

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
Jun 30, 2023
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	5,266,947,951
Preferred	618,000,000

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	Jun 30, 2023
Currency (indicate units, if applicable)	Phil. Peso in Millions

Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Jun 30, 2023		Dec 31, 2022	
Current Assets	1,538,221		1,490,240	
Total Assets	4,158,252		4,074,708	
Current Liabilities	3,439,142		3,321,450	
Total Liabilities	3,668,506		3,613,251	
Retained Earnings/(Deficit)	204,662		178,537	
Stockholders' Equity	489,746		461,457	
Stockholders' Equity - Parent	487,547		459,332	
Book Value per Share	91.42		86.08	

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	78,251	56,647	151,099	110,576
Gross Expense	50,703	36,206	98,661	71,391
Non-Operating Income	-	-	-	-

Non-Operating Expense	3,623	4,481	6,817	8,225
Income/(Loss) Before Tax	23,925	15,960	45,621	30,960
Income Tax Expense	5,202	3,688	10,370	6,919
Net Income/(Loss) After Tax	18,723	12,272	35,251	24,041
Net Income Attributable to Parent Equity Holder	18,696	12,205	35,195	23,943
Earnings/(Loss) Per Share (Basic)	3.55	2.32	6.61	4.48
Earnings/(Loss) Per Share (Diluted)	3.52	2.29	6.61	4.48

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	12.9	8.55
Earnings/(Loss) Per Share (Diluted)	12.87	8.52

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 T O W E R S V A L E R O , 8 7 4 1 P A S E O

D E R O X A S S T R E E T , S A L C E D O

V I L L A G E , M A K A T I C I T Y

(BUSINESS ADDRESS: NO. STREET CITY/TOWN/PROVINCE)

RHODA P. LAZARO

Contact Person

8878-4520/8840-7000 loc 34520

Company Telephone Number

0 6

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

12,271

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

Remarks: Pls. Use black ink of scanning purposes

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 June 30, 2023.
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
5. Province, country or other jurisdiction of incorporation or organization
Makati City, Philippines
6. Industry Classification Code (For SEC Use Only)

BDO Corporate Center, 7899 Makati Avenue, Makati City

7. Address of issuer's principal office 0726
Postal Code
8. Issuer's Telephone number, including area code
8878-4520/8840-7000 LOC 34520

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	5,265,301,236	

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.

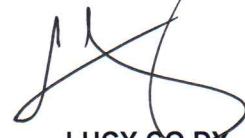
SIGNATURES

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

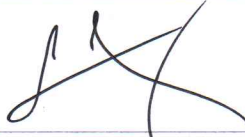
Date.....

July 31, 2023

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

LUCY CO DY

Signature and Title.....



EVP/COMPTROLLER

Date.....

July 31, 2023

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

	As of June 30, 2023	Audited as of December 31, 2022
<u>RESOURCES</u>		
CASH AND OTHER CASH ITEMS	P 62,839	P 82,944
DUE FROM BANGKO SENTRAL NG PILIPINAS	347,673	385,779
DUE FROM OTHER BANKS - Net	57,341	58,766
TRADING AND INVESTMENT SECURITIES		
Financial Assets at FVTPL	49,298	44,712
Financial Assets at FVOCI	270,455	166,069
Investment Securities at Amortized Cost - Net	532,456	512,049
LOANS AND OTHER RECEIVABLES – Net	2,710,460	2,696,901
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – Net	46,586	46,471
INVESTMENT PROPERTIES	21,075	21,158
EQUITY INVESTMENTS – Net	5,825	5,501
DEFERRED TAX ASSETS	4,534	5,355
OTHER RESOURCES – Net	49,710	49,003
	P 4,158,252	P 4,074,708
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES		
DEPOSIT LIABILITIES		
Demand	P 464,442	P 459,511
Savings	2,019,994	2,077,360
Time	811,319	684,012
Total Deposit Liabilities	3,295,755	3,220,883
BILLS PAYABLE	178,198	198,891
INSURANCE CONTRACT LIABILITIES	71,665	64,363
OTHER LIABILITIES	122,888	129,114
Total Liabilities	3,668,506	3,613,251
EQUITY		
Attributable to:		
Shareholders of the Parent Bank	487,547	459,332
Non-controlling Interests	2,199	2,125
	489,746	461,457
TOTAL LIABILITIES AND EQUITY	P 4,158,252	P 4,074,708
<u>CONTINGENT</u>		
Trust department accounts	P 1,953,675	P 1,825,019
Unused commercial letters of credit	93,552	94,851
Outstanding guarantees issued	4,004	2,270
Export L/Cs Confirmed	13,437	14,757
Bills for collection	18,908	14,889
Late deposits/payments received	2,316	1,417
Spot Exchange Bought	22,488	5,038
Spot Exchange Sold	23,871	12,945
Forward Exchange Bought	246,152	164,713
Forward Exchange Sold	283,181	194,235
Interest Rate Futures Sold	-	1,417
Interest Rate Swap Receivable	3,110	4,660
Interest Rate Swap Payable	3,110	4,660
Other Contingent Accounts	478,473	455,630
	P 3,146,277	P 2,796,501

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 six-month period ending		For the quarter ending	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
INTEREST INCOME ON				
Loans and Other Receivables	P 91,847	P 64,142	P 48,118	P 32,705
Trading and Investment Securities	16,823	11,357	8,742	5,883
Due from BSP and Other Banks	4,225	770	2,128	446
Others	41	31	19	17
Total Interest Income	112,936	76,300	59,007	39,051
INTEREST EXPENSE ON				
Deposit Liabilities	19,449	3,219	10,839	1,736
Bills Payable and Other Borrowings	3,565	3,176	1,840	1,538
Finance Lease Liabilities	428	456	225	240
Total Interest Expense	23,442	6,851	12,904	3,514
NET INTEREST INCOME	89,494	69,449	46,103	35,537
IMPAIRMENT LOSSES (RECOVERIES) - Net				
Financial Assets	6,837	8,300	3,615	4,481
Non-financial Assets	(40)	(90)	(17)	(27)
Others	20	15	25	27
	6,817	8,225	3,623	4,481
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	82,677	61,224	42,480	31,056
OTHER OPERATING INCOME				
Service Charges, Fees and Commissions	20,794	17,590	10,683	9,294
Trading Gain(Loss) - Net	869	(975)	(173)	(1,172)
Trust Fees	2,299	2,271	1,158	1,158
Foreign Exchange Gain	2,400	3,318	1,952	2,321
Insurance Premiums	9,387	9,907	4,431	4,920
Miscellaneous – net	2,414	2,165	1,193	1,075
Total Other Operating Income	38,163	34,276	19,244	17,596
OTHER OPERATING EXPENSES				
Compensation and Benefits	23,986	21,234	12,023	10,784
Occupancy	5,312	5,259	2,670	2,677
Taxes and licenses	9,079	5,958	4,442	2,885
Security, Clerical, Messengerial and Janitorial	2,354	1,991	1,204	1,025
Insurance	3,486	3,109	1,721	1,551
Advertising	1,778	1,173	976	567
Litigation/Assets Acquired	296	487	169	291
Policy Reserves	3,543	5,282	1,385	2,473
Insurance Benefits and Claims	3,339	2,632	1,875	1,260
Miscellaneous	22,046	17,415	11,334	9,179
Total Other Operating Expenses	75,219	64,540	37,799	32,692
PROFIT BEFORE TAX	45,621	30,960	23,925	15,960
TAX EXPENSE	10,370	6,919	5,202	3,688
NET PROFIT	P 35,251	P 24,041	P 18,723	P 12,272
Attributable to:				
Shareholders of the Parent Bank	P 35,195	P 23,943	P 18,696	P 12,205
Non-controlling Interests	56	98	27	67
	P 35,251	P 24,041	P 18,723	P 12,272
Earnings Per Share:				
Basic	6.61	4.48	3.55	2.32
Diluted	6.61	4.48	3.52	2.29

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

BDO UNIBANK, INC. & SUBSIDIARIES
BDO Towers Valero, 8741 Paseo de Roxas Street, Salcedo Village, Makati City

STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Pesos)

	<u>For the six-month period ending</u>		<u>For the quarter ending</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
NET PROFIT	P 35,251	P 24,041	P 18,723	P 12,272
OTHER COMPREHENSIVE INCOME(LOSS)				
Items that are or will be reclassified subsequently to profit or loss:				
Net unrealized gains (losses) on debt investments at fair value through other comprehensive income (FVOCI), net of tax	3,882	(15,134)	(148)	(7,401)
Transfer of realized losses (gains) on disposed debt investments at FVOCI to statements of income, net of tax	(42)	(62)	(22)	1
Impairment losses (recoveries) on debt investments at FVOCI	93	10	97	12
Net gains (losses) on FVOCI securities, net of tax	3,933	(15,186)	(73)	(7,388)
Translation adjustment related to foreign operations	21	(9)	9	76
	<u>3,954</u>	<u>(15,195)</u>	<u>(64)</u>	<u>(7,312)</u>
Items that will not be reclassified to profit or loss:				
Remeasurement on life insurance reserves	(2,922)	7,132	(977)	4,270
Actuarial gains (losses) on remeasurement of retirement benefit obligation, net of tax	(5)	11	0	0
Unrealized gains (losses) on equity investments at FVOCI, net of tax	86	(580)	10	(731)
	<u>(2,841)</u>	<u>6,563</u>	<u>(967)</u>	<u>3,539</u>
Other Comprehensive Income (Loss), net of tax	<u>1,113</u>	<u>(8,632)</u>	<u>(1,031)</u>	<u>(3,773)</u>
TOTAL COMPREHENSIVE INCOME	<u>P 36,364</u>	<u>P 15,409</u>	<u>P 17,692</u>	<u>P 8,499</u>
Attributable To:				
Shareholders of the Parent Bank	P 36,290	P 15,368	P 17,661	P 8,452
Non-controlling Interest	74	41	31	47
	<u>P 36,364</u>	<u>P 15,409</u>	<u>P 17,692</u>	<u>P 8,499</u>

STATEMENTS OF CHANGES IN EQUITY
 COMPARATIVE PERIODS ENDED JUNE 30, 2023 AND 2022
 (Amounts in Millions of Pesos)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Shares at cost	Surplus Reserves	Other Reserves	Surplus Free	Net Unrealized Fair Value Gain / (Losses) on FVOCI	Accumulated Actuarial Gains/ (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, 2023	P 52,641	P 6,180	P 229,946	P (1)	P 22,131	P (76)	P 178,537	P (19,950)	P (17,566)	P 1,010	P 6,447	P 38	P (5)	P 459,332	P 2,125	P 461,457
Transactions with owners																
Issuance of shares during the year	12		147											159		159
Options transferred during the year					(161)									(161)		(161)
Options expensed during the year					231									231		231
Cash Dividends							(8,304)							(8,304)		(8,304)
Total transactions with owners	12	-	147	-	70	-	(8,304)	-	-	-	-	-	-	(8,075)	-	(8,075)
Total comprehensive income (loss)							35,195	4,001			(2,922)	21	(5)	36,290	74	36,364
Transfer to/(from) Surplus Free																
Appropriation of excess GLLP over ECL					737		(737)							-		-
Other Reserves					35		(35)							-		-
	-	-	-	-	772	-	(772)	-	-	-	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI							6	(6)						-		-
Balance at June 30, 2023	P 52,653	P 6,180	P 230,093	P (1)	P 22,973	P (76)	P 204,662	P (15,955)	P (17,566)	P 1,010	P 3,525	P 59	P (10)	P 487,547	P 2,199	P 489,746
Balance at January 1, 2022	P 43,855	P 5,150	P 124,447	P -	P 19,930	P 29	P 249,743	P (1,630)	P (16,454)	P 1,010	P (3,173)	P 43	P (16)	P 422,934	P 1,614	P 424,548
Transactions with owners																
Issuance of shares during the year	7		70											77		77
Options transferred during the year					9									9		9
Options expensed during the year					48									48		48
Cash Dividends							(7,357)							(7,357)		(7,357)
Total transactions with owners	7	-	70	-	57	-	(7,357)	-	-	-	-	-	-	(7,223)	-	(7,223)
Total comprehensive income (loss)							23,943	(15,709)			7,132	(9)	11	15,368	41	15,409
Transfer to/(from) Surplus Free																
Appropriation of excess GLLP over ECL					1,068		(1,068)							-		-
Other Reserves					24		(24)							-		-
	-	-	-	-	1,092	-	(1,092)	-	-	-	-	-	-	-	-	-
Disposals of equity securities classified as FVOCI							16	(16)						-		-
Balance at June 30, 2022	P 43,862	P 5,150	P 124,517	P -	P 21,079	P 29	P 265,253	P (17,355)	P (16,454)	P 1,010	P 3,959	P 34	P (5)	P 431,079	P 1,655	P 432,734

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022
(Amounts in Millions of Pesos)

		2023		2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	P	45,621	P	30,960
Adjustments for:				
Interest income		(112,936)		(76,300)
Interest received		112,802		76,515
Interest paid		(21,206)		(6,555)
Interest expense		23,442		6,851
Gain from disposal of FVOCI		(11)		(84)
Gain from disposal of Investment securities at amortized cost		(6)		(13)
Impairment losses		6,817		8,225
Depreciation and amortization		5,045		4,952
Share in net profit of associates		(645)		(581)
Fair value losses (gains)		(531)		1,156
Foreign exchange losses (gains) unrealized		1,443		(11,841)
Operating profit before changes in operating resources and liabilities		59,835		33,285
Decrease (Increase) in:				
Financial assets at FVTPL		(4,096)		(5,316)
Loans and other receivables		(49,336)		(61,876)
Investment properties		(572)		(1,661)
Other resources		(10,524)		(9,251)
Increase (Decrease) in:				
Deposit liabilities		73,216		133,879
Insurance contract liabilities		4,380		2,954
Other liabilities		565		34,771
Cash generated from (used in) operations		73,468		126,785
Cash paid for income tax		(9,334)		(6,417)
Net Cash From (Used in) Operating Activities		64,134		120,368
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of investment securities at amortized cost		(48,898)		(74,155)
Acquisitions of securities at FVOCI		(342,171)		(188,797)
Maturities of investment securities at amortized cost		26,192		26,310
Proceeds from disposals of securities at FVOCI		240,779		187,367
Acquisitions of premises, furniture, fixture and equipment		(2,292)		(1,509)
Proceeds from disposals of premises, furniture, fixture and equipment		40		75
Net Cash From (Used) in Investing Activities		(126,350)		(50,709)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bills payable		98,617		89,452
Payments of bills payable		(118,269)		(87,812)
Dividends paid		(8,304)		(7,357)
Payments of lease liabilities		(2,124)		(2,113)
Proceeds from issuance of common stock		159		77
Net Cash From (Used in) Financing Activities		(29,921)		(7,753)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	P	(92,137)	P	61,906
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and other cash items		82,944		69,105
Due from Bangko Sentral ng Pilipinas		385,779		304,906
Due from other banks		58,766		70,092
Reverse repurchase agreements		26,305		17,095
Interbank Loans Receivable		98,942		81,083
FCNC		10,582		5,597
		663,318		547,878
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD				
Cash and other cash items		62,839		54,110
Due from Bangko Sentral ng Pilipinas		347,673		378,463
Due from other banks		57,341		54,484
Investment Securities at Amortized Cost		597		4
Reverse repurchase agreements		43,782		25,784
Interbank Loans Receivable		51,532		90,375
FCNC		7,417		6,564
	P	571,181	P	609,784

CHECKLIST OF REQUIRED DISCLOSURES
BDO UNIBANK, INC.
For the six months ended June 30, 2023

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 significant accounting policies in the Bank's interim financial statements are consistent with those applied in its annual financial statements as of and for the year ended December 31, 2022.

- 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 18, 2023, the Bank repaid upon maturity its P11.8 billion Long-Term Negotiable Certificate of Deposit (LTNCD).

On March 3, 2023, the Bank redeemed \$644 million in Senior Notes.

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

On January 28, 2023, 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 P407 million. The dividends were paid on February 20, 2023.



On February 24, 2023, the Board of Directors approved the declaration of cash dividends for the first quarter of 2023, in the amount of P0.75 per common share for a total of P3.9 billion. The dividends were paid on March 31, 2023.

On May 27, 2023, the Board of Directors approved the declaration of cash dividends for the second quarter of 2023, in the amount of P0.75 per common share for a total of P3.9 billion. The dividends were paid on June 30, 2023.

- 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.

During its meeting held on March 25, 2023, the Board of Directors of BDO approved the purchase of the entire equity interests of Keppel Philippines Properties, Inc. and Opon-KE Properties, Inc. in SM Keppel Land, Inc. (SMKL) consisting of 217,910,000 common shares and 36,401,500 redeemable preferred shares equivalent to 50% of the outstanding capital stock of SMKL at adjusted net asset value at closing. By this acquisition, BDO will consolidate its ownership of the Podium Complex, presently 50% owned by SMKL, consisting of BDO's Corporate Center Ortigas, the West Tower and the Podium Mall. The Podium Complex currently houses BDO's offices in Ortigas and BDO already occupies approximately 63% of the office spaces in the Podium Complex.

On the same day, the parties signed the Share Purchase Agreement covering the transaction. Completion is subject to, among others, customary closing conditions applicable to transactions of this nature and regulatory approvals.

- 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, 2022.

- Total Contingent Accounts went up 13% to P3.1 trillion with material movements from the following accounts:
 - Trust Department Accounts increased 7% to P2.0 trillion from a larger portfolio of assets managed.
 - Outstanding Guarantees Issued surged 76% to P4.0 billion owing to higher volume of trade transactions.
 - Export L/Cs Confirmed was down 9% to P13.4 billion as of the cut-off date.
 - Bills for Collection and Late Deposits / Payments Received jumped 27% and 63% to P18.9 billion and P2.3 billion, respectively, owing to higher outstanding transactions as of the first half of the year.

- Treasury activities resulted in the following:
 - Spot Exchange Bought and Sold soared 346% and 84% to P22.5 billion and P23.9 billion, respectively.
 - Forward Exchange Bought and Sold, likewise, climbed 49% and 46% to P246.2 billion and P283.2 billion, respectively.
 - Interest Rate Swap Receivable and Payable dropped 33% to P3.1 billion apiece.
- Other Contingent Accounts went up 5% to P478.5 billion due to higher volume of committed credit lines.



BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of June 30, 2023
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Leasing & Financing	Insurance	Others	Total
Revenues							
From external customer							
Interest income	P 110,044	P 28	P 639	P 321	P 1,849	P 55	P 112,936
Interest expense	(23,177)	(1)	(76)	(148)	(39)	(1)	(23,442)
Net interest income	<u>86,867</u>	<u>27</u>	<u>563</u>	<u>173</u>	<u>1,810</u>	<u>54</u>	<u>89,494</u>
Intersegment revenue							
Interest income	440	8	-	-	18	86	552
Interest expense	(175)	(23)	(4)	(7)	(301)	(60)	(570)
Net interest income	<u>265</u>	<u>(15)</u>	<u>(4)</u>	<u>(7)</u>	<u>(283)</u>	<u>26</u>	<u>(18)</u>
Other operating income							
Investment banking fees	-	946	-	-	-	-	946
Others	29,377	156	872	272	10,780	227	41,684
	<u>29,377</u>	<u>1,102</u>	<u>872</u>	<u>272</u>	<u>10,780</u>	<u>227</u>	<u>42,630</u>
Total net revenues	<u>116,509</u>	<u>1,114</u>	<u>1,431</u>	<u>438</u>	<u>12,307</u>	<u>307</u>	<u>132,106</u>
Expenses							
Other operating expenses							
Depreciation and amortization	4,629	46	52	202	140	41	5,110
Impairment losses	6,776	2	11	9	13	7	6,818
Others	60,315	515	803	154	9,057	157	71,001
	<u>71,720</u>	<u>563</u>	<u>866</u>	<u>365</u>	<u>9,210</u>	<u>205</u>	<u>82,929</u>
Segment operating income	44,789	551	565	73	3,097	102	49,177
Tax expense	9,186	158	201	21	760	44	10,370
Segment net income	<u>P 35,603</u>	<u>P 393</u>	<u>P 364</u>	<u>P 52</u>	<u>P 2,337</u>	<u>P 58</u>	<u>P 38,807</u>
Statement of Financial Position							
Total resources							
Segment assets	P 4,046,083	P 7,769	P 32,222	P 9,224	P 114,024	P 10,614	P 4,219,936
Deferred tax assets (Liabilities) - net	4,656	(165)	14	16	38	(25)	4,534
Intangible assets	8,796	58	155	-	61	-	9,070
	<u>P 4,059,535</u>	<u>P 7,662</u>	<u>P 32,391</u>	<u>P 9,240</u>	<u>P 114,123</u>	<u>P 10,589</u>	<u>P 4,233,540</u>
Total liabilities	<u>P 3,559,408</u>	<u>P 3,440</u>	<u>P 25,961</u>	<u>P 7,810</u>	<u>P 94,395</u>	<u>P 2,187</u>	<u>P 3,693,201</u>
Other Segment Information							
Capital expenditures	<u>P 2,664</u>	<u>P 7</u>	<u>P 4</u>	<u>P 313</u>	<u>P 243</u>	<u>P 7</u>	<u>P 3,238</u>
Investment in associates under equity method	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 5,978</u>	<u>P 5,978</u>
Share in the profit of associates	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 645</u>	<u>P 645</u>

BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of June 30, 2022
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Leasing & Financing	Insurance	Others	Total
Revenues							
From external customer							
Interest income	P 74,239	P 16	P 557	P 318	P 1,169	P 1	P 76,300
Interest expense	(6,721)	(2)	(27)	(66)	(35)	-	(6,851)
Net interest income	<u>67,518</u>	<u>14</u>	<u>530</u>	<u>252</u>	<u>1,134</u>	<u>1</u>	<u>69,449</u>
Intersegment revenue							
Interest income	44	1	-	-	2	-	47
Interest expense	(9)	(15)	(3)	(16)	(6)	(31)	(80)
Net interest income	<u>35</u>	<u>(14)</u>	<u>(3)</u>	<u>(16)</u>	<u>(4)</u>	<u>(31)</u>	<u>(33)</u>
Other operating income							
Investment banking fees	-	890	-	-	-	-	890
Others	25,005	115	862	382	10,740	236	37,340
	<u>25,005</u>	<u>1,005</u>	<u>862</u>	<u>382</u>	<u>10,740</u>	<u>236</u>	<u>38,230</u>
Total net revenues	<u>92,558</u>	<u>1,005</u>	<u>1,389</u>	<u>618</u>	<u>11,870</u>	<u>206</u>	<u>107,646</u>
Expenses							
Other operating expenses							
Depreciation and amortization	4,534	43	36	218	154	41	5,026
Impairment losses	8,213	2	-	8	2	-	8,225
Others	49,148	406	671	213	9,794	158	60,390
	<u>61,895</u>	<u>451</u>	<u>707</u>	<u>439</u>	<u>9,950</u>	<u>199</u>	<u>73,641</u>
Segment operating income	30,663	554	682	179	1,920	7	34,005
Tax expense	6,127	171	81	47	486	7	6,919
Segment net income	<u>P 24,536</u>	<u>P 383</u>	<u>P 601</u>	<u>P 132</u>	<u>P 1,434</u>	<u>P -</u>	<u>P 27,086</u>
Statement of Financial Position							
Total resources							
Segment assets	P 3,682,539	P 9,425	P 45,324	P 13,370	P 82,158	P 4,390	P 3,837,206
Deferred tax assets (Liabilities) - net	6,646	(165)	15	17	65	(7)	6,571
Intangible assets	7,002	70	29	-	42	1	7,144
	<u>P 3,696,187</u>	<u>P 9,330</u>	<u>P 45,368</u>	<u>P 13,387</u>	<u>P 82,265</u>	<u>P 4,384</u>	<u>P 3,850,921</u>
Total liabilities	<u>P 3,258,149</u>	<u>P 5,092</u>	<u>P 39,078</u>	<u>P 6,102</u>	<u>P 68,188</u>	<u>P 2,243</u>	<u>P 3,378,852</u>
Other Segment Information							
Capital expenditures	<u>P 3,229</u>	<u>P 2</u>	<u>P 2</u>	<u>P 112</u>	<u>P 287</u>	<u>P 1</u>	<u>P 3,633</u>
Investment in associates under equity method	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 5,701</u>	<u>P 5,701</u>
Share in the profit of associates	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 581</u>	<u>P 581</u>

BDO Unibank, Inc. and Subsidiaries
Reconciliation
As of June 30, 2023 and 2022
(Amounts in Millions of Pesos)

	<u>2023</u>	<u>2022</u>
Revenue		
Total segment net revenues	P 132,106	P 107,646
Elimination of intersegment revenues	<u>(4,449)</u>	<u>(3,921)</u>
Net revenues as reported in profit or loss	<u>P 127,657</u>	<u>P 103,725</u>
Profit or loss		
Total segment net income	P 38,807	P 27,086
Elimination of intersegment profit	<u>(3,556)</u>	<u>(3,045)</u>
Net profit as reported in profit or loss	<u>P 35,251</u>	<u>P 24,041</u>
Resources		
Total segment resources	P 4,233,540	P 3,850,921
Elimination of intersegment assets	<u>(75,288)</u>	<u>(49,873)</u>
Total resources	<u>P 4,158,252</u>	<u>P 3,801,048</u>
Liabilities		
Total segment liabilities	P 3,693,201	P 3,378,852
Elimination of intersegment liabilities	<u>(24,695)</u>	<u>(10,538)</u>
Total Liabilities	<u>P 3,668,506</u>	<u>P 3,368,314</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

1. Comparable discussion that will enable the reader to assess material changes in financial condition and 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 – June 2023 vs. December 2022 (Audited)

- Cash and Other Cash Items declined 24% to P62.8 billion, owing to a high year-end 2022 level coming from deposits generated during the Christmas season.
- Due from BSP went down 10% to P347.7 billion as the Bank reinvested excess liquidity into higher yielding Investment Securities, which increased 18% to P852.2 billion.
- Net Loans and Other Receivables inched up 1% to P2.7 trillion as customer loans slightly increased by 2%, while Securities Purchased Under Reverse Repurchase Agreements (SPURRA) expanded 66%. Interbank Loans and Other Receivables, on the other hand, dropped 42% and 17%, respectively.
- Equity Investments rose 6% to P5.8 billion owing to earnings from associates.
- Deferred Tax Assets dropped 15% to P4.5 billion mainly from loan write-offs.
- Total Deposits was slightly up 2% at P3.3 trillion as Savings deposits went down 3% while Time deposits climbed 19%.
- Bills Payable declined 10% to P178.2 billion from the redemption of Senior Notes in March 2023.
- Insurance Contract Liabilities grew 11% to P71.7 billion on higher BDO Life business volumes.
- Total Equity went up 6% to P489.7 billion following the Bank's first half Net Income.

1.b Balance Sheet – June 2023 vs. June 2022

- Total Resources expanded 9% year-on-year to P4.2 trillion from growth in customer loans and Investment Securities funded by deposits.
- Cash and Other Cash Items climbed 16%, following an increase in total deposits.
- Due from BSP dropped 8% from reinvestment of excess liquidity into higher yielding securities.
- Due from Other Banks went up 5% to P57.3 billion on higher levels of placements and working balances with correspondent banks.
- Investment Securities surged 27% to P852.2 billion as Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) and Investment Securities at Amortized Cost jumped 66% and 16%, respectively.
- Net Loans and Other Receivables grew 7% year-on-year as gross customer loans, SPURRA and Other Receivables climbed 8%, 70% and 66%, respectively.
- Equity Investments rose 5% due to earnings from associates.
- Investment Properties went up 5% to P21.1 billion owing to foreclosures and dacion payments.
- Deferred Tax Assets dropped 31% due to loan write-offs.
- Other Resources hiked 20% to P49.7 billion primarily due to increases in retirement assets and prepaid expenses.



- Deposit Liabilities expanded 12% year-on-year owing to growth in Demand and Time deposits of 4% and 86%, respectively.
- Bills Payable slid 16% from the redemption of Senior Notes in March 2023.
- Insurance Contract Liabilities climbed 17% on higher BDO Life business volumes.
- Other Liabilities declined 12% to P122.9 billion owing to decreases in accounts payable and outstanding acceptances from trade transactions.
- Total Equity grew 13% year-on-year to from continued profitable operations.

1.c Income Statement – June 2023 vs. June 2022

- The Bank reported a Net Income attributable to Equity holders of the Parent Company of P35.2 billion for the first half of 2023, an improvement of 47% from the P23.9 billion for the same period last year.
- Net Interest Income surged 29% to P89.5 billion from an expansion in earning assets and an improvement in margins from higher interest rates brought about by policy rate hikes implemented by the BSP.
- The Bank maintained its conservative stance, setting aside P6.8 billion as Provision for Impairment Losses, further lifting the NPL coverage ratio to 174%.
- Other Income increased 11% to P38.2 billion from the following:
 - Trading Gain for the first half registered at P869 million coming from the previous year's P975 million Trading Loss.
 - Service Charges and Fees jumped 18% to P20.8 billion resulting from continued growth from the Bank's major service businesses.
 - Foreign Exchange (FX) Gain went down to P2.4 billion from P3.3 billion the previous year, primarily from revaluation of certain derivatives contra trading gain.
 - Other Income hiked 12% to P2.4 billion on higher ROPA and dividend income.
- Operating Expenses went up 17% to P75.2 billion owing to the following:
 - Employee Benefits grew 13% owing to salary increases and a higher manpower headcount.
 - Taxes and Licenses jumped 52% from Gross Receipt Taxes on a higher income base as well as higher Documentary Stamp Tax on increased Time Deposit levels.
 - Insurance expenses increased 12% following deposit growth.
 - Advertising expenses climbed 52% coming from higher marketing, promotional and advertising expenditures.
 - Litigation/Assets Acquired expenses slid 39% due to lower costs relating to litigation and maintenance of acquired assets.
 - Insurance Benefits and Claims rose 27% on higher BDO Life business volumes while Policy Reserves dropped 33% primarily from lower Unit Linked premiums.
 - Security, Clerical and Janitorial expenses as well as Other expenses hiked 18% and 27%, respectively, following increased business volumes and a wider distribution network.
- Tax Expense went up 50% to P10.4 billion on higher taxable income.



1.d Comprehensive Income – June 2023 vs. June 2022

- From a Net Income of P35.3 billion, Total Comprehensive Income for the first half of 2023 registered at P36.4 billion, comprised of P3.9 billion unrealized gains on debt investments at FVOCI, a positive P21 million translation adjustment related to foreign operations, a negative P2.9 billion re-measurement on life insurance reserves, a P5 million actuarial loss on re-measurement of retirement benefit obligation, and an P86 million increase in unrealized gain on equity investments at FVOCI.
- This represents a 136% improvement from the Total Comprehensive Income of P15.4 billion for the same period last year, inclusive of a P24.0 billion Net Income, a P15.2 billion decline in unrealized gains on debt investments at FVOCI, a negative P9 million translation adjustment related to foreign operations, a positive P7.1 billion re-measurement on life insurance reserves, an P11 million actuarial gain on re-measurement of retirement benefit obligation, and a P580 million decrease in unrealized gain on equity investments at FVOCI.

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	6M 2023	6M 2022	12M 2022
Return on Average Common Equity (%)	15.10%	11.27%	13.02%
Return on Average Assets(%)	1.73%	1.30%	1.49%
Net Interest Margin	4.65%	4.02%	4.14%
Liquidity Ratio	34.41%	33.87%	34.17%
Debt to Equity	749.06%	778.38%	783.01%
Asset to Equity	849.06%	878.38%	883.01%
Interest Rate Coverage	294.61%	551.90%	468.93%
Profit Margin	23.33%	21.74%	23.79%
Capital Adequacy Ratio	14.97%	14.48%	14.50%
Basic Earnings per Share	6.61	4.48	10.77

- Return on Average Common Equity and Return on Average Assets improved to 15.1% and 1.73%, respectively, from a higher Net Income.
- Net Interest Margin climbed to 4.65% on account of earning asset expansion in a higher interest rate environment.
- Liquidity Ratio rose to 34.41% as liquid assets grew at a faster pace than total assets.
- Debt to Equity and Assets to Equity declined to 749.06% and 849.06%, respectively, as the growth in total equity outpaced the increase in liabilities and total assets.
- Interest Rate Coverage dropped to 294.61% due to higher interest expense brought about by a rising interest rate environment.
- Profit Margin improved year-on-year to 23.33% owing to higher bottomline profits.
- Capital Adequacy Ratio, covering credit, market and operations risk went up to 14.97% as the increase in capital outpaced the growth in risk-weighted assets.
- Basic earnings per share increased to P6.61 following a higher 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 – June 2023 vs. December 2022

Remarks: NONE



II. Balance Sheet – June 2023 vs. June 2022

- Savings deposits as a percentage of Total Deposits went down from 70.1% to 61.3%, following an 86% growth in Time deposits.
- Accordingly, Time deposits to Total Deposits increased from 14.7% to 24.6%.

III. Income Statement – June 2023 vs. June 2022

- Interest Expense on Deposit Liabilities jumped 36.0% to account for 83.0% of Total Interest Expense, following increased level of Time deposits in a higher interest rate environment.
- Consequently, the proportion of Interest Expense on Bills Payable to Total Interest Expense dropped from 46.4% to 15.2%.
- Trading Gain now represents 2.3% of Other Income vis-à-vis the Trading Loss for the first half of 2022, which was at -2.8% of Other Income.

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 Towers Valero, 8741 Paseo de Roxas Street, Salcedo Village, Makati City

AGING OF LOANS AND ACCOUNTS RECEIVABLE

As of June 30, 2023

(Amounts in Millions of Pesos)

TYPE OF ACCOUNTS	CURRENT	90 DAYS OR LESS	91 - 120 DAYS	121 - 180 DAYS	181 DAYS AND OVER	TOTAL
A. INTERBANK LOANS RECEIVABLES	P 67,061	P 0	P 0	P 0	P 0	P 67,061
B. LOANS AND RECEIVABLES	P 2,652,551	P 12,105	P 2,564	P 3,352	P 43,004	P 2,713,576
Loans & Discounts	2,198,812	6,406	984	1,454	25,205	2,232,861
Agri - Agra Loans	96,077	117	10	8	3,061	99,273
Bills Purchased	12,201	0	0	0	47	12,248
Customers Liability on Draft under LC/TR	63,826	47	0	0	797	64,670
Customers Liability for this Bank's Acceptances	14,839	0	0	0	0	14,839
Credit Card Receivables	128,807	2,486	888	1,193	6,029	139,403
Restructured Loans	76,905	2,939	404	622	6,257	87,127
Reverse Repurchase Agreement	43,782	0	0	0	0	43,782
Other Loans & Receivables	17,302	110	278	75	1,608	19,373
C. ACCOUNTS RECEIVABLE	P 6,471	P 3,042	P 201	P 259	P 2,085	P 12,058
TOTAL	P <u>2,726,083</u>	P <u>15,147</u>	P <u>2,765</u>	P <u>3,611</u>	P <u>45,089</u>	P <u>2,792,695</u>