



February 24, 2021

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 entitled "*BDO posts ₱28.2 billion net income in 2020.*"

Thank you.

Very truly yours,


ALVIN C. GO
SVP/Assistant Corporate Secretary and Alternate
Corporate Information Officer

BDO Unibank, Inc.
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines
Swift Code BNORPHMM
Tel +632 8840-7000

bdo.com.ph

We find ways®



24 February 2021

BDO posts ₱28.2 billion net income in 2020

BDO Unibank, Inc. (BDO) posted a net income of ₱28.2 billion in 2020 from ₱44.2 billion in 2019, due mainly to pre-emptive provisions of ₱30.2 billion set aside against potential delinquencies from the pandemic. The Bank relied on its strong and resilient business franchise and balance sheet to support core business operations, despite significant hurdles from the pandemic and ensuing economic lockdown.

Net interest income (NII) grew by 12 percent to ₱133.7 billion. Loans managed to grow 3 per cent to ₱2.3 trillion driven by consumer and corporate accounts. The Bank continued to assist its borrowing clients, ensuring their uninterrupted access to credit facilities, in addition to granting loan moratoria under *Bayanihan I* and *II*.

CASA deposits continued to climb, growing 17 percent to ₱2.1 trillion, as clients were able to access BDO products and services through its branches, ATMs and digital channels even during quarantine restrictions.

Non-interest income declined 8 percent and settled at ₱55.2 billion, supported by fee-based income, trading gains and insurance premiums. Business volumes were initially impacted by mobility restrictions, but have since begun to recover gradually. Wealth management, on the other hand, remained resilient with trust volumes and fees sustaining growth. Trading gains increased as the Bank capitalized on favorable market conditions while insurance premiums grew modestly despite the initial impact of the lockdowns.

Operating expenses decreased 2 percent to ₱112.6 billion due to a reduction in marketing and volume-related expenses.

The Bank's provisions of ₱30.2 billion were in line with prudent credit and provisioning policies, meant to further strengthen its balance sheet. The NPL ratio stood at 2.65 percent with NPL coverage at 109.5 percent. As of yearend, the Bank's

total Loan Loss Reserves were equivalent to 3 percent of Gross Customer Loans, and are considered more than sufficient to cover for potential losses.

The Bank's capital base expanded to ₱393 billion with its Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) at 14.4 percent and 13.2 percent, respectively, comfortably above minimum regulatory levels. The Bank's capital increased by 6% despite the pre-emptive provisions and the business impact of COVID-19. Book value per share likewise increased 6% to ₱88.11 from ₱83.03 in 2019.

BDO remains cautiously optimistic on a gradual upturn in 2021. With its extensive market reach and devoted workforce, the Bank remains committed to providing banking products and services attuned to its customers needs. These include digital upgrades that allow easier and safer access to services, such as QR code-based ATM and merchant transactions. These are part of the benefits expected from its ongoing Next Generation IT upgrade.

About BDO

BDO is a full-service universal bank that 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 18 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, 2020. For more information, please visit www.bdo.com.ph.