

COVER SHEET

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S.E.C. Registration Number

B D O U N I B A N K , I N C .

(COMPANY'S FULL NAME)

B D O C O R P O R A T E C E N T E R , 7 8 9 9

M A K A T I A V E N U E , M A K A T I C I T Y

(BUSINESS ADDRESS: NO. STREET CITY/TOWN/PROVINCE)

RHODA P. LAZARO

Contact Person

878-4520/840-7000 loc 4520

Company Telephone Number

0 3

Month

3 1

Day

S E C 1 7 - Q

Form Type

Every last Friday of the month of May

Annual Meeting

Secondary License type, if applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

12,558

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Stamps

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND BRC RULES 17 (2) (b) THEREUNDER

1. For the quarter ended March 31, 2019.
2. Commission identification number 34001.
3. BIR Tax Identification No. 000-708-174-000.

BDO UNIBANK, INC.

4. Exact name of issuer as specified in its charter

Makati City, Philippines

5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code (For SEC Use Only)

BDO Corporate Center, 7899 Makati Avenue, Makati City

7. Address of issuer's principal office Postal Code

856-7434/840-7000 LOC 4575

8. Issuer's Telephone number, including area code

NA

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the Code of Section 4 and 8 of the RSA

Title of each class	Number of shares of common stock outstanding	Amount of Debt Outstanding
Common stock	4,375,066,774	

11. Are any or all of the securities listed on a stock exchange?

Yes ☒ No. ☐

If yes, state the name of such stock exchange and the class/es of securities listed therein: Philippine Stock Exchange -Common Stock

12. Indicate by check mark whether the registrant:

a. has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA 11 (a)-1 thereunder, and Section 26 and 141 of the Corporations Code of the Philippines, during the preceding twelve (12) months or such shorter period the registrant was required to file such reports.

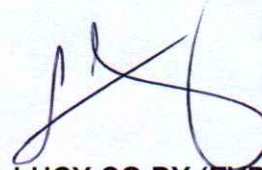
Yes ☒ No. ☐

b. has been subject to such filing requirements for the last ninety (90) days

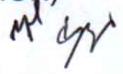
Yes ☒ No. ☐

SEC FORM 17-Q

I hereby certify that all the information set forth in the above report are true and correct
of my own knowledge.



LUCY CO DY (EVP Comptroller)
Authorized Signatory
(PRINTED NAME & DESIGNATION)



REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI } S.S.

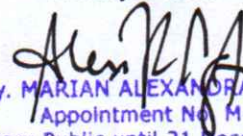
SUBSCRIBED AND SWORN TO before me this 24 APR 2019 day of April,

2019, the above affiant exhibiting to me his/her described Competent Evidence of Identity ("CEI"):

Name	CEI	Date & Place Issued
Lucy Co Dy	SSS No. – 03-4074342-5 CTC – 04215475	Quezon City 02.18.2019/Makati City

Doc. No. 44
Page No. 10
Book No. I
Series of 2019

Notary Public



Atty. MARIAN ALEXANDRA R. LUGTU
Appointment No. M-334

Notary Public until 31 December 2020
14/F BDO North Tower, BDO Corporate Center
7899 Makati Avenue, Makati City
Roll No. 61299

IBP No. 063367, 04 January 2019, Makati City
PTR No. 7333874, 03 January 2019, Makati City
MCLE Compliance No. VI-0014816, 13 November 2018

* To be signed by any of the following officers pursuant to a Board Resolution filed with the Commission

1. Chief Operating Officer
2. Chief Financial Officer
3. Comptroller or Treasurer

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer.....

BDO UNIBANK, INC.

Signature and Title.....



LUCY CO DY
EVP/COMPTROLLER



Date.....

April 23, 2019

Principal Financial /Accounting
Officer/Comptroller.....

LUCY CO DY

Signature and Title.....



EVP/COMPTROLLER

Date.....

April 23, 2019

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CONDENSED STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions of Pesos)

	As of March 31, 2019	Audited As of December 31, 2018
<u>RESOURCES</u>		
CASH AND OTHER CASH ITEMS	P 42,534	P 53,749
DUE FROM BANGKO SENTRAL NG PILIPINAS	349,068	354,132
DUE FROM OTHER BANKS	41,890	55,292
INVESTMENT SECURITIES		
At Fair Value Through Profit or Loss	24,274	20,308
Fair Value Through Other Comprehensive Income	144,612	120,389
Held-to-Collect – net	267,789	244,500
LOANS AND OTHER RECEIVABLES—net	2,043,009	2,071,834
BANK PREMISES, FFE, FINANCE LEASE – net	33,398	33,660
INVESTMENT PROPERTIES	19,998	19,785
EQUITY INVESTMENTS – net	4,782	4,926
DEFERRED TAX ASSETS	8,266	8,312
OTHER RESOURCES - net	34,486	35,360
TOTAL RESOURCES	P 3,014,106	P 3,022,247
<u>LIABILITIES AND CAPITAL FUNDS</u>		
DEPOSIT LIABILITIES	P	P
Demand	181,555	179,944
Savings	1,493,439	1,505,680
Time	686,373	734,341
Total Deposit Liabilities	2,361,367	2,419,965
BILLS PAYABLE	175,632	143,623
SUBORDINATED NOTES PAYABLE	10,030	10,030
INSURANCE CONTRACT LIABILITIES	33,226	28,506
OTHER LIABILITIES	95,451	91,974
Total Liabilities	2,675,706	2,694,098
<u>EQUITY</u>		
Attributable to Shareholders of the Parent Company	337,626	327,372
Non-Controlling Interest	774	777
Total Equity	338,400	328,149
TOTAL LIABILITIES AND EQUITY	P 3,014,106	P 3,022,247
<u>CONTINGENT</u>		
Trust department accounts	P 1,192,827	P 1,161,717
Unused commercial letters of credit	56,110	48,950
Outstanding guarantees issued	2,898	1,715
Export L/Cs Confirmed	7,314	6,180
Bills for collection	11,575	10,716
Late deposits/payment received	2,561	2,674
Spot Exchange Bought	15,751	7,273
Spot Exchange Sold	40,819	10,818
Forward Exchange Bought	201,042	122,948
Forward Exchange Sold	189,932	132,422
Interest Rate Swap Receivable	18,608	19,201
Interest Rate Swap Payable	18,608	19,201
Other Contingent Accounts	405,548	361,245
TOTAL CONTINGENT ACCOUNTS	P 2,163,593	P 1,905,060

Note: This Financial Statement is in accordance with Philippine Financial Reporting Standards(PFRS)

CONDENSED STATEMENTS OF INCOME
(Amounts in Millions of Pesos Except Per Share Data)

	For the three-month Period ended March 31, 2019	For the three-month Period ended March 31, 2018
INTEREST INCOME ON		
Loans and Receivables	P 34,717	P 25,150
Investment Securities	3,801	2,680
Due from Other Banks	274	404
Others	19	13
Total Interest Income	38,811	28,247
INTEREST EXPENSE ON		
Deposit liabilities	9,223	4,960
Bills Payable and Others	1,861	1,111
Total Interest Expense	11,084	6,071
NET INTEREST INCOME	27,727	22,176
IMPAIRMENT LOSSES	1,286	1,800
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	26,441	20,376
OTHER OPERATING INCOME		
Service Charges, Fees and Commissions	7,330	6,096
Trading Gain – net	1,326	(1,009)
Trust Fees	849	831
Foreign Exchange Gain/(Loss) – net	897	1,033
Insurance Premiums	3,238	2,643
Miscellaneous – net	1,235	1,311
Total Other Operating Income	14,875	10,905
OTHER OPERATING EXPENSES		
Employee Benefits	6,899	5,800
Occupancy	2,534	2,156
Taxes and licenses	3,668	2,909
Security, Clerical, Messengerial and Janitorial	948	860
Insurance	1,301	1,126
Advertising	1,216	808
Litigation/Assets Acquired	161	149
Policy Reserves	2,315	1,049
Insurance Benefits and Claims	527	457
Miscellaneous	8,760	7,812
Total Other Operating Expenses	28,329	23,126
NET INCOME BEFORE INCOME TAX	12,987	8,155
TAX EXPENSE (INCOME)	3,240	2,290
NET INCOME AFTER TAX	P 9,747	P 5,865
ATTRIBUTABLE TO:		
Equity holders of the parent	P 9,763	P 5,877
Non-Controlling Interest	(16)	(12)
	P 9,747	P 5,865
EARNINGS PER SHARE		
Basic	2.15	1.27
Diluted	2.15	1.27

Note: This Financial Statement is in accordance with Philippine Financial Reporting Standards(PFRS)

STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Pesos)

	For the three-month period ending March 31, 2019	For the three-month period ending March 31, 2018
NET PROFIT	P <u>9,747</u>	P <u>5,865</u>
OTHER COMPREHENSIVE INCOME(LOSS)		
Items that are or will be reclassified subsequently to profit or loss:		
Net gains (losses) on debt investments at FVOCI, net of tax	3,854	(2,272)
Impairment losses on debt investments at FVOCI	<u>8</u>	<u>0</u>
Total gains (losses) on FVOCI securities, net of tax	3,862	(2,272)
Translation adjustment related to foreign operations	<u>13</u>	<u>40</u>
	<u>3,875</u>	<u>(2,232)</u>
Items that will not be reclassified to profit or loss:		
Remeasurement on life insurance reserves	(2,327)	2,150
Unrealized gains (losses) on equity investments at FVOCI, net of tax	<u>494</u>	<u>(400)</u>
	<u>(1,833)</u>	<u>1,750</u>
Share in other comprehensive income (loss) of associates accounted for under equity method	<u>1</u>	<u>(1)</u>
Other Comprehensive Income (Loss), net of tax	<u>2,043</u>	<u>(483)</u>
TOTAL COMPREHENSIVE INCOME	P <u>11,790</u>	P <u>5,382</u>
Attributable To:		
Shareholders of the Parent Bank	P 11,793	P 5,404
Non-controlling Interest	<u>(3)</u>	<u>(22)</u>
	P <u>11,790</u>	P <u>5,382</u>

STATEMENTS OF CHANGES IN EQUITY
COMPARATIVE PERIODS ENDED MARCH 31, 2019 AND 2018
(Amounts in Millions of Pesos)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Surplus Reserves	Other Reserves	Surplus Free	Net Unrealized Fair Value Gain/(Losses) on FVOCI	Accumulated Actual Gain/(Losses)	Revaluation Increment	Remeasurement on Life Insurance Reserves	Accumulated Translation Adjustment	Share in Other Comprehensive Income/(Loss) of Associates	Total Attributable to Shareholders of the Parent Bank	Non-Controlling Interest	Total Equity
Balance at January, 2019	P 43,740	P 5,150	P 123,377	P 14,788	P 9	P 156,327	(P 10,390)	(P 8,893)	P 1,008	P 2,257	P 13	(P 14)	P 327,372	P 777	P 328,149
Transactions with owners															
Issuance of primary shares	11		92			(1,652)	0	0	0	0	0	0	103		103
Cash Dividends	11	0	92	0	0	(1,652)	0	0	0	0	0	0	(1,549)	0	(1,549)
Total transactions with owners						9,763	4,344	0		(2,327)	12	1	11,793	(3)	11,790
Total comprehensive income (loss)															
Transfer to/(from) Surplus Free															
Trust reserves															
Other Reserves	0	0	0	183	0	(83)	0	0	0	0	0	0	0	0	0
				113	0	(113)	0	0	0	0	0	0	0	0	0
				196	0	(196)	0	0	0	0	0	0	0	0	0
						(360)	370						10	10	10
Disposals of Equity Securities classified as FVOCI															
Balance at March 31, 2019	P 43,751	P 5,150	P 123,469	P 14,984	P 9	P 163,882	(P 5,676)	(P 8,893)	P 1,008	P 70	P 25	(P 13)	P 337,626	P 774	P 338,400
Balance at January, 2018	P 43,890	P 5,150	P 122,966	P 3,354	P 11	P 133,529	(P 3,991)	(P 6,805)	P 1,008	(P 1,398)	(P 21)	(P 5)	P 297,488	P 852	P 298,340
As previously stated															
Effect of restatement due to addition of PFRS 9	P 43,890	P 5,150	P 122,966	P 3,392	P 11	P 129,126	(P 2,122)	(P 6,805)	P 1,008	(P 1,398)	(P 21)	(P 5)	P 294,992	P 852	P 295,844
As restated															
Transactions with owners															
Issuance of primary shares	5		36			(1,650)	0	0	0	0	0	0	41	(26)	41
Cash Dividends	5	0	36	0	0	(1,650)	0	0	0	0	0	0	(1,609)	(26)	(1,635)
Total transactions with owners						5,877	(2,662)			2,150	40	(1)	5,404	(22)	5,382
Total comprehensive income															
Transfer to/(from) Surplus Free															
Trust reserve						70		(70)					0		0
Reversal of appropriation						(200)		200					0		0
Additional appropriation	0	0	0	5	0	(5)	0	0	0	0	0	0	0	0	0
Other Adjustments															
Change in ownership interest in subsidiaries	0	0	0	0	(2)	0	0	0	0	0	0	0	(2)	(1)	(3)
Balance at March 31, 2018	P 43,895	P 5,150	P 123,002	P 3,397	P 9	P 133,348	(P 4,784)	(P 6,805)	P 1,008	P 752	P 19	(P 6)	P 298,785	P 803	P 299,588

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2019 AND 2018
(Amounts in Millions of Pesos)

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	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,987	8,155
Adjustments for:		
Interest income	(38,811)	(28,247)
Interest received	39,204	27,752
Interest expense	11,084	6,071
Interest paid	(10,880)	(5,183)
Impairment losses	1,286	1,800
Depreciation and amortization	1,564	1,294
Share in (profit)loss of associates	(159)	(153)
Fair value loss (gain)	260	1,114
Operating profit before changes in operating resources and liabilities	16,535	12,603
Decrease (increase) in financial assets at fair value through profit or loss	(3,943)	(8,642)
Decrease (increase) in loans and other receivables	12,246	(68,495)
Decrease (increase) in investment properties	(618)	(415)
Decrease (increase) in other resources	(2,952)	1,074
Increase (decrease) in deposit liabilities	(58,501)	120,421
Increase (decrease) in insurance contract liabilities	2,393	1,422
Increase (decrease) in other liabilities	3,353	(788)
Cash generated from (used in) operations	(31,487)	57,180
Cash paid for income tax	(555)	(2,554)
Net Cash From (Used in) Operating Activities	(32,042)	54,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of premises, furniture, fixture and equipment	(747)	(3,595)
Proceeds from disposals of premises, furniture, fixture and equipment	43	10
Acquisition of Held to collect investments	(36,199)	(17,244)
Maturities of Held to collect investments	26,290	7,641
Proceeds from disposal of FVOCI securities	7,970	12,374
Acquisition of FVOCI securities	(27,720)	(6,896)
Net Cash From (Used in) Investing Activities	(30,363)	(7,710)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	103	41
Proceeds from bills payable	94,154	105,890
Payments of bills payable	(62,228)	(95,087)
Dividends paid	(1,652)	(1,676)
Net Cash From (Used in) Financing Activities	30,377	9,168
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,028)	56,084
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	53,749	45,006
Due from Bangko Sentral ng Pilipinas	354,132	353,308
Due from other banks	55,292	51,479
Held to Collect Securities	9,168	2,097
SPURRA	22,009	18,260
Interbank Loans Receivable	42,214	31,576
FCNC	4,828	3,695
	541,392	505,421
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and other cash items	42,534	41,400
Due from Bangko Sentral ng Pilipinas	349,068	375,479
Due from other banks	41,890	45,832
Held to Collect Securities	22,616	17,354
SPURRA	10,003	52,663
Interbank Loans Receivable	39,719	24,964
FCNC	3,534	3,813
	509,364	561,505

CHECKLIST OF REQUIRED DISCLOSURES
BANCO DE ORO UNIBANK, INC.
For the three months ended: March 31, 2019

FINANCIAL INFORMATION

6. Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles.

The Bank's interim financial statements are in compliance with Philippine Financial Reporting Standards.

- 7.a A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change.

BDO Unibank Group has adopted the partial retrospective application of PFRS 16, Leases. The Group applied the standard to contracts that were previously identified as leases applying PAS 17.

The new standard replaced PAS 17, Leases. For lessees, it requires to account for leases "on-balance sheet" by recognizing a "right-of-use" asset and a lease liability. The lease liability is initially measured as the present value of future lease payments. For this purpose, lease payments include fixed, non-cancellable payments for lease elements, amounts due under residual value guarantees, certain types of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the "right-of-use" asset is accounted for similar to a purchased asset subject to depreciation or amortization. The lease liability is accounted for similar to a financial liability which is amortized using the effective interest method. However, the new standard provides important reliefs or exemptions for short-term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis (if more representative of the pattern of the lessee's benefit).

For lessors, lease accounting is similar to PAS 17's. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17's. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

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- 7.b Explanatory comments about the seasonality or cyclicity of interim operations.

Remarks: There is no seasonality or cyclicity in the Bank's operations.

- 7.c The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

Remarks: NONE

- 7.d The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period.

Remarks: NONE

- 7.e Issuances, repurchases, and repayments of debt and equity securities.

On February 11, 2019, the Bank issued P35.0 billion fixed rate bonds to diversify funding sources and support business expansion.

- 7.f Dividends paid (aggregate or per share) separately for ordinary shares and other shares

On January 26, 2019, the Board of Directors of BDO approved the declaration of annual cash dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P339 million. The dividends were paid on March 8, 2019.

On February 23, 2019, the Board of Directors approved the declaration of cash dividends for the first quarter of 2019, in the amount of P0.30 per common share for a total of P1.3 billion. The dividends were paid on March 25, 2019.

- 7.g Segment revenue and segment result for business segments or geographical segments whichever is the issuer's primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements).

The Bank's comparative revenues and expenses by business segment are included as an attachment to this report.

- 7.h Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

On April 12, 2019, the Bank issued P7.32 billion worth of Long-Term Negotiable Certificates of Deposit to lengthen the maturity of its funding sources and support business expansion plans.

- 7.i The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

Remarks: NONE



7.j Changes in contingent liabilities or contingent assets from December 31,2018.

- Total Contingent Accounts increased 14% to P2.2 trillion with material movements from the following accounts:
 - Unused L/Cs, Outstanding Guarantees Issued and Export L/Cs Confirmed increased 15%, 69% and 18% to P56.1 billion, P2.9 billion and P7.3 billion, respectively, owing to higher volume of trade transactions and other guarantees issued as of the quarter-end.
 - Bills for Collection went up 8% to P11.6 billion, as of the cut-off date.
 - Treasury activities yielded the following:
 - Spot Exchange Bought and Sold surged 117% and 277% to P15.8 billion and P40.8 billion, respectively.
 - Forward Exchange Bought and Sold likewise increased 64% and 43% to P201.0 billion and P189.9 billion, respectively.
 - Other Contingent Accounts grew 12% to P405.5 billion on 12% expansion in Committed Credit Lines.



	Commercial Banking	Investment Banking	Private Banking	Leasing & Finance	Insurance	Others	Total	Eliminations	Group
Statement of Income									
Total Interest Income									
External	37,539	5	376	515	373	3	38,811	0	38,811
Inter-Segment	83	13	0	1	11	9	117	(117)	0
	37,622	18	376	516	384	12	38,928	(117)	38,811
Total Interest Expense									
External	10,465	0	209	389	21	0	11,084	0	11,084
Inter-Segment	24	18	11	47	1	18	119	(119)	0
	10,489	18	220	436	22	18	11,203	(119)	11,084
Net Interest Income	27,133	0	156	80	362	(6)	27,725	2	27,727
Other Operating Income									
Investment Banking Fees	0	204	0	0	0	0	204	0	204
Others	10,908	115	480	279	4,678	155	16,615	(1,944)	14,671
	10,908	319	480	279	4,678	155	16,819	(1,944)	14,875
Other Operating Expenses									
Depreciation and Amortization	1,303	22	16	207	15	21	1,584	(20)	1,564
Impairment Losses	1,287	(2)	0	0	1	0	1,286	0	1,286
Others	22,614	189	318	172	3,601	93	26,987	(222)	26,765
	25,204	209	334	379	3,617	114	29,857	(242)	29,615
Profit before Tax	12,837	110	302	(20)	1,423	35	14,687	(1,700)	12,987
Tax Expense	3,007	34	49	4	133	13	3,240	0	3,240
Net Profit	9,830	76	253	(24)	1,290	22	11,447	(1,700)	9,747
Statements of Financial Position									
Total Resources									
Segment Assets	2,900,314	5,467	45,485	37,922	49,233	5,718	3,044,139	(46,674)	2,997,465
Intangible Assets	5,176	207	21	12	52	0	5,468	2,907	8,375
Deferred Tax Assets	8,277	(185)	28	128	34	(16)	8,266	0	8,266
	2,913,767	5,489	45,534	38,062	49,319	5,702	3,057,873	(43,767)	3,014,106
Total Liabilities	2,571,088	1,689	39,859	32,634	39,778	2,597	2,687,645	(11,939)	2,675,706
Other Segment Information									
Capital expenditures	1,570	11	11	88	8	3	1,691	0	1,691
Investment in associate under equity method	4,716	0	0	220	0	0	4,936	0	4,936
Share in the Profit of associates	174	0	0	(15)	0	0	159	0	159

BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of March 31, 2018
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Leasing & Finance	Insurance	Others	Total	Eliminations	Group
Statement of Income									
Total Interest Income									
External	27,077	16	411	482	258	3	28,247	0	28,247
Inter-Segment	59	1	0	0	6	6	72	(72)	0
	27,136	17	411	482	264	9	28,319	(72)	28,247
Total Interest Expense									
External	5,703	1	137	208	18	4	6,071	0	6,071
Inter-Segment	7	13	0	40	0	12	72	(72)	0
	5,710	14	137	248	18	16	6,143	(72)	6,071
Net Interest Income	21,426	3	274	234	246	(7)	22,176	0	22,176
Other Operating Income									
Investment Banking Fees	0	204	0	0	0	0	204	0	204
Others	7,962	93	256	301	2,398	138	11,148	(447)	10,701
	7,962	297	256	301	2,398	138	11,352	(447)	10,905
Other Operating Expenses									
Depreciation and Amortization	1,017	12	8	219	10	28	1,294	0	1,294
Impairment Losses	1,770	1	2	17	10	0	1,800	0	1,800
Others	18,934	231	343	186	2,266	107	22,067	(235)	21,832
	21,721	244	353	422	2,286	135	25,161	(235)	24,926
Profit before Tax	7,667	56	177	113	358	(4)	8,367	(212)	8,155
Tax Expense	2,034	19	53	23	158	3	2,290	0	2,290
Net Profit	5,633	37	124	90	200	(7)	6,077	(212)	5,865
Statements of Financial Position									
Total Resources									
Segment Assets	2,677,825	6,675	54,167	42,308	39,266	5,700	2,825,941	(44,285)	2,781,656
Intangible Assets	5,344	134	24	26	31	1	5,560	2,907	8,467
Deferred Tax Assets	7,495	(182)	30	118	26	(21)	7,466	0	7,466
	2,690,664	6,627	54,221	42,452	39,323	5,680	2,838,967	(41,378)	2,797,589
Total Liabilities	2,386,500	2,413	48,768	37,221	31,211	2,483	2,508,586	(10,595)	2,498,001
Other Segment Information									
Capital expenditures	3,803	4	5	171	23	148	4,154	0	4,154
Investment in associate under equity method	4,611	0	0	258	0	0	4,869	0	4,869
Share in the Profit of associates	161	0	0	(8)	0	0	153	0	153


MANAGEMENT'S DISCUSSION & ANALYSIS

1. Comparable discussion that will enable the reader to assess material changes in financial condition results of operation since the end of the last fiscal year and for the comparable interim period in the preceding financial year.

1.a Balance Sheet – March 2019 vs. December 2018


- Cash and Other Cash Items dropped 21% to P42.5 billion, from a high year-end 2018 level resulting from deposits generated during the Christmas season.
- Due from Other Banks went down 24% to P41.9 billion as the Bank shifted to higher-yielding investments.
- Investment Securities, consequently, rose 13% to P436.7 billion as Financial Assets at Fair Value Through Profit and Loss (FVTPL), Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) and Held-to-Collect (HTC) Securities increased by 20%, 20% and 10%, respectively.
- Net Loans and Other Receivables were steady at P2.0 trillion as maturing loans offset new availments. Meantime, Interbank Loans, Securities Purchased Under Reverse Repurchase Agreements (SPURRA) and Other Receivables went down 9%, 55% and 13%, respectively.
- Total Deposits declined slightly by 2% to P2.4 trillion, primarily from a 7% reduction in more expensive Time deposits.
- Bills Payable grew 22% to P175.6 billion owing to the issuance of the P35.0 billion fixed rate bonds in February 2019.
- Insurance Contract Liabilities climbed 17% to P33.2 billion fueled by higher business volumes of BDO Life.

1.b Balance Sheet – March 2019 vs. March 2018

- Total Resources expanded 8% over the one-year period to P3.0 trillion as Customer Loans increased 10% funded by deposits, the bond issuance and re-invested profits.
 - Due from BSP and Due from Other Banks declined 7% and 9% as the Bank shifted to higher-yielding investments.
 - As such, Investment Securities jumped 22% owing to an 8%, 28% and 21% growth in FVTPL, FVOCI and HTC Securities, respectively.
 - Net Loans and Other Receivables went up 8% owing to a 10% increase in Customer Loans to P2.0 trillion. Interbank Loans and Other Receivables, likewise, hiked 43% and 7%, respectively. This was offset by an 81% drop in SPURRA to P10.0 billion.
 - Investment Properties rose 10% to P20.0 billion on foreclosures and dacion payments.
 - Deferred Tax Assets went up 11% to P8.3 billion resulting from the Bank's retirement obligation.
 - Other Resources increased 11% to P34.5 billion primarily due to outstanding credit card transactions and dealer's incentives on auto loans.
 - Deposit Liabilities rose 5% year-on-year, as Demand, Savings and Time deposits grew by 28%, 3% and 5%, respectively.
 - Bills Payable climbed 24% following the issuance of the P35.0 billion fixed rate bonds.
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- Insurance Contract Liabilities hiked 32% on higher BDO Life business volumes.
- Other Liabilities increased 20% to P95.5 billion due mainly to higher levels of accounts payable, accrued taxes and expenses, outstanding checks and bills purchased contra-account.
- Total Equity grew 13% to P338.4 billion from continued profitable operations.

1.c Income Statement – March 2019 vs. March 2018

- The Bank registered a Net Income attributable to Equity holders of the Parent Company of P9.8 billion, a 66% improvement from the P5.9 billion for the same period last year.
 - Net Interest Income expanded 25% to P27.7 billion on the back of higher margins and an increase in the Bank's interest-earning assets.
 - The Bank prudently set aside P1.3 billion as Provision for Impairment Losses for the first quarter of the year.
 - Other income surged 36% to P14.9 billion from the following:
 - Normalized Trading Income of P1.3 billion compared to a Trading Loss of P1.0 billion for the same period last year.
 - Service Charges hiked 20% to P7.3 billion from recurring fee income from major business lines.
 - Foreign Exchange (FX) Gain declined 13% to P897 million representing partial offsetting gains in some trading positions of the Bank.
 - Insurance Premiums expanded 23% to P3.2 billion owing to higher BDO Life business volumes.
 - Other Income slid 6% to P1.2 billion mainly from lower gains on ROPA disposal.
 - Operating Expenses increased 23% to P28.3 billion on account of the following:
 - Employee Benefits went up 19% due to salary increases as well as a higher manpower count from business expansion.
 - Occupancy expenses rose 18% following investments in the Bank's distribution channels.
 - Taxes and Licenses jumped 26% due to GRT on higher income and DST costs from higher Time Deposit levels.
 - Insurance expenses grew 16% from a higher deposit level.
 - Advertising expenses hiked 50% to P1.2 billion on increased spending on marketing, promotional and advertising campaigns.
 - Litigation/Assets Acquired expenses went up 8% owing to higher costs relating to litigation and maintenance of acquired assets.
 - Policy Reserves and Insurance Benefits and Claims rose 121% and 15%, respectively, resulting from BDO Life business volumes.
 - Security, Clerical and Janitorial expenses as well as Other Operating Expenses grew 10% and 12%, respectively, due to an expanded distribution network and increased business volumes.
 - Tax Expense hiked 41% to P3.2 billion on a higher taxable income base.
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1.d Comprehensive Income – March 2019 vs. March 2018

- From a Net Income of P9.7 billion, Total Comprehensive Income for the first quarter of 2019 registered at P11.8 billion, inclusive of a P3.9 billion rise in unrealized gain on debt investments at FVOCI Securities, a P13 million translation adjustment related to foreign operations, a negative P2.3 billion remeasurement on life insurance reserves, a P494 million increase in unrealized gains on equity investments at FVOCI as well as a P1 million share in Other Comprehensive Income (OCI) of affiliates.
- This represents a 119% jump from the Total Comprehensive Income of P5.4 billion for the same period last year, comprised of a P5.9 billion Net Income, a P2.3 billion decline in unrealized gain on debt investments at FVOCI Securities, a P40 million translation adjustment, a P2.2 billion remeasurement on life insurance reserves, a P400 million drop in unrealized gains on equity investments at FVOCI and a negative P1 million share in OCI of affiliates.

2. Discussion of the company's key performance indicators. It shall include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.

Indicator	3M 2019	3M 2018	12M 2018
Return on Average Common Equity (%)	11.83%	7.91%	10.71%
Return on Average Assets(%)	1.29%	0.86%	1.14%
Net Interest Margin	3.91%	3.44%	3.64%
Liquidity Ratio	30.69%	32.32%	30.43%
Debt to Equity	790.69%	833.81%	821.00%
Asset to Equity	890.69%	933.81%	921.00%
Interest Rate Coverage	217.17%	234.33%	241.95%
Profit Margin	18.16%	14.98%	18.26%
Capital Adequacy Ratio	13.98%	14.30%	13.73%
Basic Earnings per Share	2.15	1.27	7.40

- Return on Average Common Equity and Return on Average Assets improved to 11.83% and 1.29%, respectively, on higher bottomline profits.
- Net Interest Margin went up to 3.91% from growth in interest-earning assets in a higher interest rate environment.
- Liquidity Ratio went down year-on-year to 30.69% owing to customer loan growth.
- Debt to Equity and Assets to Equity declined to 790.69% and 890.69%, respectively, as both total equity and total asset growth outpaced the increase in liabilities.
- Interest Rate Coverage dropped to 217.17% on increased funding cost.
- Profit Margin improved year-on-year to 18.16% due to higher NIMs and non-interest income.
- Capital Adequacy Ratio, covering credit, market and operations risk improved to 13.98%, year-on-year, as the higher net income outpaced the growth in risk-weighted assets.
- Basic earnings per share grew P0.88 year-on-year to P2.15 for the first quarter on improved Net Income.

3. Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- 3.a Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

Remarks: NONE

- 3.b Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Remarks: NONE

- 3.c Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Remarks: NONE

- 3.d Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

Remarks: NONE

- 3.e Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

Remarks: NONE

- 3.f Any significant elements of income or loss that did not arise from the issuer's continuing operations.

Remarks: NONE

- 3.g The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item;

The term "material" in this section shall refer to changes of items amounting to five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.

Vertical Analysis-Material Changes

- I. Balance Sheet – March 2019 vs. December 2018

Remarks: NONE



II. Balance Sheet – March 2019 vs. March 2018

Remarks: NONE

III. Income Statement – March 2019 vs. March 2018

- Trading Gain as a percentage of Other Income was at 8.9% compared to a year-ago level of -9.3%, owing to more favorable market conditions.
- Service Charges to total Other Income, consequently, went down to 49.3% vis-à-vis 55.9% in first quarter of 2018.

3.h Any seasonal aspects that had a material effect on the financial condition or results of operations.

Remarks: NONE



BDO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of March 31, 2019
(Amounts in Millions of Pesos)

TYPE OF ACCOUNTS	Current	90 DAYS OR LESS	91 - 120 DAYS	121 - 180 DAYS	181 DAYS AND OVER	TOTAL
A. INTERBANK LOANS RECEIVABLES	P 44,829 P	0 P	0 P	0 P	0 P	44,829
B. LOANS AND RECEIVABLES	P 1,988,429 P	11,060 P	1,440 P	2,397 P	20,122 P	2,023,448
Loans & Discounts	1,694,819	9,183	1,015	1,798	14,092	1,720,907
Agri - Agri Loans	105,991	60	12	3	819	106,885
Bills Purchased	16,741	0	0	0	26	16,767
Customers Liability on Draft under LC/TR	70,950	10	1	1	503	71,465
Customers Liability for this Bank's Acceptances	2,571	0	0	0	0	2,571
Credit Card Receivables	74,841	1,585	349	565	2,800	80,140
Restructured Loans	53	4	2	0	1,128	1,187
Reverse Repurchase Agreement	10,003	0	0	0	0	10,003
Other Loans & Receivables	12,460	218	61	30	754	13,523
C. ACCOUNTS RECEIVABLE	P 3,955 P	1,039 P	131 P	117 P	1,732 P	6,974
TOTAL	P 2,037,213 P	12,099 P	1,571 P	2,514 P	21,854 P	2,075,251