

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 9

Month

3 0

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

12,526

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 September 30, 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	4,379,994,374	

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
at 10/25/19

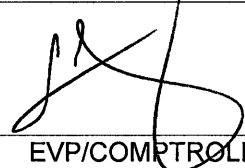
Date.....

October 25, 2019

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

LUCY CO DY

Signature and Title.....


LUCY CO DY
EVP/COMPTROLLER

Date.....

October 25, 2019

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

	As of September 30, 2019	Audited As of December 31, 2018
<u>RESOURCES</u>		
CASH AND OTHER CASH ITEMS	P 47,818	P 53,749
DUE FROM BANGKO SENTRAL NG PILIPINAS	321,903	354,132
DUE FROM OTHER BANKS	41,038	55,292
TRADING AND INVESTMENT SECURITIES		
At Fair Value Through Profit or Loss	27,855	20,308
Fair Value Through Other Comprehensive Income	153,540	120,389
Held-to-Collect – Net	259,921	244,500
LOANS AND OTHER RECEIVABLES – Net	2,141,356	2,071,834
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – Net	34,730	33,660
INVESTMENT PROPERTIES	17,868	19,785
EQUITY INVESTMENTS – Net	4,695	4,926
DEFERRED TAX ASSETS	8,167	8,312
OTHER RESOURCES - Net	33,289	35,360
	<u>3,092,180</u>	<u>3,022,247</u>
TOTAL RESOURCES	P <u>3,092,180</u>	P <u>3,022,247</u>
<u>LIABILITIES AND CAPITAL FUNDS</u>		
DEPOSIT LIABILITIES	P	P
Demand	216,299	179,944
Savings	1,528,469	1,505,680
Time	664,192	734,341
Total Deposit Liabilities	<u>2,408,960</u>	<u>2,419,965</u>
BILLS PAYABLE	168,352	143,623
SUBORDINATED NOTES PAYABLE	10,030	10,030
INSURANCE CONTRACT LIABILITIES	38,406	28,506
OTHER LIABILITIES	102,396	91,974
Total Liabilities	<u>2,728,144</u>	<u>2,694,098</u>
<u>EQUITY</u>		
Attributable to Shareholders of the Parent Company	362,352	327,372
Non-Controlling Interest	1,684	777
Total Equity	<u>364,036</u>	<u>328,149</u>
TOTAL LIABILITIES AND EQUITY	P <u>3,092,180</u>	P <u>3,022,247</u>
<u>CONTINGENT</u>		
Trust department accounts	P 1,296,469	P 1,161,717
Unused commercial letters of credit	46,119	48,950
Outstanding guarantees issued	3,110	1,715
Export L/Cs Confirmed	7,882	6,180
Bills for collection	10,220	10,716
Late deposits/payment received	-3,125	2,674
Spot Exchange Bought	7,671	7,273
Spot Exchange Sold	6,891	10,818
Forward Exchange Bought	133,128	122,948
Forward Exchange Sold	145,101	132,422
Interest Rate Swap Receivable	16,334	19,201
Interest Rate Swap Payable	16,334	19,201
Other Contingent Accounts	420,120	361,245
TOTAL CONTINGENT ACCOUNTS	P <u>2,112,504</u>	P <u>1,905,060</u>

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 nine-month Period ended September 30, 2019	For the nine-month Period ended September 30, 2018	For the Quarter ending September 30, 2019	For the Quarter ending September 30, 2018
INTEREST INCOME ON				
Loans and Receivables	P 107,191	P 82,483	P 36,245	P 29,895
Investment Securities	12,087	8,614	4,179	3,042
Due from Other Banks	913	1,416	380	511
Others	50	44	14	19
Total Interest Income	120,241	92,557	40,818	33,467
INTEREST EXPENSE ON				
Deposit liabilities	25,941	17,420	7,355	6,651
Bills Payable and Others	5,838	3,620	1,928	1,284
Finance Lease Payment Payable	1	0	0	0
Total Interest Expense	31,780	21,040	9,283	7,935
NET INTEREST INCOME	88,461	71,517	31,535	25,532
IMPAIRMENT LOSSES	4,246	5,494	1,258	1,953
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	84,215	66,023	30,277	23,579
OTHER OPERATING INCOME				
Service Charges, Fees and Commissions	22,833	19,736	7,854	6,772
Trading Gain – net	1,796	(2,040)	(194)	(107)
Trust Fees	2,607	2,487	905	823
Foreign Exchange Gain/(Loss) – net	2,485	3,004	883	1,125
Insurance Premiums	10,763	8,718	3,910	3,100
Miscellaneous – net	3,639	3,831	1,256	1,235
Total Other Operating Income	44,123	35,736	14,614	12,948
OTHER OPERATING EXPENSES				
Employee Benefits	24,201	20,651	8,285	6,981
Occupancy	7,775	6,741	2,631	2,320
Taxes and licenses	10,530	8,587	3,449	2,808
Security, Clerical, Messengerial and Janitorial	2,986	2,718	1,042	939
Insurance	3,908	3,568	1,302	1,273
Advertising	3,537	3,077	1,140	1,196
Litigation/Assets Acquired	393	390	128	111
Policy Reserves	6,361	3,347	1,775	1,396
Insurance Benefits and Claims	1,725	1,682	710	699
Miscellaneous	24,419	20,962	8,872	7,205
Total Other Operating Expenses	85,835	71,723	29,334	24,928
NET INCOME BEFORE INCOME TAX	42,503	30,036	15,557	11,599
TAX EXPENSE (INCOME)	10,396	8,575	3,590	3,251
NET INCOME AFTER TAX	P 32,107	P 21,461	P 11,967	P 8,348
ATTRIBUTABLE TO:				
Equity holders of the parent	P 32,107	P 21,518	P 11,955	P 8,370
Non-Controlling Interest	0	(57)	12	(22)
	P 32,107	P 21,461	P 11,967	P 8,348
EARNINGS PER SHARE				
Basic	7.26	4.85	2.73	1.92
Diluted	7.26	4.85	2.72	1.90

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

STATEMENTS OF COMPREHENSIVE INCOME
 (Amounts in Millions of Pesos)

	For the nine-month period ending September 30, 2019	For the nine-month period ending September 30, 2018	For the Quarter ending September 30, 2019	For the Quarter ending September 30, 2018
NET PROFIT	P 32,107	P 21,461	P 11,967	P 8,348
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	7,901	(4,038)	1,786	(518)
Impairment losses on debt investments at FVOCI	23	0	5	0
Total gains (losses) on FVOCI securities, net of tax	7,924	(4,038)	1,791	(518)
Translation adjustment related to foreign operations	(2)	50	6	5
	7,922	(3,988)	1,797	(513)
Items that will not be reclassified to profit or loss:				
Remeasurement on life insurance reserves	(3,466)	4,509	(271)	1,567
Unrealized gains (losses) on equity investments at FVOCI, net of tax	(62)	(1,881)	(678)	(62)
Transfer of realized gain on sale of properties	(53)	0	(53)	0
	(3,581)	2,628	(1,002)	1,505
Share in other comprehensive income (loss) of associates accounted for under equity method	5	(5)	5	(1)
Other Comprehensive Income (Loss), net of tax	4,346	(1,365)	800	991
TOTAL COMPREHENSIVE INCOME	P 36,453	P 20,096	P 12,767	P 9,339
Attributable To:				
Shareholders of the Parent Bank	P 36,415	P 20,172	P 12,743	P 9,347
Non-controlling Interest	38	(76)	24	(8)
	P 36,453	P 20,096	P 12,767	P 9,339

STATEMENTS OF CHANGES IN EQUITY
 COMPARATIVE PERIODS ENDED SEPTEMBER 30, 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 Actuarial Gain/(Losses)	Revaluation Increment	Remeasurement on Life Insurance Reserves	Accumulated Translation Adjustment	Accumulated Share in Other Comprehensive Income/(Loss) of Associates	Total Attributable to Shareholders of the Parent Bank	Non-Controlling Interest	Total Equity
Balance at January 1, 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	60		544										604		604
Options exercised during the year			1,387										1,387		1,387
Cash Dividends	60		(4,278)										(4,278)		(4,278)
Total transactions with owners	60	0	1,931	0	0	0	0	0	0	0	0	0	(2,287)	0	(2,287)
Total comprehensive income (loss)						32,107	7,824	0	(53)	(3,468)	(2)	5	36,415	38	36,453
Transfer to/(from) Surplus Free															
Trust reserves															
Other Reserves	0	0	0	83	816	(89)	(816)	0	0	0	0	0	0	0	0
				816	(899)	0	(899)	0	0	0	0	0	0	0	0
Disposals of Equity Securities classified as FVOCI															
Other Adjustments															
Disposal of properties															
Change in ownership interest in subsidiaries	0	0	0	0	3	76	69	16	0	0	0	0	76	869	1,635
													842	869	1,771
Balance at September 30, 2019	P 43,800	P 5,150	P 125,308	P 15,687	P 12	P 183,320	(P) 1,799	P 8,877	P 955	P 1,209	P 11	P 9	P 362,352	P 1,684	P 364,036
Balance at January 1, 2018	P 43,690	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															
As restated	P 43,690	P 5,150	P 122,966	P 3,425	P 11	P 128,909	(P) 2,149	P 6,805	P 1,008	P 1,398	P 21	P 5	P 294,782	P 852	P 295,634
Transactions with owners															
Issuance of primary shares	43		352										395		395
Cash Dividends	43		(4,273)										(4,273)		(4,273)
Total transactions with owners	43	0	(4,273)	0	0	0	0	0	0	0	0	0	(3,878)	(28)	(3,904)
Total comprehensive income						21,518	(5,900)	0	0	4,509	50	(5)	20,172	(79)	20,096
Transfer to/(from) Surplus Free															
Trust reserve															
Reversal of appropriation															
Additional appropriation	0	0	0	70	(206)	(70)	206	0	0	0	0	0	0	0	0
				70	(229)	(70)	(229)	0	0	0	0	0	0	0	0
Disposals of Equity Securities classified as FVOCI															
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 September 30, 2018	P 43,733	P 5,150	P 123,318	P 3,518	P 9	P 146,011	(P) 8,049	P 6,809	P 1,008	P 3,111	P 29	P 10	P 311,024	P 749	P 311,773

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2018
(Amounts in Millions of Pesos)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	42,503	30,036
Adjustments for:		
Interest income	(120,241)	(92,557)
Interest received	122,055	90,717
Interest expense	31,780	21,040
Interest paid	(32,546)	(19,741)
Impairment losses	4,246	5,494
Depreciation and amortization	4,732	3,971
Share in (profit)loss of associates	(549)	(482)
Fair value loss (gain)	430	1,208
Operating profit before changes in operating resources and liabilities	52,410	39,686
Decrease (increase) in financial assets at fair value through profit or loss	(7,822)	(6,604)
Decrease (increase) in loans and other receivables	(52,168)	(201,015)
Decrease (increase) in investment properties	(638)	(1,563)
Decrease (increase) in other resources	(6,083)	(6,502)
Increase (decrease) in deposit liabilities	(10,271)	223,940
Increase (decrease) in insurance contract liabilities	6,434	4,277
Increase (decrease) in other liabilities	19,784	14,376
Cash generated from (used in) operations	1,646	66,595
Cash paid for income tax	(9,663)	(8,030)
Net Cash From (Used in) Operating Activities	(8,017)	58,565
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of premises, furniture, fixture and equipment	(2,799)	(6,874)
Proceeds from disposals of premises, furniture, fixture and equipment	253	153
Acquisition of Held to collect investments	(63,815)	(63,597)
Maturities of Held to collect investments	47,303	35,803
Proceeds from disposal of FVOCI securities	29,825	32,706
Acquisition of FVOCI securities	(55,208)	(35,775)
Net Cash From (Used in) Investing Activities	(44,441)	(37,584)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	604	395
Proceeds from bills payable	228,231	229,245
Payments of bills payable	(203,385)	(221,505)
Payments of lease liabilities	(9)	0
Dividends paid	(4,278)	(4,299)
Net Cash From (Used in) Financing Activities	21,163	3,836
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,295)	24,817
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	47,818	36,428
Due from Bangko Sentral ng Pilipinas	321,903	364,274
Due from other banks	41,038	47,418
Held to Collect Securities	8,682	6,791
SPURRA	21,802	12,029
Interbank Loans Receivable	65,356	59,676
FCNC	3,498	3,622
	510,097	530,238

CHECKLIST OF REQUIRED DISCLOSURES
BDO UNIBANK, INC.
For the nine months ended: September 30, 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.

The Parent Bank has not implemented PFRS 16 as it will wait for the directive of BSP on the letter request sent by BAP (Bankers Association of the Philippines) for the deferment of PFRS 16.

- 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.

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

On June 11 2019, the Bank repaid upon maturity its P5.0 billion LTNCD, which was issued on December 11, 2013.

On September 27, 2019, the Bank issued P6.5 billion worth of LTNCD to diversify the maturity of its funding sources and support business expansion plans.

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.

On May 25, 2019, the Board of Directors approved the declaration of cash dividends for the second quarter of 2019, in the amount of P0.30 per common share. The dividends were paid on June 24, 2019.

On Aug 31, 2019, the Board of Directors approved the declaration of cash dividends for the third quarter of 2019, in the amount of P0.30 per common share. The dividends were paid on September 30, 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.

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.

On May 16, 2019, the Bank completed its transaction with Osmanthus Investment Holdings Pte. Ltd. (Osmanthus) for the latter's acquisition of a 15% equity stake in BDO Network Bank.

On July 4, 2019, the Bank's listed subsidiary, BDO Leasing and Finance, Inc. sold its 40% equity stake in MMPC Auto Financial Services Corporation (MMPC), to focus more on its core business of equipment leasing and finance.

On September 4, 2019, the Board of Directors of the Bank's subsidiary, Express Padala (Hong Kong) Limited, approved the closing of the company's books and subsequent cash repatriation, as a requirement to the application of Deregistration with Companies Registry in Hong Kong.

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

- Total Contingent Accounts grew 11% to P2.1 trillion due to material movements from the following accounts:
 - Trust Department Accounts hiked 12% to P1.3 trillion from a larger portfolio of funds managed.
 - Outstanding Guarantees Issued and Export L/Cs Confirmed surged 81% and 28% to P3.1 billion and P7.9 billion, respectively, owing to higher volume of trade transactions.
 - Late Deposits and Payments Received went up 17% to P3.1 billion as more transactions were received from clients after clearing cut-off time.
 - Unused L/Cs and Bills for Collection declined 6% and 5% to P46.1 billion and P10.2 billion, as of the cut-off date.
 - Treasury activities yielded the following:
 - Spot Exchange Bought rose 5% to P7.7 billion while Spot Exchange Sold dropped 36% P6.9 billion.
 - Forward Exchange Bought and Sold likewise hiked 8% and 10% to P133.1 billion and P145.1 billion, respectively.
 - Interest Rate Swap Receivable and Payable slid 15% to P16.3 billion.
 - Other Contingent Accounts climbed 16% to P420.1 billion owing to expansion in Committed Credit Lines.

	Commercial Banking	Investment Banking	Private Banking	Leasing & Finance	Insurance	Others	Total	Eliminations	Group
Statement of Income									
Total Interest Income	116,380	21	1,125	1,508	1,200	7	120,241	0	120,241
External	184	30	0	0	30	41	285	(285)	0
Inter-Segment	116,564	51	1,125	1,508	1,230	48	120,526	(285)	120,241
Total Interest Expense									
External	30,112	3	535	1,064	65	1	31,780	0	31,780
Inter-Segment	60	54	25	94	4	61	298	(298)	0
	30,172	57	560	1,158	69	62	32,078	(298)	31,780
Net Interest Income	86,392	(6)	565	350	1,161	(14)	88,448	13	88,461
Other Operating Income									
Investment Banking Fees	0	678	0	0	0	0	678	0	678
Others	32,784	294	1,350	757	12,892	447	48,524	(5,079)	43,445
	32,784	972	1,350	757	12,892	447	49,202	(5,079)	44,123
Other Operating Expenses									
Depreciation and Amortization	3,959	78	49	602	59	64	4,811	(79)	4,732
Impairment Losses	4,230	(2)	4	9	6	(1)	4,246	0	4,246
Others	69,155	591	968	516	10,388	251	81,869	(786)	81,103
	77,344	667	1,021	1,127	10,453	314	90,926	(845)	90,081
Profit before Tax	41,832	299	894	(20)	3,600	119	46,724	(4,221)	42,503
Tax Expense	9,387	97	157	18	701	36	10,396	0	10,396
Net Profit	32,445	202	737	(38)	2,899	83	36,328	(4,221)	32,107
Statements of Financial Position									
Total Resources									
Segment Assets	2,978,530	10,859	42,764	32,304	55,841	5,362	3,125,660	(50,035)	3,075,625
Intangible Assets	5,194	209	19	5	53	1	5,481	2,907	8,388
Deferred Tax Assets	8,181	(185)	24	129	31	(13)	8,167	0	8,167
	2,991,905	10,883	42,807	32,438	55,925	5,350	3,139,308	(47,128)	3,092,180
Total Liabilities	2,623,089	6,932	36,248	26,917	45,135	2,187	2,740,508	(12,364)	2,728,144
Other Segment Information									
Capital expenditures	4,363	20	18	349	14	13	4,777	0	4,777
Investment in associate under equity method	0	0	0	0	0	4,850	4,850	0	4,850
Share in the Profit of associates	0	0	0	0	0	549	549	0	549

	Commercial Banking	Investment Banking	Private Banking	Leasing & Finance	Insurance	Others	Total	Eliminations	Group
Statement of Income									
Total Interest Income	88,958	29	1,279	1,444	840	7	92,557	0	92,557
External	157	2	1	1	14	24	199	(199)	0
Inter-Segment	89,115	31	1,280	1,445	854	31	92,756	(199)	92,557
Total Interest Expense									
External	19,711	2	551	716	60	0	21,040	0	21,040
Inter-Segment	18	39	0	90	0	52	199	(199)	0
	19,729	41	551	806	60	52	21,239	(199)	21,040
Net Interest Income	69,386	(10)	729	639	794	(21)	71,517	0	71,517
Other Operating Income									
Investment Banking Fees	0	797	0	0	0	0	797	0	797
Others	26,495	222	742	951	8,162	459	37,031	(2,092)	34,939
	26,495	1,019	742	951	8,162	459	37,828	(2,092)	35,736
Other Operating Expenses									
Depreciation and Amortization	3,202	39	25	661	27	17	3,971	0	3,971
Impairment Losses	5,441	0	0	42	11	0	5,494	0	5,494
Others	58,643	748	1,033	563	7,200	296	68,483	(731)	67,752
	67,286	787	1,058	1,266	7,238	313	77,948	(731)	77,217
Profit before Tax	28,595	222	413	324	1,718	125	31,397	(1,361)	30,036
Tax Expense	7,494	124	152	77	694	34	8,575	0	8,575
Net Profit	21,101	98	261	247	1,024	91	22,822	(1,361)	21,461
Statements of Financial Position									
Total Resources									
Segment Assets	2,799,364	6,486	56,750	41,852	40,587	5,667	2,950,686	(44,942)	2,905,744
Intangible Assets	5,351	134	20	19	52	1	5,577	2,907	8,484
Deferred Tax Assets	7,480	(184)	28	125	28	(17)	7,460	0	7,460
	2,812,195	6,416	56,798	41,996	40,667	5,651	2,963,723	(42,035)	2,921,688
Total Liabilities	2,496,209	2,151	51,717	36,666	31,902	2,574	2,621,219	(11,304)	2,609,915
Other Segment Information									
Capital expenditures	7,953	79	18	714	54	25	8,843	0	8,843
Investment in associate under equity method	0	0	0	241	0	4,695	4,936	0	4,936
Share in the Profit of associates	0	0	0	(25)	0	507	482	0	482

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 – September 2019 vs. December 2018

- Cash and Other Cash Items declined 11% to P47.8 billion, as year-end 2018 level was inflated by deposits generated during the Christmas season.
- Due from BSP went down 9% to P321.9 billion mainly due to the cuts in reserve requirement implemented during the year.
- Due from Other Banks dropped 26% to P41.0 billion as the Bank shifted excess liquidity to higher-yielding investments.
- Accordingly, Investment Securities increased 15% to P441.3 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 expanded by 37%, 28% and 6%, respectively.
- Net Loans and Other Receivables inched up 3% to P2.1 trillion as the Bank saw sustained double-digit growth in the consumer and middle-market segments. Interbank Loans, meantime grew 46% to P71.9 billion.
- Equity Investments declined 5% to P4.7 billion following the divestment in MMPC.
- Investment Properties dropped 10% to P17.9 billion in part owing to depreciation on non-ROPA properties.
- Other Resources went down 6% to P33.3 billion due to lower levels of foreign currency notes and coins and miscellaneous assets as of the cut-off date
- Total Deposits was steady at P2.4 trillion as increases in Demand and Savings deposits of 20% and 2%, respectively, were offset by a 10% decline in Time deposits.
- Bills Payable rose 17% to P168.4 billion following the issuance of the P35.0 billion fixed rate bonds in February 2019.
- Insurance Contract Liabilities climbed 35% to P38.4 billion fueled by higher business volumes of BDO Life.
- Other Liabilities went up 11% to P102.4 billion due to higher levels of accrued expenses and bills purchased contra-account.
- Total Equity increased 11% to P364.0 billion primarily owing to the Net Income booked during the period.

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

- Total Resources grew 6% year-on-year to P3.1 trillion as expansion in Investment Securities and Net Loans and Other Receivables were funded by deposits, the bond issuance and re-invested profits.
- Cash and Other Cash Items went up 31% year-on-year to maintain liquidity against a growing deposit base.
- Due from BSP and Due from Other Banks dropped 12% and 13%, respectively, due to the reduction in reserve requirement and the shift to higher-yielding investments.

- Investment Securities hiked 20% with FVTPL, FVOCI and HTC Securities increasing by 37%, 30% and 13%, respectively, as the Bank increased its holdings to optimize yields in anticipation of lower interest rates.
- Net Loans and Other Receivables increased 7% primarily from a 6% year-on-year increase in Customer Loans. Interbank Loans, SPURRA and Other Receivables, likewise, climbed 7%, 81% and 5%, respectively.
- Investment Properties dropped 6% mainly owing to depreciation on non-ROPA properties.
- Deferred Tax Assets went up 9% to P8.2 billion resulting from the Bank's retirement obligation.
- Deposit Liabilities inched up 3% year-on-year, as Demand and Savings deposits rose 28% and 4%, respectively. Meantime, Time deposits declined 6%, year-on-year as the Bank reduced its reliance on more expensive funding sources.
- Bills Payable climbed 22% from the issuance of the P35.0 billion fixed rate bonds.
- Insurance Contract Liabilities soared 49% on higher BDO Life business volumes.
- Other Liabilities jumped 14% due to higher levels of accounts payable, accrued expenses and bills purchased contra-account.
- Total Equity expanded 17% from continued profitable operations.

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

- The Bank produced a Net Income attributable to Equity holders of the Parent Company of P32.1 billion for the three quarters of 2019, representing a 49% improvement from the P21.5 billion recorded for the same period last year.
- Net Interest Income surged 24% to P88.5 billion on the back of higher net interest margins and an increase in the Bank's interest-earning assets.
- The Bank prudently set aside P4.2 billion as Provision for Impairment Losses for loans, securities, ROPA and other assets.
- Other income hiked 23% to P44.1 billion owing to the following:
 - Normalized Trading Income of P1.8 billion from a Trading Loss of P2.0 billion for the same period last year.
 - Service Charges grew 16% to P22.8 billion coming from recurring fee income generated by major business lines.
 - Trust Fees went up 5% from a higher level of funds managed.
 - Foreign Exchange (FX) Gain dropped 17% to P2.5 billion owing to partial offsetting gains in some trading positions of the Bank.
 - Insurance Premiums expanded 23% to P10.8 billion from continued volume growth at BDO Life.
 - Other Income declined 5% to P3.6 billion due to lower rental and dividend income.
- Operating Expenses went up 20% to P85.8 billion resulting from the following:
 - Employee Benefits climbed 17% from salary increases as well as a higher manpower count from business expansion.
 - Occupancy expenses rose 15% owing to improvements and investments in the Bank's various distribution channels.
 - Taxes and Licenses hiked 23% mainly from GRT on higher income.
 - Insurance expenses went up 10% on a higher deposit level.
 - Advertising expenses grew 15% following intensified marketing, promotional and advertising activities.

- Policy Reserves soared 90% resulting from increased BDO Life business volumes as well as revaluation of the unit-linked portfolio.
- Security, Clerical and Janitorial expenses as well as Other Operating Expenses grew 10% and 16%, respectively, owing to an expanded distribution network and business volume growth.
- Tax Expense went up 21% to P10.4 billion resulting from a higher taxable income base.

1.d Comprehensive Income – September 2019 vs. September 2018

- From a Net Income of P32.1 billion, Total Comprehensive Income for nine months of the year reached P36.5 billion, inclusive of a P7.9 billion increase in net gain on fixed income investments at FVOCI Securities, a negative P2 million translation adjustment related to foreign operations, a negative P3.5 billion re-measurement on life insurance reserves, a P62 million decline in unrealized gains on equity investments at FVOCI, a P53 million transfer of realized gain on sale of properties and a P5 million share in OCI of associates.
- This represents an 81% jump from the Total Comprehensive Income of P20.1 billion recorded for the same period last year, comprised of a P21.5 billion Net Income, a P4.0 billion decline in net gain on debt investments at FVOCI Securities, a P50 million translation adjustment, a P4.5 billion re-measurement on life insurance reserves, a P1.9 billion drop in unrealized gains on equity investments at FVOCI and a negative P5 million share in OCI of associates.

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	9M 2019	9M 2018	12M 2018
Return on Average Common Equity (%)	12.53%	9.53%	10.71%
Return on Average Assets(%)	1.40%	1.02%	1.14%
Net Interest Margin	4.12%	3.58%	3.64%
Liquidity Ratio	30.59%	30.65%	30.43%
Debt to Equity	749.42%	837.12%	821.00%
Asset to Equity	849.42%	937.12%	921.00%
Interest Rate Coverage	233.74%	242.76%	241.95%
Profit Margin	19.53%	16.73%	18.26%
Capital Adequacy Ratio	14.63%	13.93%	13.73%
Basic Earnings per Share	7.26	4.85	7.40

- Return on Average Common Equity and Return on Average Assets improved to 12.53% and 1.40%, respectively, following higher Net Income.
- Net Interest Margin climbed to 4.12% resulting from sustained growth in higher yielding loan segments and lower funding costs.
- Liquidity Ratio was steady at 30.59% as liquid assets grew in tandem with total assets.
- Debt to Equity and Assets to Equity dropped to 749.42% and 849.42%, respectively, as total equity outpaced the increase in both liabilities and total assets.
- Interest Rate Coverage declined to 233.74% due to increased funding cost.
- Profit Margin went up to 19.53% carried by higher NIMs and non-interest income.

- Capital Adequacy Ratio, covering credit, market and operations risk climbed to 14.63%, as the bottomline profits outpaced the growth in risk-weighted assets.
- Basic earnings per share grew P2.41 year-on-year to P7.26 for the nine months of the year 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 – September 2019 vs. December 2018

Remarks: NONE

II. Balance Sheet – September 2019 vs. September 2018

Remarks: NONE

III. Income Statement – September 2019 vs. September 2018

- Trading Gain as a percentage of Other Income was at 4.1% compared to a year-ago level of -5.7%, owing to more favorable market conditions.

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 September 30, 2019
 (Amounts in Millions of Pesos)

TYPE OF ACCOUNTS	Current	90 DAYS OR LESS				181 DAYS AND OVER	TOTAL
		91 - 120 DAYS	121 - 180 DAYS	181 DAYS AND OVER			
A. INTERBANK LOANS RECEIVABLES	P 71,973	P 0	P 0	P 0	P 0	P 71,973	
B. LOANS AND RECEIVABLES	P 2,058,494	P 10,621	P 1,914	P 3,014	P 22,373	P 2,096,416	
Loans & Discounts	1,746,164	8,277	1,429	2,275	15,969	1,774,114	
Agri - Agri Loans	103,904	75	1	5	830	104,815	
Bills Purchased	23,546	0	0	0	26	23,572	
Customers Liability on Draft under LC/TR	65,286	111	34	0	491	65,922	
Customers Liability for this Bank's Acceptances	3,259	0	0	0	0	3,259	
Credit Card Receivables	82,772	1,897	391	604	3,114	88,778	
Restructured Loans	46	3	0	1	0	1,175	
Reverse Repurchase Agreement	21,802	0	0	0	0	21,802	
Other Loans & Receivables	11,715	258	59	129	818	12,979	
C. ACCOUNTS RECEIVABLE	P 3,630	P 778	P 112	P 327	P 2,021	P 6,868	
TOTAL	P 2,134,097	P 11,399	P 2,026	P 3,340	P 24,394	P 2,175,257	