



April 20, 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

Ladies and Gentlemen:

Please be informed that the Board of Directors of BDO Unibank, Inc. (the "Bank"), at its regular meeting today, April 20, 2017, approved the financial statements for the first quarter of 2017.

The Bank will be releasing to the press the attached statement.

Thank you.

Very truly yours,

MA. CECILIA S. SANTOS
First Vice President & Alternate
Corporate Information Officer

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BDO posts record ₱26.1 Bn income in 2016 *1Q17 Net Earnings up 6% to ₱5.8 Bn*

At the annual stockholders meeting today, BDO Unibank, Inc. (BDO) President Mr. Nestor V. Tan reported the Bank's full year 2016 results with net income at ₱26.1 billion, matching the Bank's earnings guidance for the year and setting a record net income for the Bank.

Mr. Tan attributed the Bank's performance on strong results across its core businesses as well as efforts at building recurring and diversified income streams. These were supplemented by the Bank's continued branch expansion in key provincial areas and initiatives to tap new markets and underserved sectors. In 2016, the Bank officially launched its online stock trading services (BDO Nomura Securities), strengthened its life insurance business (BDO Life), and expanded its rural banking platform (One Network Bank or ONB).

For the first quarter of 2017, the Bank delivered a net income of ₱5.8 billion, up six (6) per cent year-on-year. Net interest income remained the major earnings driver, rising by 19% to ₱18.4 billion. Customer loans accelerated by 21 per cent to ₱1.5 trillion, with all market segments turning in robust expansion rates. Meanwhile, total deposits grew by 13 per cent to ₱1.9 trillion backed by the 17 per cent jump in low-cost CASA deposits.

Other income likewise contributed significantly to the bottom line, led by fee-based service income from payments and settlements, credit card acquiring fees and wealth management services, which increased by 42 per cent to ₱6.8 billion and insurance premiums further adding ₱2.2 billion. Meanwhile, trading and foreign exchange gains dropped by four (4) per cent to ₱1.4 billion.

The Bank continued to set aside provisions amounting to ₱1.4 billion for the quarter even as asset quality remained healthy with NPL ratio unchanged at 1.3 per cent and NPL cover at 138 per cent.

Meanwhile, the successful completion in January this year of the Bank's rights offer which generated a total of ₱60 billion (USD1.2 billion) in fresh capital bolstered the Bank's capital base to ₱282 billion, as well as enhanced its Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) to 15.6 per cent and 14.0 per cent, respectively.

With a strengthened capital base, robust business franchise and extensive distribution network, BDO is well-positioned to benefit from the country's growth momentum.

The Bank earlier this year declared and paid ₱0.30 per share cash dividend on common shares for the first quarter of 2017. The Bank likewise disclosed its earnings guidance of ₱28.0 billion for the full-year 2017.

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 3,600 ATMs nationwide. It also has a full-service branch in Hong Kong as well as 25 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 December 31, 2016. For more information, please visit www.bdo.com.ph.