



July 26, 2019

THE 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 AND EXCHANGE CORP.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention: **Atty. Joseph B. Evangelista**
Head, Issuer Compliance and Disclosure Department

Ladies and Gentlemen:

Please be informed that the Board of Directors of BDO Unibank, Inc. (the "Bank"), at its regular meeting held today, July 26, 2019, approved the financial statements of the Bank for the first half of 2019.

The Bank will be releasing to the press the attached statement.

Thank you.

Very truly yours,

MA. CECILIA S. SANTOS
First Vice President and Alternate
Corporate Information Officer

BDO Unibank, Inc.
BDO Corporate Center
7899 Makati Avenue
Makati City 0726, Philippines
Swift Code BNORPHMM
Tel +63(2) 840 7000

www.bdo.com.ph

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26 July 2019



BDO earns ₱20.2 Bn in 1H 2019

BDO Unibank, Inc. (BDO) sustained its momentum as it delivered ₱20.2 billion in earnings for the first six months of the year on strong recurring earnings from its core businesses, solid growth in fee income and normalization of trading & forex gains.

Net interest income increased by 24% to ₱56.9 billion as net interest margins (NIMs) improved to 3.99 per cent from 3.50 per cent last year. Gross customer loans grew by seven (7) per cent to ₱2.0 trillion, as the Bank continued to generate double-digit growth in the consumer and middle market segments. Meanwhile, total deposits went up by three (3) per cent to ₱2.4 trillion, reflective of customers' shift to higher-yielding fixed income investments, primarily bank-issued bonds. The Bank's CASA ratio, however, was maintained at 70 per cent.

Non-interest income was up 29 per cent to ₱29.5 billion as fee-based income and insurance premiums posted double-digit growth. Further, trading and forex gains normalized to ₱3.6 billion on favorable capital market conditions.

Operating expenses grew by 21 per cent in line with the Bank's continuing expansion, with 53 domestic branches and offices opened in the 1H 2019, as well as higher volume-related expenses. Taxes and licenses and policy reserves at BDO Life increased by 51 per cent. Excluding volume-related expenses, opex growth would have risen by 14 per cent in line with the Bank's investment in branches and business development offices nationwide.

Provisions amounted to ₱3.0 billion as the Bank maintained its conservative credit and provisioning policies. Gross non-performing loan (NPL) ratio was steady at 1.2 per cent while NPL cover remained high at 163.2 per cent.

Total capital grew to ₱350.8 billion, with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 Ratio at 14.2 per cent and 12.6 per cent, respectively, higher quarter-on-quarter and remaining comfortably above regulatory requirements.

With expectations of better economic prospects going forward, BDO will continue to build on its business franchise and extensive distribution network to tap new growth areas and underserved markets.

About BDO

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

BDO has one of the largest distribution networks, with more than 1,300 operating branches and over 4,000 ATMs nationwide. It also has a full-service branches in Hong Kong and Singapore as well as 23 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 March 31, 2019. For more information, please visit www.bdo.com.ph.