



February 27, 2020

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. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Ladies and Gentlemen:

Please be informed that BDO Unibank, Inc. will be releasing to the press the attached statement re:
"BDO posts ₱44.2 billion net income in 2019."

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 +632 840-7000

bdo.com.ph

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BDO posts ₱44.2 billion net income in 2019

BDO Unibank, Inc. (BDO) recorded a net income of ₱44.2 billion in 2019 from ₱32.7 billion in 2018 on the strong performance of its core recurring income sources. The results exceeded the Bank's ₱38.5 billion guidance and translate to a Return on Common Equity (ROCE) of 12.8 per cent from 10.7 per cent the year before.

Net interest income went up to ₱119.9 billion from ₱98.3 billion. Net Interest Margin (NIM) improved on continued CASA growth and improving loan mix in favor of consumer and middle market customers. Customer loans rose by nine (9) per cent to ₱2.2 trillion on broad-based growth across market segments. Total deposits grew by three (3) per cent to ₱2.5 trillion, bolstered by the eight (8) per cent increase in low-cost Current Account/Savings Account (CASA) deposits that comprised 73 per cent of total deposits.

Non-interest income reached ₱60.6 billion, led by fee-based income with ₱35.3 billion and insurance premiums with ₱14.8 billion. Trading and forex gains settled at ₱5.7 billion. Overall, gross operating income went up to ₱180.5 billion.

Operating expenses amounted to ₱115.2 billion, in line with the Bank's continuing business and network expansion, as well as higher volume-related expenses (specifically, taxes and licenses and policy reserves at BDO Life). The Bank maintained its conservative credit and provisioning policies, setting aside ₱6.2 billion in provisions, even as gross non-performing loan (NPL) ratio was steady at 1.2 per cent and NPL cover remained high at 164.7 per cent.

Total capital base increased to ₱370.6 billion, with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) ratio at 14.2 per cent and 12.7 per cent, respectively, both comfortably above regulatory levels.

Moving forward, BDO's robust business franchise, extensive distribution network, solid balance sheet and focused growth strategy place the Bank in an advantageous position to tap growth opportunities and development thrusts in line with government priorities while remaining resilient to domestic and external challenges.

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 and credit card services.

BDO has the country's largest distribution network, with over 1,400 consolidated operating branches and more than 4,400 ATMs nationwide. It also has 22 overseas remittance and representative offices (including full-service branches in Hong Kong and Singapore) 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 December 31, 2019. For more information, please visit www.bdo.com.ph.