

CR02714-2020

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
Mar 31, 2020
2. SEC Identification Number
34001
3. BIR Tax Identification No.
000-708-174-000
4. Exact name of issuer as specified in its charter
BDO Unibank, Inc.
5. Province, country or other jurisdiction of incorporation or organization
Metro Manila
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
BDO Corporate Center, 7899 Makati Ave., Makati City
Postal Code
0726
8. Issuer's telephone number, including area code
(632) 8840-7000 / 8702-6000
9. Former name or former address, and former fiscal year, if changed since last report
--
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	4,382,611,513
Preferred	515,000,000

11. Are any or all of registrant's securities listed on a Stock Exchange?
☒ Yes ☐ No
 If yes, state the name of such stock exchange and the classes 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 SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

☒ Yes ☐ No

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

☒ Yes ☐ No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



BDO Unibank, Inc.
BDO

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2020
Currency (indicate units, if applicable)	Phil. Peso in Millions

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2020	Dec 31, 2019
Current Assets	1,303,800	1,164,713
Total Assets	3,286,810	3,188,858
Current Liabilities	2,660,172	2,559,365
Total Liabilities	2,914,594	2,818,271
Retained Earnings/(Deficit)	198,482	192,333
Stockholders' Equity	372,216	370,587
Stockholders' Equity - Parent	370,582	368,932
Book Value per Share	83.37	83.04

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	49,731	53,686	49,731	53,686
Gross Expense	34,517	39,413	34,517	39,413
Non-Operating Income	0	0	0	0
Non-Operating Expense	2,260	1,286	2,260	1,286
Income/(Loss) Before Tax	12,954	12,987	12,954	12,987
Income Tax Expense	4,200	3,240	4,200	3,240
Net Income/(Loss) After Tax	8,754	9,747	8,754	9,747
Net Income Attributable to Parent Equity Holder	8,766	9,763	8,766	9,763
Earnings/(Loss) Per Share (Basic)	1.92	2.15	1.92	2.15
Earnings/(Loss) Per Share (Diluted)	1.92	2.15	1.92	2.15

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	9.78	8.29
Earnings/(Loss) Per Share (Diluted)	9.78	8.29

Other Relevant Information

Amounts in millions of
Philippine Pesos except Earnings Per Share and Book Value Per
Share.

For further reference, please see
attachment.

Filed on behalf by:

Name	Elmer Serrano
Designation	Corporate Information Officer

COVER SHEET

3 4 0 0 1

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

12,469

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

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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, 2020.
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	4,382,603,513	

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. ☐

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
ML *sgy*

Date.....

April 27, 2020

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

LUCY CO DY

Signature and Title.....


LUCY CO DY
EVP/COMPTROLLER

Date.....

April 27, 2020

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

	As of March 31, 2020	Audited As of December 31, 2019
RESOURCES		
CASH AND OTHER CASH ITEMS	P 51,079	P 64,140
DUE FROM BANGKO SENTRAL NG PILIPINAS	362,653	309,040
DUE FROM OTHER BANKS	43,383	38,956
TRADING AND INVESTMENT SECURITIES		
Financial Assets at FVTPL	26,961	27,081
Financial Assets at FVOCI	150,499	145,239
Investment Securities at Amortized Cost - Net	269,081	263,585
LOANS AND OTHER RECEIVABLES - Net	2,274,905	2,225,777
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	45,811	46,551
INVESTMENT PROPERTIES	16,915	16,911
EQUITY INVESTMENTS - Net	4,825	4,890
DEFERRED TAX ASSETS	8,844	8,927
OTHER RESOURCES - Net	31,854	37,761
TOTAL RESOURCES	P 3,286,810	P 3,188,858
LIABILITIES AND CAPITAL FUNDS		
DEPOSIT LIABILITIES	P	P
Demand	293,395	232,995
Savings	1,676,494	1,589,639
Time	605,348	662,594
Total Deposit Liabilities	2,575,237	2,485,228
BILLS PAYABLE	198,637	167,524
SUBORDINATED NOTES PAYABLE	0	10,030
INSURANCE CONTRACT LIABILITIES	41,702	42,473
OTHER LIABILITIES	99,018	113,016
Total Liabilities	2,914,594	2,818,271
EQUITY		
Attributable to Shareholders of the Parent Company	370,582	368,932
Non-Controlling Interest	1,634	1,655
Total Equity	372,216	370,587
TOTAL LIABILITIES AND EQUITY	P 3,286,810	P 3,188,858
CONTINGENT		
Trust department accounts	P 1,291,653	P 1,336,368
Unused commercial letters of credit	54,553	53,703
Outstanding guarantees issued	2,756	2,942
Export L/Cs Confirmed	7,294	7,868
Bills for collection	8,553	10,846
Late deposits/payment received	103	3,174
Spot Exchange Bought	9,803	9,764
Spot Exchange Sold	5,445	20,148
Forward Exchange Bought	157,159	141,969
Forward Exchange Sold	169,500	140,128
Interest Rate Swap Receivable	14,239	15,446
Interest Rate Swap Payable	14,239	15,446
Other Contingent Accounts	439,415	415,591
TOTAL CONTINGENT ACCOUNTS	P 2,174,712	P 2,173,393

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, 2020	For the three-month Period ended March 31, 2019
INTEREST INCOME ON		
Loans and Other Receivables	P 36,070	P 34,717
Trading and Investment Securities	4,105	3,801
Due from BSP and Other Banks	525	274
Others	12	19
Total Interest Income	40,712	38,811
INTEREST EXPENSE ON		
Deposit Liabilities	5,565	9,223
Bills Payable and Other Borrowings	1,943	1,861
Finance Lease Liabilities	207	0
Total Interest Expense	7,735	11,084
NET INTEREST INCOME	32,977	27,727
IMPAIRMENT LOSSES	2,260	1,286
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	30,717	26,441
OTHER OPERATING INCOME		
Service Charges, Fees and Commissions	7,157	7,330
Trading Gain(Loss) - Net	(4,562)	1,326
Trust Fees	922	849
Foreign Exchange Gain	291	897
Insurance Premiums	3,875	3,238
Miscellaneous - net	1,336	1,235
Total Other Operating Income	9,019	14,875
OTHER OPERATING EXPENSES		
Compensation and Benefits	7,501	6,899
Occupancy	2,219	2,534
Taxes and licenses	3,623	3,668
Security, Clerical, Messengerial and Janitorial	1,033	948
Insurance	1,335	1,301
Advertising	1,166	1,216
Litigation on Assets Acquired	185	161
Policy Reserves	(1,492)	2,315
Insurance Benefits and Claims	796	527
Miscellaneous	10,416	8,760
Total Other Operating Expenses	26,782	28,329
NET INCOME BEFORE INCOME TAX	12,954	12,987
TAX EXPENSE	4,200	3,240
NET INCOME AFTER TAX	P 8,754	P 9,747
ATTRIBUTABLE TO:		
Equity holders of the parent	P 8,766	P 9,763
Non-Controlling Interest	(12)	(16)
	P 8,754	P 9,747
EARNINGS PER SHARE		
Basic	1.92	2.15
Diluted	1.92	2.15

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

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

STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Pesos)

	For the three-month period ending March 31, 2020	For the three-month period ending March 31, 2019
NET PROFIT	P 8,754	P 9,747
OTHER COMPREHENSIVE INCOME(LOSS)		
Items that are or will be reclassified subsequently to profit or loss:		
Net unrealized gains (losses) on debt investments at FVOCI, net of tax	(3,460)	3,804
Transfer of realized gains on disposed debt investments at FVOCI to statements of income, net of tax	103	40
Impairment losses on debt investments at FVOCI	0	8
Total gains (losses) on FVOCI securities, net of tax	(3,357)	3,852
Translation adjustment related to foreign operations	(3)	13
	(3,360)	3,865
Items that will not be reclassified to profit or loss:		
Remeasurement on life insurance reserves	(513)	(2,327)
Unrealized gains (losses) on equity investments at FVOCI, net of tax	(1,753)	504
	(2,266)	(1,823)
Share in other comprehensive income (loss) of associates accounted for under equity method	(8)	1
Other Comprehensive Income (Loss), net of tax	(5,634)	2,043
TOTAL COMPREHENSIVE INCOME	P 3,120	P 11,790
Attributable To:		
Shareholders of the Parent Bank	3,141	11,793
Non-controlling Interest	(21)	(3)
	<u>3,120</u>	<u>11,790</u>

BDO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7809 Makati Avenue, Makati City

STATEMENTS OF CHANGES IN EQUITY
COMPARATIVE PERIODS ENDED MARCH 31, 2020 AND 2019
(Amounts in Millions of Pesos)

	Common Stock	Prefixed 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	Accumulated Share in Other Comprehensive Income/(Loss) of Subsidiaries	Total Attributable to Shareholders of the Parent Bank	Non- Controlling Interest	Total Equity
Balance at January 1, 2020	P 43,814	P 5,150	P 124,049	P 18,382	P 12	P 182,333	P 1,741	P 11,224	P 955	P 2,789	P 11	P -	P 368,932	P 1,555	P 370,587
Transactions with owners															
Issuance of primary shares	12		118	(175)									130		130
Options transferred during the year				158									(125)		(125)
Cash Dividends													158		158
Total transactions with owners	12	0	118	33	0	(1,854)	0	0	0	0	0	0	(1,654)	0	(1,654)
Total comprehensive income (loss)													(1,491)	0	(1,491)
Transfer to/(from) Surplus Free													3,141	(21)	3,120
Trust reserves													0	0	0
Other Reserves													0	0	0
Deposits of Equity Securities classified as FVOCI													0	0	0
Balance at March 31, 2020	P 43,826	P 5,150	P 124,167	P 18,958	P 12	P 188,482	P 6,442	P 11,224	P 955	P 3,302	P 8	P 8	P 370,552	P 1,534	P 372,216
Balance at January 1, 2019	P 43,740	P 5,150	P 123,377	P 14,788	P 9	P 158,327	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		82										103		103
Cash Dividends													(1,652)		(1,652)
Total transactions with owners	11	0	82	0	0	(1,652)	0	0	0	0	0	0	(1,549)	0	(1,549)
Total comprehensive income													(2,327)	(3)	(11,750)
Transfer to/(from) Surplus Free													0	0	0
Trust reserves													0	0	0
Other Reserves													0	0	0
Deposits of Equity Securities classified as FVOCI													10		10
Balance at March 31, 2019	P 43,751	P 5,150	P 123,459	P 14,084	P 9	P 163,882	P 8,876	P 8,893	P 1,008	P 70	P 25	P 13	P 337,626	P 774	P 338,400

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2020 AND 2019
(Amounts in Millions of Pesos)

Page 5

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,954	12,987
Adjustments for:		
Interest income	(40,712)	(38,811)
Interest received	39,694	39,116
Interest expense	7,735	11,084
Interest paid	(7,818)	(12,137)
Impairment losses	2,260	1,286
Depreciation and amortization	2,039	1,564
Share in (profit)/loss of associates	(305)	(159)
Fair value loss (gain)	4,904	260
Operating profit before changes in operating resources and liabilities	20,751	15,190
Decrease (increase) in financial assets at FVTPL	(4,598)	(3,943)
Decrease (increase) in loans and other receivables	(21,804)	12,253
Decrease (increase) in investment properties	(240)	(618)
Decrease (increase) in other resources	2,410	(2,953)
Increase (decrease) in deposit liabilities	90,405	(58,501)
Increase (decrease) in insurance contract liabilities	(1,284)	2,393
Increase (decrease) in other liabilities	(13,237)	3,353
Cash generated from (used in) operations	72,403	(32,826)
Cash paid for income tax	(656)	(555)
Net Cash From (Used in) Operating Activities	71,747	(33,381)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of premises, furniture, fixture and equipment	(1,322)	(747)
Proceeds from disposals of premises, furniture, fixture and equipment	415	45
Acquisition of investment securities at amortized cost	(35,549)	(36,199)
Maturities of investment securities at amortized cost	29,429	4,404
Proceeds from disposal of financial assets at FVOCI	20,438	7,970
Acquisition of financial assets at FVOCI	(30,957)	(27,720)
Net Cash From (Used in) Investing Activities	(17,546)	(52,247)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	130	103
Proceeds from bills payable	115,540	94,154
Payments of bills payable	(84,620)	(60,970)
Redemption of subordinated notes payable	(10,000)	0
Payments of lease liabilities	(818)	(3)
Dividends paid	(1,654)	(1,652)
Net Cash From (Used in) Financing Activities	18,578	31,632
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	72,779	(53,996)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	64,140	53,749
Due from Bangko Sentral ng Pilipinas	309,040	354,132
Due from other banks	38,956	55,292
Investment Securities at Amortized Cost	308	9,168
SPURRA	0	22,009
Interbank Loans Receivable	31,277	42,214
FCNC	5,345	4,828
	449,066	541,392
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and other cash items	51,079	42,534
Due from Bangko Sentral ng Pilipinas	362,653	349,068
Due from other banks	43,383	41,890
Investment Securities at Amortized Cost	713	648
SPURRA	16,560	10,003
Interbank Loans Receivable	42,276	39,719
FCNC	5,181	3,534
	521,845	487,396

CHECKLIST OF REQUIRED DISCLOSURES
BANCO DE ORO UNIBANK, INC.
For the three months ended: March 31, 2020

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.

The Bank's interim financial statements have been prepared consistent with its most recent annual financial statements as of December 31, 2019.

- 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 3, 2020, the Bank issued P40.1 billion fixed rate bonds to diversify funding sources and support its lending activities.

On March 10, 2020, the Bank redeemed its P10.0 billion Unsecured Subordinated Notes in accordance with the instrument's optional redemption date.

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

On February 1, 2020, 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 February 21, 2020.

On February 27, 2020, the Board of Directors approved the declaration of cash dividends for the first quarter of 2020, in the amount of P0.30 per common share for a total of P1.3 billion. The dividends were paid on March 27, 2020.

- 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.

Remarks: NONE

- 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, 2019.

- Total Contingent Accounts was steady at P2.2 trillion with material movements from the following accounts:
 - Outstanding Guarantees Issued and Export L/Cs Confirmed decreased 6% and 7% to P2.8 billion and P7.3 billion, respectively, owing to lower volume of trade transactions and other guarantees issued as of the quarter-end.
 - Likewise, Bills for Collection and Late Deposits and Payments Received dropped 21% and 97% to P8.6 billion and P103 million, as of the cut-off date.
 - Treasury activities yielded the following:
 - Spot Exchange Sold declined 73% to P5.4 billion.
 - Forward Exchange Bought and Sold increased 11% and 21% to P157.2 billion and P169.5 billion, respectively.
 - Interest Rate Swap Receivable and Payable both went down 8% to P14.2 billion.
 - Other Contingent Accounts grew 6% to P439.4 billion due to expansion in Committed Credit Lines.

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	Commercial Banking	Investment Banking	Private Banking	Leasing & Financing	Insurance	Others	Total
Revenues							
From external customer							
Interest income	39,507	4	318	437	445	1	40,712
Interest expense	(7,430)	0	(79)	(203)	(23)	0	(7,735)
Net interest income	32,077	4	239	234	422	1	32,977
Intersegment revenue							
Interest income	48	5	0	0	6	1	60
Interest expense	(15)	(19)	(2)	(6)	(1)	(23)	(66)
Net interest income	33	(14)	(2)	(6)	5	(22)	(6)
Other operating income							
Investment banking fees	0	121	0	0	0	0	121
Others	8,204	26	316	259	(934)	162	8,033
	8,204	147	316	259	(934)	162	8,154
Total net revenues	40,314	137	553	487	(507)	141	41,125
Expenses							
Other operating expenses							
Depreciation and amortization	1,800	27	17	185	25	21	2,075
Impairment losses	2,230	0	1	29	(1)	1	2,260
Others	24,156	201	313	147	97	83	24,997
	28,186	228	331	361	121	105	29,332
Segment operating income	12,128	(91)	222	126	(628)	36	11,793
Tax expense	3,392	9	70	43	681	5	4,200
Segment net income	8,736	(100)	152	83	(1,309)	31	7,593
Statement of Financial Position							
Total resources							
Segment assets	3,176,760	6,733	37,655	28,849	55,273	5,160	3,310,430
Deferred tax assets (Liabilities) - net	8,790	(154)	26	134	48	0	8,844
Intangible assets	5,332	137	18	1	53	1	5,542
	3,190,882	6,716	37,699	28,984	55,374	5,161	3,324,816
Total liabilities	2,814,032	2,746	32,206	23,336	49,041	1,998	2,923,359
Other Segment Information							
Capital expenditures	1,160	4	2	73	0	1	1,240
Investment in associates under equity method	0	0	0	0	0	4,982	4,982
Share in the profit of associates	0	0	0	0	0	305	305

	Commercial Banking	Investment Banking	Private Banking	Leasing & Financing	Insurance	Others	Total
Revenues							
From external customer							
Interest income	37,539	5	376	515	373	3	38,811
Interest expense	(10,465)	0	(209)	(389)	(21)	0	(11,084)
Net interest income	27,074	5	167	126	352	3	27,727
Intersegment revenue							
Interest income	83	13	0	1	11	9	117
Interest expense	(24)	(18)	(11)	(47)	(1)	(18)	(119)
Net interest income	59	(5)	(11)	(46)	10	(9)	(2)
Other operating income							
Investment banking fees	0	204	0	0	0	0	204
Others	10,908	115	480	279	4,678	155	16,615
	10,908	319	480	279	4,678	155	16,819
Total net revenues	38,041	319	636	359	5,040	149	44,544
Expenses							
Other operating expenses							
Depreciation and amortization	1,303	22	16	207	15	21	1,584
Impairment losses	1,287	(2)	0	0	1	0	1,286
Others	22,614	189	318	172	3,601	93	26,987
	25,204	209	334	379	3,617	114	29,857
Segment operating income	12,837	110	302	(20)	1,423	35	14,687
Tax expense	3,007	34	49	4	133	13	3,240
Segment net income	9,830	76	253	(24)	1,290	22	11,447
Statement of Financial Position							
Total resources							
Segment assets	2,900,314	5,467	45,485	37,922	49,233	5,718	3,044,139
Deferred tax assets (Liabilities) - net	8,277	(185)	28	128	34	(16)	8,266
Intangible assets	5,176	207	21	12	52	0	5,468
	2,913,767	5,489	45,534	38,062	49,319	5,702	3,057,873
Total liabilities	2,571,088	1,689	39,859	32,634	39,778	2,597	2,687,645
Other Segment Information							
Capital expenditures	1,569	11	11	88	8	4	1,691
Investment in associates under equity method	0	0	0	220	0	4,716	4,936
Share in the profit of associates	0	0	0	(15)	0	174	159

BDO Unibank, Inc. and Subsidiaries
 Reconciliation
 As of March 31, 2020 and 2019
(Amounts in Millions of Pesos)

	2020	2019
Revenue		
Total segment net revenues	41,125	44,544
Elimination of intersegment revenues	871	(1,942)
Net revenues as reported in profit or loss	<u>41,996</u>	<u>42,602</u>
Profit or loss		
Total segment net income	7,593	11,447
Elimination of intersegment profit	1,161	(1,700)
Net profit as reported in profit or loss	<u>8,754</u>	<u>9,747</u>
Resources		
Total segment resources	3,324,816	3,057,873
Elimination of intersegment assets	(38,006)	(43,767)
Total resources	<u>3,286,810</u>	<u>3,014,106</u>
Liabilities		
Total segment liabilities	2,923,359	2,687,645
Elimination of intersegment liabilities	(8,765)	(11,939)
Total Liabilities	<u>2,914,594</u>	<u>2,675,706</u>

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 2020 vs. December 2019

- Cash and Other Cash Items decreased 20% to P51.1 billion, from a high year-end 2019 level owing to deposits generated during the Christmas season.
- Due from BSP went up 17% to P362.7 billion mainly from deposit growth.
- Due from Other Banks increased 11% to P43.4 billion due to higher placements and working balances with correspondent banks.
- Net Loans and Other Receivables inched up 2% to P2.3 trillion coming from increases in Customer Loans, Interbank Loans and Securities Purchased Under Reverse Repurchase Agreements (SPURRA). Other Receivables, on the other hand, went down 25% partially offsetting the growth.
- Other Resources declined 16% to P31.9 billion due to lower volumes of outstanding credit card transactions as of the cut-off date.
- Total Deposits grew 4% to P2.6 trillion as Demand and Savings deposits hiked 26% and 5%, respectively. Time deposits, on the other hand, went down 9%.
- Bills Payable grew 19% to P198.6 billion following the issuance of the P40.1 billion fixed rate bonds in February 2020.
- The Bank redeemed its P10.0 billion Subordinated Notes Payable in March 2020.
- Other Liabilities went down 12% to P99.0 billion mainly due to lower levels of accounts payable and bills purchased contra-account.

1.b Balance Sheet – March 2020 vs. March 2019

- Total Resources expanded 9% year-on-year period to P3.3 trillion as Customer Loans increased 11% funded by deposits, the bond issuance and re-invested profits.
- Cash and Other Cash Items rose 20%, year-on-year, mainly from deposit growth.
- Net Loans and Other Receivables rose 11% owing to an increase in Customer Loans to P2.2 trillion. Likewise, Interbank Loans, SPURRA and Other Receivables went up 11%, 66% and 9%, respectively.
- Bank Premises and Net Finance Lease inflated 37% to P45.8 billion due to reclassifications from Investment Properties as well as the full implementation of the new PFRS 16 lease accounting standard. The Bank only adopted partial modified retrospective application of the standard to selected subsidiaries in the first quarter of 2019.
- Consequently, Investment Properties dropped 15% to P16.9 billion.
- Deferred Tax Assets rose 7% to P8.8 billion resulting from the Bank's retirement obligation.
- Other Resources declined 8% mainly due to lower outstanding credit card transactions as of the cut-off date.
- Deposit Liabilities grew 9% year-on-year, as Demand and Savings deposits expanded 62% and 12%, respectively. Time deposits, on the other hand, dropped by 12%, partially offsetting the growth.

- Bills Payable rose 13% to P198.6 billion from the issuance of the P40.1 billion fixed rate bonds in February 2020.
- The Bank redeemed its P10.0 billion Subordinated Notes Payable in March 2020.
- Insurance Contract Liabilities surged 26% to P41.7 billion on higher BDO Life business volumes.
- Total Equity grew 10% to P372.2 billion from continued profitable operations.

1.c Income Statement – March 2020 vs. March 2019

- The Bank reported a Net Income attributable to Equity holders of the Parent Company of P8.8 billion, a 10% decline from the P9.8 billion for the same period last year.
- Net Interest Income expanded 19% to P33.0 billion owing to higher margins and an increase in the Bank's interest-earning assets.
- The Bank set aside P2.3 billion as Provision for Impairment Losses, 76% higher than the previous year's P1.3 billion.
- Other income slid 39% to P9.0 billion from the following:
 - Trading Loss of P4.6 billion compared to a Trading Gain of P1.3 billion for the same period last year primarily attributed to BDO Life's unit-linked portfolio as affected by over 30% decline in the equity markets. However, this has a corresponding decline in insurance policy reserves.
 - Trust Fees grew 9% to P922 million on higher level of funds managed.
 - Foreign Exchange (FX) Gain dropped 68% to P291 million on adverse market movements owing to the pandemic.
 - Insurance Premiums hiked 20% to P3.9 billion owing to higher BDO Life business volumes.
 - Other Income went up 8% to P1.3 billion mainly from higher income from associates.
- Operating Expenses dropped 5% to P26.8 billion on account of the following:
 - Employee Benefits rose 9% due to salary increases as well as a higher manpower count from business expansion.
 - Occupancy expenses slid 12% following the newly implemented lease accounting standard.
 - Litigation/Assets Acquired expenses went up 15% from higher costs relating to litigation and maintenance of acquired assets.
 - Policy Reserves were reversed by P1.5 billion on BDO Life's unit-linked funds following adverse market movements.
 - Insurance Benefits and Claims jumped 51% from higher BDO Life business volumes.
 - Security, Clerical and Janitorial expenses as well as Other Operating Expenses grew 9% and 19%, respectively, owing to an expanded distribution network and increased business volumes.
- Tax Expense climbed 30% to P4.2 billion on a higher taxable income base.

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1.d Comprehensive Income – March 2020 vs. March 2019

- From a Net Income of P8.8 billion, Total Comprehensive Income for the first quarter of 2020 registered at P3.1 billion, comprised of a P3.4 billion decline in gains on FVOCI Securities, a negative P3 million translation adjustment related to foreign operations, a negative P513 million remeasurement on life insurance reserves, a P1.8 billion drop in unrealized gain on equity investments at FVOCI as well as a negative P8 million share in Other Comprehensive Income (OCI) of subsidiaries and affiliates.
- This represents a 74% decline from the Total Comprehensive Income of P11.8 billion for the same period last year, inclusive of a P9.7 billion Net Income, a P3.9 billion increase in gains on FVOCI Securities, a P13 million translation adjustment, a negative P2.3 billion remeasurement on life insurance reserves, a P504 million increase in unrealized gain on equity investments at FVOCI and a P1 million share in OCI of subsidiaries and 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 2020	3M 2019	12M 2019
Return on Average Common Equity (%)	9.52%	11.83%	12.75%
Return on Average Assets(%)	1.08%	1.29%	1.44%
Net Interest Margin	4.36%	3.91%	4.15%
Liquidity Ratio	29.51%	30.69%	27.80%
Debt to Equity	783.04%	790.69%	760.49%
Asset to Equity	883.04%	890.69%	860.49%
Interest Rate Coverage	267.47%	217.17%	245.49%
Profit Margin	17.60%	18.16%	19.97%
Capital Adequacy Ratio	13.82%	13.98%	14.26%
Basic Earnings per Share	1.92	2.15	10.02

- Return on Average Common Equity and Return on Average Assets declined to 9.52% and 1.08%, respectively, on lower bottomline profits.
- Net Interest Margin improved to 4.36% from growth in interest-earning assets as well as an improvement in funding mix.
- Liquidity Ratio went down, year-on-year, to 29.51% owing to customer loan growth.
- Debt to Equity and Assets to Equity declined to 783.04% and 883.04%, respectively, as both total equity and total asset growth outpaced the increase in liabilities.
- Interest Rate Coverage rose to 267.47% on the improvement in funding cost.
- Profit Margin dropped to 17.60% owing to lower non-interest income.
- Capital Adequacy Ratio, covering credit, market and operations risk went down to 13.82% as growth in risk-weighted assets outpaced the increase in total qualified capital.
- Basic earnings per share went down by P0.23 year-on-year to P1.92 for the first quarter on lower 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.

The Bank is expecting scaled down business operations due to the Enhanced Community Quarantine brought about by the COVID-19 pandemic.

- 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 2020 vs. December 2019

Remarks: NONE



II. Balance Sheet – March 2020 vs. March 2019

Remarks: NONE

III. Income Statement – March 2020 vs. March 2019

- Interest Expense on Deposit Liabilities as a percentage of Total Interest Expense went down 11.0% to 72.2%, due to lower levels of high-cost Time deposits.
- Interest Expense on Bills Payable increased 8.3% to 25.1% of Total Interest Expense as a result of the bond issuance.
- Trading Loss accounted for -50.6% of Other Operating Income compared to a year-ago level of 8.9%, due to adverse market conditions.
- Accordingly, Service Charges and Fees, Insurance Premiums and Other Income rose to 79.4%, 43.0% and 14.8% of Other Operating Income, respectively.
- Policy Reserves represented -5.6% of Operating Expenses vis-à-vis 8.2% for the same period last year, primarily from revaluation of BDO Life's unit-linked funds.
- Income Tax as a percentage of Pre-tax Income increased 7.5% to 32.4%, on higher taxable income base.

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, 7699 Makati Avenue, Makati City

AGING OF LOANS AND ACCOUNTS RECEIVABLE

As of March 31, 2020

(Amounts in Millions of Pesos)

TYPE OF ACCOUNTS	Current		90 DAYS OR LESS		91 - 120 DAYS		121 - 180 DAYS		181 DAYS AND OVER		TOTAL
	P	P	P	P	P	P	P	P	P	P	
A. INTERBANK LOANS RECEIVABLES	P	P	49,810	P	0	P	0	P	0	P	49,810
B. LOANS AND RECEIVABLES	P	P	2,203,464	P	17,573	P	3,142	P	4,428	P	2,253,873
Loans & Discounts			1,910,653		13,673		2,398		3,422		1,947,533
Agri - Agri Loans			100,833		95		193		62		102,068
Bills Purchased			8,985		0		0		0		9,012
Customers Liability on Draft under LC/TR			60,658		145		0		11		61,369
Customers Liability for this Bank's Acceptances			3,708		0		0		0		3,708
Credit Card Receivables			86,222		3,351		493		863		95,027
Restructured Loans			19		6		2		3		1,138
Reverse Repurchase Agreement			16,560		0		0		0		16,560
Other Loans & Receivables			15,826		303		56		67		17,258
C. ACCOUNTS RECEIVABLE	P	P	4,155	P	1,107	P	145	P	236	P	7,661
TOTAL	P	P	2,257,429	P	18,680	P	3,287	P	4,664	P	2,311,144