



July 13, 2017

PHILIPPINE STOCK EXCHANGE, INC.  
Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City 1226

Attention: Mr. Jose Valeriano B. Zuño III  
Head, Disclosure Department

Re: Final Quarterly Progress Report –  
Use of Proceeds from Stock Rights Offering

Ladies and Gentlemen:

We refer to BDO Unibank, Inc.'s stock rights offering (SRO) of 716,402,886 common shares listed at the Exchange on January 31, 2017, and report the disbursements and application of the SRO proceeds:

1. Breakdown of Proceeds (in millions)

Gross Proceeds	₱ 59,998.74
Total Offer Expenses	(240.80)
Net Proceeds	₱ 59,757.94

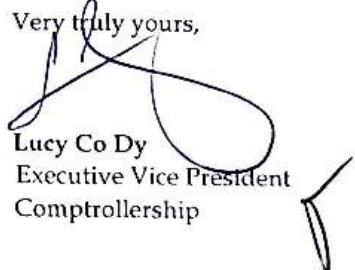
2. Application of the SRO proceeds as of June 30, 2017 (in millions)

Net Proceeds	₱ 59,757.94
Application of Proceeds	
Gross Customer Loans	59,757.94
Total	₱ 59,757.94

The net proceeds were fully utilized as of June 30 per above. This will therefore serve as our final Progress Report concerning our Stock Rights Offering.

Thank you.

Very truly yours,

  
Lucy Co Dy  
Executive Vice President  
Comptrollership

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## Report on Factual Findings

**To the Board of Directors and Stockholders**  
**BDO Unibank, Inc.**  
BDO Corporate Center  
7899 Makati Avenue, Makati City

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Final Quarterly Progress Report as of June 30, 2017 on the application of proceeds from the Stock Rights Offering (SRO) of BDO Unibank, Inc. (the Bank) listed at the Philippine Securities Exchange, Inc. (PSE) on January 31, 2017. The procedures were performed solely to comply with the PSE requirement to submit an external auditor's certification on the accuracy of the information being represented by the Bank relating to the application of proceeds whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown of proceeds and application of proceeds from the SRO as of June 30, 2017 based on the information we obtained from the Bank (amounts in millions of Philippine pesos).

### Breakdown of Proceeds

Gross proceeds	P	59,998.74
Total offer expenses	(	<u>240.80)</u>
Net proceeds	P	<u>59,757.94</u>

### Application of Proceeds from the Offering

#### Application of proceeds:

##### Growth in gross customer loans:

For the quarter ended March 31, 2017	P	36,631.24
For the quarter ended June 30, 2017		<u>23,126.70</u>

Total application of net proceeds	P	<u>59,757.94</u>
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**Certified Public Accountants**

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd

Offices in Cebu, Davao, Cavite

BOA/PRC Cert. of Reg. No. 0002  
SEC Accreditation No. 0002-FR-4

***Agreed-upon Procedures Performed***

The agreed-upon procedures that we performed on the Final Quarterly Progress Report are presented below.

1. Checked the mathematical accuracy of the Final Quarterly Progress Report.
2. Compared the list of application of proceeds in the Final Quarterly Progress Report with the schedule of planned use of proceeds from the SRO. The net proceeds amounting to P59,757.94 were all used to finance the Bank's loan growth.
3. Obtained the schedules of gross receivables from customers as of March 31 and June 30, 2017.
  - a. Agreed related totals of these accounts with the general ledger;
  - b. Compared the March 31 balances with June 30, 2017 balances of gross receivables from customers; and,
  - c. Obtained representation from the Bank on the movement of this account and amounts of total utilization as of June 30, 2017.

***Results of the Performance of Agreed-upon Procedures***

1. With respect to item 1, we noted no exception on the mathematical accuracy of the Final Quarterly Progress Report as summarized in the Bank's letter to the PSE.
2. With respect to item 2, we found the list of application of proceeds in the Final Quarterly Progress Report as of June 30, 2017 to be in line with the Use of Proceeds section in the Offering Circular.
3. With respect to item 3, as follows:
  - a. The balances in the schedules agree with the general ledger balances.
  - b. Gross receivables from customers as of June 30 and March 31, 2017 amounted to P1,324,227.08 million and P1,264,638.59 million, respectively. Of the P59,588.49 million increase during the quarter, P23,126.70 million of the growth was financed by the net proceeds from the SRO.
  - c. Per Bank's representation, all of the proceeds received from the SRO amounting to P59,757.94 million was fully utilized to finance the loan growth of the Bank.

Because the above procedures do not constitute either an audit or review made in accordance with Philippine Standards of Auditing (PSA) or Philippine Standards on Review Engagement (PSRE), respectively, we do not express an assurance on the use of proceeds from the Offering based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Bank to comply with the requirements of PSE as stated in the first paragraph of this report and should not be used for any other purpose. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

**PUNONGBAYAN & ARAULLO**



**By: Leonardo D. Cuaresma, Jr.**  
Partner

CPA Reg. No. 0058647  
TIN 109-227-862  
PTR No. 5908621, January 3, 2017, Makati City  
SEC Group A Accreditation  
Partner - No. 0007-AR-4 (until Apr. 30, 2018)  
Firm - No. 0002-FR-4 (until Apr. 30, 2018)  
BIR AN 08-002511-7-2014 (until Aug. 5, 2017)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

July 13, 2017