



October 1, 2018

PHILIPPINE STOCK EXCHANGE, INC.

6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

37th Floor, 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)

Re: **Press Release - BDO Welcomes New Investor in One Network Bank
Osmanthus/Archipelago to Acquire 15% Stake**

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Ladies and Gentlemen:

Please be informed that BDO Unibank, Inc. (BDO) is releasing to the press the attached statement regarding BDO entering into an agreement with Osmanthus Investment Holdings Pte. Ltd. (Singapore).

Thank you.

Very truly yours,

ELMER B. SERRANO
Corporate Information Officer



1 October 2018

BDO Welcomes New Investor in One Network Bank *Osmanthus/Archipelago to Acquire 15% Stake*

BDO Unibank, Inc. (BDO) has entered into an agreement with Osmanthus Investment Holdings Pte. Ltd. (Singapore), whereby Osmanthus will acquire a 15% stake in the Bank's rural bank subsidiary, One Network Bank Inc. (ONB). This transaction formalizes the working relationship between ONB and Osmanthus, with the latter helping ONB since last year in developing the framework for its MSME lending business, leading to the establishment of the initial pilot test sites before the end of 2017. The partnership with Osmanthus will further strengthen ONB's strategic foothold in the microfinance business, and contribute to the government's efforts at improving financial inclusion.

Osmanthus is a unit of Singapore-based private equity firm Archipelago Capital Partners Pte. Ltd., a Singapore based fund that invests in small to mid-market companies in South East Asia. Archipelago is managed by former McKinsey and banking professionals, led by its Chief Executive Officer Jovasky Pang, who have had

extensive experience in microfinance in Asia. Archipelago CEO and co-founder Jovasky Pang was previously involved in growing BOC Fullerton Community Bank into the biggest village bank group in China, and also headed the SME and Commercial business of Bank Danamon Indonesia.

BDO will retain a majority 85% ownership, providing continued financial and operational synergies to ONB. BDO's partnership with Osmanthus in ONB is expected to accelerate ONB's ongoing thrust into the micro-SME (MSME) market and further extend coverage of the unbanked and underserved markets.

“We believe in the vast potential of the MSME market in the Philippines and are committed to help ONB achieve a leading position in serving these customers. We are also excited by the prospect of having a partner like BDO who shares our vision of financial inclusion.” says Jovasky Pang.

The transaction is subject to closing conditions and regulatory approvals.

About BDO

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

BDO has one of the largest distribution networks, with more than 1,200 operating branches and over 4,000 ATMs nationwide. It also has a full-service branch in Hong Kong as well as 24 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 June 30, 2018. For more information, please visit www.bdo.com.ph.

About One Network Bank (ONB)

One Network Bank Inc. (ONB), the rural bank subsidiary of BDO Unibank, Inc., provides deposit-taking, salary loans and MSME loans in areas considered unbanked or underserved by banks.

As of 31 December 2017, ONB remained the country’s largest rural bank in terms of assets. ONB has over 120 branches and more than 220 ATMs which allow access to BDO’s nationwide distribution network. For more information, please visit www.onenetworkbank.com.ph.

About Archipelago Capital Partners Pte. Ltd.

Archipelago Capital Partners is a private equity investment firm based in Singapore that focuses on growth opportunities and high potential small and middle market businesses, especially in the consumer, financial services and niche industrial sectors, in Southeast Asia.

The firm’s investment philosophy is centered on active ownership, with value driven through creativity in strategy and excellence in execution in all its investments. For more information, please visit www.arxpelago.com.