



October 12, 2017

**THE PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention : Ms Janet A. Encarnacion  
Head – Disclosure Department

Subject : Quarterly Progress Report on Application of  
Proceeds from IPO with External Auditor  
Certification

Gentlemen:

In line with the Initial Public Offering (IPO) of Philippine Business Bank (“PBB”) on February 19, 2013, we submit herewith our report on the application of the net proceeds coming from the primary offer of PBB shares, amounting to THREE BILLION EIGHT MILLION SIX HUNDRED TWENTY THOUSAND FOUR HUNDRED EIGHTY PESOS (P3,008,620,480.00)

Proceeds from primary offer of PBB shares	Php 3,192,002,100.00
Less. IPO expenses	<u>183,381,620.00</u>
Net proceeds	<b>Php <u>3,008,620,480.00</u></b>

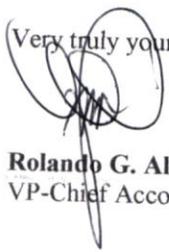
For the quarter ended September 30, 2017, the applications of the net proceeds are broken down as follows:

Use of Proceeds	Amount in Pesos
Branch Expansion	100,000,000.00
Acquisition of branch licenses	200,000,000.00
Information Technology Infrastructure	100,000,000.00
General Corporate Purpose	2,608,620,480.00
<b>Total</b>	<b>3,008,620,480.00</b>

Please note that General Corporate Purposes pertain to the funding of PBB’s Loans to Customers.

Thank you.

Very truly yours,

  
**Rolando G. Alvendia**  
VP-Chief Accountant

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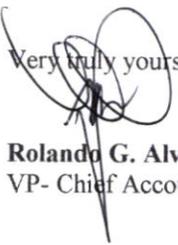
Gentlemen:

We are submitting the following attachments as compliance with the PSE requirement for newly listed companies to provide an annual progress report on the application of proceeds resulting from fund raising activities.

1. Progress report on the application of proceeds from IPO for the quarter ended September 30, 2017.
2. Certification of Punongbayan & Araullo on the accuracy of information provided by Philippines Business Bank in relation to the progress report.

We hope you find everything in order.

Very truly yours,



**Rolando G. Alvendia**  
VP- Chief Accountant