Ontario M4S 1Z7
Canada

REPRESENTATIVE OFFICES

ASIA

BDO UNIBANK, INC. SINGAPORE REPRESENTATIVE OFFICE

One Raffles Place
27-63 Office Tower 2
Singapore 048616
+65 6493-6236
Philippines: +63 (2) 840-7000 local 31021

BDO UNIBANK, INC. TAIPEI REPRESENTATIVE OFFICE

Unit D, 3/F No. 132
Cathay Cosmos Building
Sec 03, Minsheng East Road
Songhan District
Taipei, Taiwan
+886 (2) 2545-6887
Philippines: +63 (2) 840-7000 local 31020

BDO UNIBANK, INC. SEOUL REPRESENTATIVE OFFICE

23/F Seoul Finance Center
136 Sejongdaero, Jung-Gu
Seoul, South Korea 04520
+82 (2) 3783-0801, 3783-0800
Philippines: +63 (2) 840-7000 local 31900

BDO UNIBANK, INC. BEIJING REPRESENTATIVE OFFICE

Units 09-10, Level 24
China World Office 1
1 Jianguomenwai Avenue
Beijing, China 100004
+86 (10) 6505-7083,
6505-2713, 6505-3793

EUROPE

BDO UNIBANK, INC. PARIS REPRESENTATIVE OFFICE

76/78 Avenue des Champs-Elysees
Paris, France 75008
+33 (1) 5375-1142,
5659-7650

MIDDLE EAST

BDO UNIBANK, INC. DIFC REPRESENTATIVE OFFICE

Unit 1303-B Level 13,
North Tower
Emirates Financial Towers
DIFC, PO Box 644347
Dubai
+971 (4) 279-0733

CORPORATE INFORMATION

COMPANY HEADQUARTERS

BDO Unibank, Inc.

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines
+63 (2) 840-7000
Company website: www.bdo.com.ph

STOCKHOLDER INQUIRIES

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

Inquiries regarding shareholder records, dividend payments, stock certificates, and other pertinent matters should be addressed to the company's transfer agent:

Stock Transfer Service, Inc.

34/F Unit D Rufino Pacific Tower
6784 Ayala Avenue
Makati City 1200
Philippines
Telephone: +63 (2) 403-2410 to 12
Facsimile: +63 (2) 403-2414

The Bank will provide, without charge, a copy of the 2016 Annual Report Financial Statements to its stockholders upon receipt of a written request addressed to the Corporate Secretary.

BDO Corporate Secretary

14/F 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.

BDO Investor Relations & Corporate Planning

4/F South Tower
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines
Telephone: +63 (2) 840-7000
 locals 6069, 4809, 3581
Email: irandcorplan@bdo.com.ph

BRANCHES AND ATMS

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

