



July 31, 2017

**THE PHILIPPINE STOCK EXCHANGE**

Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **MR. JOSE VALERIANO B. ZUÑO III**  
*OIC - Head, Disclosure Department*

**MS. DIANNE EILEEN A. CENIDOZA**  
*Analyst, Disclosure Department*

**PHILIPPINE DEALING & EXCHANGE CORP.**

37/F, Tower 1, The Enterprise Center  
6766 Ayala Ave., cor. Paseo de Roxas, Makati City

Attention: **MS. VINA VANESSA S. SALONGA**  
*Head, Issuer Compliance and Disclosure Department (ICDD)*

Ladies and Gentleman:

Please be informed that the Board of Directors of BDO Unibank, Inc. (BDO), at its regular meeting held on July 29, 2017, approved the Financial Statements of the Bank for the 2<sup>nd</sup> Quarter of 2017.

Further, we wish to advise that BDO will be releasing to the press the attached statement.

Thank you.

Very truly yours,

**EDMUNDO L. TAN**  
Corporate Secretary

Att.: a/s

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**31 July 2017**

**BDO earns ₱13.3 Bn in 1H 2017**  
***Core earnings up 16%***

BDO Unibank, Inc. (BDO) posted ₱13.3 billion in net income in the first six months of 2017, primarily driven by an expansion in loan portfolio, growth in low-cost deposits and higher recurring fee-based service income. Excluding the extraordinary items from the consolidation of newly acquired subsidiary BDO Life last year, this represents a strong 16% growth in core earnings.

The Bank's core businesses delivered solid numbers, with customer loans increasing by 17% to ₱ 1.6 trillion while total deposits rose to almost ₱2.0 trillion, supported by the 17% jump in low-cost CASA deposits, now comprising 73% of total deposits. As a result, net interest income went up by 22% to ₱38.6 billion.

Meanwhile, non-interest income amounted to ₱23.2 billion driven by fee-based service income. On a comparable basis, fee-based income rose by 13%. Insurance premiums advanced by 17% to ₱4.6 billion, while Trading and forex gains declined 21% to ₱2.6 billion from ₱3.2 billion a year-ago.

Operating expenses increased by 20% on the Bank's aggressive drive to grow its core business along with investments in new markets. Excluding extraordinary items and the consolidation effects of ONB and BDO Life, operating expenses would have risen by only 14%.

The Bank prudently set aside provisions of ₱2.9 billion even as asset quality remained benign with gross non-performing loan (NPL) ratio steady at 1.3%, and NPL cover at 137%.

Following a successful ₱60 billion (USD1.2 billion) stock rights offer in January 2017 and retained earnings from profitable operations, the Bank's capital base expanded to ₱289 billion, with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 Ratio at 15.7% and 14.0%, respectively.

Looking ahead, BDO will continue to leverage on its robust business franchise and build on its key initiatives to capture new growth opportunities and solidify its market leadership.

## **About BDO**

BDO is a full-service universal bank which provides a wide range of corporate and retail banking services. These services include traditional loan and deposit products, as well as treasury, trust banking, investment banking, private banking, rural banking, cash management, leasing and finance, remittance, insurance, retail cash cards and credit card services.

BDO has one of the largest distribution networks, with more than 1,100 operating branches and over 3,700 ATMs nationwide. It also has a full-service branch in Hong Kong as well as 26 overseas remittance and representative offices in Asia, Europe, North America and the Middle East.

BDO ranked as the largest bank in terms of total assets, loans, deposits and trust funds under management based on published statements of condition as of March 31, 2017. For more information, please visit [www.bdo.com.ph](http://www.bdo.com.ph).