

# 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  
Mar 31, 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              | 5,264,462,462   |
| 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**

|   |                        |
|---|------------------------|
| <b>For the period ended</b>                     | Mar 31, 2023           |
| <b>Currency (indicate units, if applicable)</b> | Phil. Peso in Millions |

**Balance Sheet**

|                                      | Period Ended |  | Fiscal Year Ended (Audited) |  |
|--------------------------------------|--------------|--|-----------------------------|--|
|                                      | Mar 31, 2023 |  | Dec 31, 2022                |  |
| <b>Current Assets</b>                | 1,505,317    |  | 1,490,240                   |  |
| <b>Total Assets</b>                  | 4,086,787    |  | 4,074,708                   |  |
| <b>Current Liabilities</b>           | 3,386,103    |  | 3,321,450                   |  |
| <b>Total Liabilities</b>             | 3,610,906    |  | 3,613,251                   |  |
| <b>Retained Earnings/(Deficit)</b>   | 190,637      |  | 178,537                     |  |
| <b>Stockholders' Equity</b>          | 475,881      |  | 461,457                     |  |
| <b>Stockholders' Equity - Parent</b> | 473,713      |  | 459,332                     |  |
| <b>Book Value per Share</b>          | 88.81        |  | 86.08                       |  |

**Income Statement**

|                             | Current Year<br>(3 Months) | Previous Year<br>(3 Months) | Current Year-To-Date | Previous Year-To-Date |
|-----------------------------|----------------------------|-----------------------------|----------------------|-----------------------|
| <b>Gross Revenue</b>        | 72,848                     | 53,929                      | 72,848               | 53,929                |
| <b>Gross Expense</b>        | 47,958                     | 35,185                      | 47,958               | 35,185                |
| <b>Non-Operating Income</b> | -                          | -                           | -                    | -                     |

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| <b>Non-Operating Expense</b>                           | 3,194  | 3,744  | 3,194  | 3,744  |
| <b>Income/(Loss) Before Tax</b>                        | 21,696 | 15,000 | 21,696 | 15,000 |
| <b>Income Tax Expense</b>                              | 5,168  | 3,231  | 5,168  | 3,231  |
| <b>Net Income/(Loss) After Tax</b>                     | 16,528 | 11,769 | 16,528 | 11,769 |
| <b>Net Income Attributable to Parent Equity Holder</b> | 16,499 | 11,738 | 16,499 | 11,738 |
| <b>Earnings/(Loss) Per Share (Basic)</b>               | 3.06   | 2.17   | 3.06   | 2.17   |
| <b>Earnings/(Loss) Per Share (Diluted)</b>             | 3.06   | 2.17   | 3.06   | 2.17   |

|  | <b>Current Year (Trailing 12 months)</b> | <b>Previous Year (Trailing 12 months)</b> |
|--|--|---|
| <b>Earnings/(Loss) Per Share (Basic)</b>   | 11.67                                    | 8.32                                      |
| <b>Earnings/(Loss) Per Share (Diluted)</b> | 11.64                                    | 8.31                                      |

**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:**

|                    |                               |
|--------------------|-------------------------------|
| <b>Name</b>        | Elmer Serrano                 |
| <b>Designation</b> | 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 3

Month

3 1

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

12,294

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 March 31, 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<br>common stock outstanding | Amount of<br>Debt Outstanding |
|---------------------|---|-------------------------------|
| <b>Common stock</b> | <b>5,264,462,462</b>                            |                               |

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.....

**April 18, 2023**

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

**LUCY CO DY**

Signature and Title.....

  
EVP/COMPTROLLER

Date.....

**April 18, 2023**

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### **Part 2. Disclosures**

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

|   | <b>As of</b>          | <b>Audited as of</b>     |
|---|-----------------------|--------------------------|
| <b>RESOURCES</b>                                  | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
| CASH AND OTHER CASH ITEMS                         | P 61,686              | P 82,944                 |
| DUE FROM BANGKO SENTRAL NG PILIPINAS              | 398,907               | 385,779                  |
| DUE FROM OTHER BANKS - Net                        | 54,340                | 58,766                   |
| TRADING AND INVESTMENT SECURITIES                 |                       |                          |
| Financial Assets at FVTPL                         | 45,605                | 44,712                   |
| Financial Assets at FVOCI                         | 223,911               | 166,069                  |
| Investment Securities at Amortized Cost - Net     | 528,871               | 512,049                  |
| LOANS AND OTHER RECEIVABLES – Net                 | 2,642,835             | 2,696,901                |
| PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – Net | 46,028                | 46,471                   |
| INVESTMENT PROPERTIES                             | 21,129                | 21,158                   |
| EQUITY INVESTMENTS – Net                          | 5,705                 | 5,501                    |
| DEFERRED TAX ASSETS                               | 5,005                 | 5,355                    |
| OTHER RESOURCES – Net                             | 52,765                | 49,003                   |
|   | <b>P 4,086,787</b>    | <b>P 4,074,708</b>       |
| <br><b>LIABILITIES AND EQUITY</b>                 |                       |                          |
| <b>LIABILITIES</b>                                |                       |                          |
| DEPOSIT LIABILITIES                               |                       |                          |
| Demand  | P 459,383             | P 459,511                |
| Savings   | 1,998,683             | 2,077,360                |
| Time  | 763,968               | 684,012                  |
| Total Deposit Liabilities                         | 3,222,034             | 3,220,883                |
| BILLS PAYABLE                                     | 180,688               | 198,891                  |
| INSURANCE CONTRACT LIABILITIES                    | 68,824                | 64,363                   |
| OTHER LIABILITIES                                 | 139,360               | 129,114                  |
| Total Liabilities                                 | 3,610,906             | 3,613,251                |
| <br><b>EQUITY</b>                                 |                       |                          |
| Attributable to:                                  |                       |                          |
| Shareholders of the Parent Bank                   | 473,713               | 459,332                  |
| Non-controlling Interests                         | 2,168                 | 2,125                    |
|   | 475,881               | 461,457                  |
| <b>TOTAL LIABILITIES AND EQUITY</b>               | <b>P 4,086,787</b>    | <b>P 4,074,708</b>       |
| <br><b>CONTINGENT</b>                             |                       |                          |
| Trust department accounts                         | P 1,857,251           | P 1,825,019              |
| Unused commercial letters of credit               | 89,317                | 94,851                   |
| Outstanding guarantees issued                     | 2,948                 | 2,270                    |
| Export L/Cs Confirmed                             | 14,817                | 14,757                   |
| Bills for collection                              | 18,385                | 14,889                   |
| Late deposits/payments received                   | 3,389                 | 1,417                    |
| Spot Exchange Bought                              | 8,996                 | 5,038                    |
| Spot Exchange Sold                                | 41,954                | 12,945                   |
| Forward Exchange Bought                           | 303,692               | 164,713                  |
| Forward Exchange Sold                             | 306,997               | 194,235                  |
| Interest Rate Futures Sold                        | -                     | 1,417                    |
| Interest Rate Swap Receivable                     | 3,860                 | 4,660                    |
| Interest Rate Swap Payable                        | 3,860                 | 4,660                    |
| Other Contingent Accounts                         | 455,534               | 455,630                  |
|   | <b>P 3,111,000</b>    | <b>P 2,796,501</b>       |

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)*

|  | <b>For the three-month period ending</b> |                        |                        |                        |
|--|--|------------------------|------------------------|------------------------|
|  | <b>March 31, 2023</b>                    |                        | <b>March 31, 2022</b>  |                        |
| <b>INTEREST INCOME ON</b>                          |  |                        |                        |                        |
| Loans and Other Receivables                        | P  | 43,729                 | P                      | 31,437                 |
| Trading and Investment Securities                  |  | 8,081                  |                        | 5,474                  |
| Due from BSP and Other Banks                       |  | 2,097                  |                        | 324                    |
| Others   |  | 22                     |                        | 14                     |
|  |  | <u>53,929</u>          |                        | <u>37,249</u>          |
| <b>Total Interest Income</b>                       |  |                        |                        |                        |
| <b>INTEREST EXPENSE ON</b>                         |  |                        |                        |                        |
| Deposit Liabilities                                |  | 8,610                  |                        | 1,483                  |
| Bills Payable and Other Borrowings                 |  | 1,725                  |                        | 1,638                  |
| Finance Lease Liabilities                          |  | 203                    |                        | 216                    |
|  |  | <u>10,538</u>          |                        | <u>3,337</u>           |
| <b>Total Interest Expense</b>                      |  |                        |                        |                        |
| <b>NET INTEREST INCOME</b>                         |  | <u>43,391</u>          | <u>33,912</u>          |                        |
| <b>IMPAIRMENT LOSSES (RECOVERIES) - Net</b>        |  |                        |                        |                        |
| Financial Assets                                   |  | 3,222                  |                        | 3,819                  |
| Non-financial Assets                               |  | (23)                   |                        | (63)                   |
| Others   |  | (5)                    |                        | (12)                   |
|  |  | <u>3,194</u>           |                        | <u>3,744</u>           |
| <b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b> |  | <u>40,197</u>          | <u>30,168</u>          |                        |
| <b>OTHER OPERATING INCOME</b>                      |  |                        |                        |                        |
| Service Charges, Fees and Commissions              |  | 10,111                 |                        | 8,296                  |
| Trading Gain(Loss) - Net                           |  | 1,042                  |                        | 197                    |
| Trust Fees   |  | 1,141                  |                        | 1,113                  |
| Foreign Exchange Gain                              |  | 448                    |                        | 997                    |
| Insurance Premiums                                 |  | 4,956                  |                        | 4,987                  |
| Miscellaneous – net                                |  | 1,221                  |                        | 1,090                  |
|  |  | <u>18,919</u>          |                        | <u>16,680</u>          |
| <b>Total Other Operating Income</b>                |  |                        |                        |                        |
| <b>OTHER OPERATING EXPENSES</b>                    |  |                        |                        |                        |
| Compensation and Benefits                          |  | 11,963                 |                        | 10,450                 |
| Occupancy  |  | 2,642                  |                        | 2,582                  |
| Taxes and licenses                                 |  | 4,637                  |                        | 3,073                  |
| Security, Clerical, Messengerial and Janitorial    |  | 1,150                  |                        | 966                    |
| Insurance  |  | 1,765                  |                        | 1,558                  |
| Advertising  |  | 802                    |                        | 606                    |
| Litigation on Assets Acquired                      |  | 127                    |                        | 196                    |
| Policy Reserves                                    |  | 2,158                  |                        | 2,809                  |
| Insurance Benefits and Claims                      |  | 1,464                  |                        | 1,372                  |
| Miscellaneous                                      |  | 10,712                 |                        | 8,236                  |
|  |  | <u>37,420</u>          |                        | <u>31,848</u>          |
| <b>Total Other Operating Expenses</b>              |  |                        |                        |                        |
| <b>PROFIT BEFORE TAX</b>                           |  | <u>21,696</u>          | <u>15,000</u>          |                        |
| <b>TAX EXPENSE</b>                                 |  | 5,168                  | 3,231                  |                        |
| <b>NET PROFIT</b>                                  |  | <u><b>P 16,528</b></u> | <u><b>P 11,769</b></u> |                        |
| Attributable to:                                   |  |                        |                        |                        |
| Shareholders of the Parent Bank                    | P  | 16,499                 | P                      | 11,738                 |
| Non-controlling Interests                          |  | 29                     |                        | 31                     |
|  |  | <u><b>P 16,528</b></u> |                        | <u><b>P 11,769</b></u> |
| <b>Earnings Per Share:</b>                         |  |                        |                        |                        |
| Basic  |  | 3.06                   |                        | 2.17                   |
| Diluted  |  | 3.06                   |                        | 2.17                   |

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)*

|  | <b>For the three-month period ending</b> |                       |
|--|--|-----------------------|
|  | <b>March 31, 2023</b>                    | <b>March 31, 2022</b> |
| <b>NET PROFIT</b>  | <b>P 16,528</b>                          | <b>P 11,769</b>       |
| <b>OTHER COMPREHENSIVE INCOME(LOSS)</b>  |  |                       |
| <b>Items that are or will be reclassified subsequently to profit or loss:</b>  |  |                       |
| Net unrealized gains (losses) on debt investments at fair value through other comprehensive income (FVOCI), net of tax | 4,030                                    | (7,733)               |
| Transfer of realized losses (gains) on disposed debt investments at FVOCI to statements of income, net of tax          | (20)                                     | (63)                  |
| Impairment losses (recoveries) on debt investments at FVOCI  | (4)                                      | (2)                   |
| Net gains (losses) on FVOCI securities, net of tax   | 4,006                                    | (7,798)               |
| Translation adjustment related to foreign operations   | 12                                       | (85)                  |
|  | <u>4,018</u>                             | <u>(7,883)</u>        |
| <b>Items that will not be reclassified to profit or loss:</b>  |  |                       |
| Remeasurement on life insurance reserves   | (1,945)                                  | 2,862                 |
| Actuarial gains (losses) on remeasurement of retirement benefit obligation, net of tax                                 | (5)                                      | 11                    |
| Unrealized gains (losses) on equity investments at FVOCI, net of tax   | 76                                       | 151                   |
|  | <u>(1,874)</u>                           | <u>3,024</u>          |
| <b>Other Comprehensive Income (Loss), net of tax</b>   | <u>2,144</u>                             | <u>(4,859)</u>        |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>P 18,672</b>                          | <b>P 6,910</b>        |
| Attributable To:   |  |                       |
| Shareholders of the Parent Bank  | P 18,629                                 | P 6,916               |
| Non-controlling Interest   | 43                                       | (6)                   |
|  | <u>P 18,672</u>                          | <u>P 6,910</u>        |

STATEMENTS OF CHANGES IN EQUITY  
 COMPARATIVE PERIODS ENDED MARCH 31, 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                 | 4               |                 | 34                         |                         |                  |                |                  |  |                                       |                       |  |                                    |  |   |                          | 38               |
| Options transferred during the year                |                 |                 |                            |                         | (45)             |                |                  |  |                                       |                       |  |                                    |  |   |                          | (45)             |
| Options expensed during the year                   |                 |                 |                            |                         | 115              |                |                  |  |                                       |                       |  |                                    |  |   |                          | 115              |
| Cash Dividends                                     |                 |                 |                            |                         |                  |                | (4,356)          |  |                                       |                       |  |                                    |  |   |                          | (4,356)          |
| Total transactions with owners                     | 4               | -               | 34                         | -                       | 70               | -              | (4,356)          | -  | -                                     | -                     | -  | -                                  | -  | (4,248)   | -                        | (4,248)          |
| Total comprehensive income (loss)                  |                 |                 |                            |                         |                  |                | 16,499           | 4,068  |                                       |                       | (1,945)                                  | 12                                 | (5)  | 18,629  | 43                       | 18,672           |
| Transfer to/(from) Surplus Free                    |                 |                 |                            |                         |                  |                |                  |  |                                       |                       |  |                                    |  |   |                          |                  |
| Appropriation of excess GLLP over ECL              |                 |                 |                            |                         | 36               |                | (36)             |  |                                       |                       |  |                                    |  |   |                          | -                |
| Other Reserves                                     |                 |                 |                            |                         | 13               |                | (13)             |  |                                       |                       |  |                                    |  |   |                          | -                |
|  |                 |                 |                            |                         | 49               |                | (49)             |  |                                       |                       |  |                                    |  |   |                          | -                |
| Disposals of equity securities classified as FVOCI |                 |                 |                            |                         |                  |                | 6                | (6)  |                                       |                       |  |                                    |  |   |                          | -                |
| <b>Balance at March 31, 2023</b>                   | <b>P 52,645</b> | <b>P 6,180</b>  | <b>P 229,980</b>           | <b>P (1)</b>            | <b>P 22,250</b>  | <b>P (76)</b>  | <b>P 190,637</b> | <b>P (15,888)</b>                                  | <b>P (17,566)</b>                     | <b>P 1,010</b>        | <b>P 4,502</b>                           | <b>P 50</b>                        | <b>P (10)</b>  | <b>P 473,713</b>                                      | <b>P 2,168</b>           | <b>P 475,881</b> |
| 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                 | 4               |                 | 34                         |                         |                  |                |                  |  |                                       |                       |  |                                    |  |   |                          | 38               |
| Options expensed during the year                   |                 |                 |                            |                         | 24               |                |                  |  |                                       |                       |  |                                    |  |   |                          | 24               |
| Cash Dividends                                     |                 |                 |                            |                         |                  |                | (1,655)          |  |                                       |                       |  |                                    |  |   |                          | (1,655)          |
| Total transactions with owners                     | 4               | -               | 34                         | -                       | 24               | -              | (1,655)          | -  | -                                     | -                     | -  | -                                  | -  | (1,593)   | -                        | (1,593)          |
| Total comprehensive income (loss)                  |                 |                 |                            |                         |                  |                | 11,738           | (7,610)  |                                       |                       | 2,862                                    | (85)                               | 11   | 6,916   | (6)                      | 6,910            |
| Transfer to/(from) Surplus Free                    |                 |                 |                            |                         |                  |                |                  |  |                                       |                       |  |                                    |  |   |                          |                  |
| Appropriation of excess GLLP over ECL              |                 |                 |                            |                         | 1,015            |                | (1,015)          |  |                                       |                       |  |                                    |  |   |                          | -                |
| Other Reserves                                     |                 |                 |                            |                         | 12               |                | (12)             |  |                                       |                       |  |                                    |  |   |                          | -                |
|  |                 |                 |                            |                         | 1,027            |                | (1,027)          |  |                                       |                       |  |                                    |  |   |                          | -                |
| Disposals of equity securities classified as FVOCI |                 |                 |                            |                         |                  |                | 16               | (17)   |                                       |                       |  |                                    |  | (1)   |                          | (1)              |
| <b>Balance at March 31, 2022</b>                   | <b>P 43,859</b> | <b>P 5,150</b>  | <b>P 124,481</b>           | <b>P -</b>              | <b>P 20,981</b>  | <b>P 29</b>    | <b>P 258,815</b> | <b>P (9,257)</b>                                   | <b>P (16,454)</b>                     | <b>P 1,010</b>        | <b>P (311)</b>                           | <b>P (42)</b>                      | <b>P (5)</b>   | <b>P 428,256</b>                                      | <b>P 1,608</b>           | <b>P 429,864</b> |

**BDO UNIBANK, INC. & SUBSIDIARIES**  
**CASH FLOW STATEMENTS**  
**FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022**  
*(Amounts in Millions of Pesos)*

|  | <b>2023</b>       | <b>2022</b>      |
|--|-------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |                   |                  |
| Profit before tax  | P 21,696          | P 15,000         |
| Adjustments for:   |                   |                  |
| Interest income  | (53,929)          | (37,249)         |
| Interest received  | 55,225            | 37,626           |
| Interest paid  | (10,241)          | (3,343)          |
| Interest expense   | 10,538            | 3,337            |
| Gain from disposal of FVOCI  | (13)              | (80)             |
| Gain from disposal of Investment securities at amortized cost          | (6)               | (6)              |
| Impairment losses  | 3,194             | 3,744            |
| Depreciation and amortization  | 2,453             | 2,475            |
| Share in net profit of associates                                      | (362)             | (240)            |
| Fair value losses (gains)  | (206)             | (331)            |
| Foreign exchange losses (gains) unrealized                             | 3,774             | (1,947)          |
| Operating profit before changes in operating resources and liabilities | 32,123            | 18,986           |
| Decrease (Increase) in:  |                   |                  |
| Financial assets at FVTPL  | (1,080)           | (2,916)          |
| Loans and other receivables  | 39,343            | 15,261           |
| Investment properties  | (291)             | (107)            |
| Other resources  | (10,249)          | (7,753)          |
| Increase (Decrease) in:  |                   |                  |
| Deposit liabilities  | 374               | (3,209)          |
| Insurance contract liabilities   | 2,516             | 3,368            |
| Other liabilities  | 11,273            | 6,895            |
| Cash generated from (used in) operations                               | 74,009            | 30,525           |
| Cash paid for income tax   | (1,646)           | (837)            |
| Net Cash From (Used in) Operating Activities                           | 72,363            | 29,688           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |                   |                  |
| Acquisitions of investment securities at amortized cost                | (38,238)          | (38,124)         |
| Acquisitions of securities at FVOCI                                    | (149,401)         | (84,050)         |
| Maturities of investment securities at amortized cost                  | 16,425            | 11,802           |
| Proceeds from disposals of securities at FVOCI                         | 93,780            | 82,318           |
| Acquisitions of premises, furniture, fixture and equipment             | (851)             | (774)            |
| Proceeds from disposals of premises, furniture, fixture and equipment  | 31                | 38               |
| Net Cash From (Used) in Investing Activities                           | (78,254)          | (28,790)         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |                   |                  |
| Proceeds from bills payable  | 59,019            | 66,472           |
| Payments of bills payable  | (74,023)          | (30,747)         |
| Dividends paid   | (4,356)           | (1,655)          |
| Payments of lease liabilities  | (1,030)           | (1,082)          |
| Proceeds from issuance of common stock                                 | 38                | 38               |
| Net Cash From (Used in) Financing Activities                           | (20,352)          | 33,026           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>            |                   |                  |
|  | <b>P (26,243)</b> | <b>P 33,924</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                  |                   |                  |
| 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            |
|  | <b>663,318</b>    | <b>547,878</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>                  |                   |                  |
| Cash and other cash items  | 61,686            | 52,250           |
| Due from Bangko Sentral ng Pilipinas                                   | 398,907           | 362,684          |
| Due from other banks   | 54,340            | 65,867           |
| Investment Securities at Amortized Cost                                | 1,012             | -                |
| Reverse repurchase agreements  | 29,709            | 22,441           |
| Interbank Loans Receivable   | 83,953            | 72,333           |
| FCNC   | 7,468             | 6,227            |
|  | <b>P 637,075</b>  | <b>P 581,802</b> |

CHECKLIST OF REQUIRED DISCLOSURES  
BDO UNIBANK, INC.  
For the three months ended: March 31, 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 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.



- 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 increased 11% to P3.1 trillion with material movements from the following accounts:
  - Unused L/Cs went down 6% to P89.3 billion as of the cut-off date.
  - Outstanding Guarantees Issued expanded 30% to P2.9 billion from higher volume of trade transactions.
  - Bills for Collection and Late Deposits and Payments Received jumped 23% and 139% to P18.4 billion and P3.4 billion, respectively, owing to higher outstanding transactions as of quarter end.
  - Treasury activities resulted in the following:
    - Spot Exchange Bought and Sold climbed 79% and 224% to P9.0 billion and P42.0 billion, respectively.
    - Forward Exchange Bought and Sold, likewise, grew 84% and 58% to P303.7 billion and P307.0 billion, respectively.
    - Interest Rate Swap Receivable and Payable slid 17% to P3.9 billion apiece.

**BDO Unibank, Inc. & Subsidiaries**  
**Balances by Segment**  
**As of March 31, 2023**  
*(Amounts in Millions of Pesos)*

|  | <b>Commercial<br/>Banking</b> | <b>Investment<br/>Banking</b> | <b>Private<br/>Banking</b> | <b>Leasing &amp;<br/>Financing</b> | <b>Insurance</b> | <b>Others</b>  | <b>Total</b>       |
|--|-------------------------------|-------------------------------|----------------------------|------------------------------------|------------------|----------------|--------------------|
| <b>Revenues</b>                              |                               |                               |                            |                                    |                  |                |                    |
| From external customer                       |                               |                               |                            |                                    |                  |                |                    |
| Interest income                              | P 52,599                      | P 12                          | P 318                      | P 157                              | P 841            | P 2            | P 53,929           |
| Interest expense                             | (10,415)                      | 0                             | (36)                       | (68)                               | (19)             | 0              | (10,538)           |
| Net interest income                          | <u>42,184</u>                 | <u>12</u>                     | <u>282</u>                 | <u>89</u>                          | <u>822</u>       | <u>2</u>       | <u>43,391</u>      |
| Intersegment revenue                         |                               |                               |                            |                                    |                  |                |                    |
| Interest income                              | 163                           | 5                             | 0                          | 0                                  | 7                | 81             | 256                |
| Interest expense                             | (134)                         | (11)                          | (2)                        | (3)                                | (85)             | (30)           | (265)              |
| Net interest income                          | <u>29</u>                     | <u>(6)</u>                    | <u>(2)</u>                 | <u>(3)</u>                         | <u>(78)</u>      | <u>51</u>      | <u>(9)</u>         |
| Other operating income                       |                               |                               |                            |                                    |                  |                |                    |
| Investment banking fees                      | 0                             | 199                           | 0                          | 0                                  | 0                | 0              | 199                |
| Others                                       | 14,465                        | 78                            | 474                        | 131                                | 5,571            | 112            | 20,831             |
|  | <u>14,465</u>                 | <u>277</u>                    | <u>474</u>                 | <u>131</u>                         | <u>5,571</u>     | <u>112</u>     | <u>21,030</u>      |
| <b>Total net revenues</b>                    | <u>56,678</u>                 | <u>283</u>                    | <u>754</u>                 | <u>217</u>                         | <u>6,315</u>     | <u>165</u>     | <u>64,412</u>      |
| <b>Expenses</b>                              |                               |                               |                            |                                    |                  |                |                    |
| Other operating expenses                     |                               |                               |                            |                                    |                  |                |                    |
| Depreciation and amortization                | 2,245                         | 23                            | 26                         | 102                                | 69               | 20             | 2,485              |
| Impairment losses                            | 3,188                         | (1)                           | 5                          | 3                                  | 0                | 0              | 3,195              |
| Others                                       | 29,881                        | 241                           | 404                        | 80                                 | 4,666            | 78             | 35,350             |
|  | <u>35,314</u>                 | <u>263</u>                    | <u>435</u>                 | <u>185</u>                         | <u>4,735</u>     | <u>98</u>      | <u>41,030</u>      |
| Segment operating income                     | 21,364                        | 20                            | 319                        | 32                                 | 1,580            | 67             | 23,382             |
| Tax expense                                  | 4,633                         | 4                             | 106                        | 9                                  | 385              | 31             | 5,168              |
| <b>Segment net income</b>                    | <u>16,731</u>                 | <u>16</u>                     | <u>213</u>                 | <u>23</u>                          | <u>1,195</u>     | <u>36</u>      | <u>18,214</u>      |
| <b>Statement of Financial Position</b>       |                               |                               |                            |                                    |                  |                |                    |
| Total resources                              |                               |                               |                            |                                    |                  |                |                    |
| Segment assets                               | P 3,988,440                   | P 6,288                       | P 32,904                   | P 8,858                            | P 106,479        | P 10,431       | P 4,153,400        |
| Deferred tax assets (Liabilities) - net      | 5,099                         | (164)                         | 15                         | 17                                 | 43               | (5)            | 5,005              |
| Intangible assets                            | 7,589                         | 61                            | 165                        | 1                                  | 28               | 0              | 7,844              |
|  | <u>4,001,128</u>              | <u>6,185</u>                  | <u>33,084</u>              | <u>8,876</u>                       | <u>106,550</u>   | <u>10,426</u>  | <u>4,166,249</u>   |
| Total liabilities                            | P <u>3,515,000</u>            | P <u>2,316</u>                | P <u>26,786</u>            | P <u>7,475</u>                     | P <u>86,555</u>  | P <u>2,118</u> | P <u>3,640,250</u> |
| <b>Other Segment Information</b>             |                               |                               |                            |                                    |                  |                |                    |
| Capital expenditures                         | P 1,131                       | P 3                           | P 1                        | P 113                              | P 20             | P 5            | P 1,273            |
| Investment in associates under equity method | P 0                           | P 0                           | P 0                        | P 0                                | P 0              | P 5,858        | P 5,858            |
| Share in the profit of associates            | P 0                           | P 0                           | P 0                        | P 0                                | P 0              | P 362          | P 362              |

**BDO Unibank, Inc. & Subsidiaries**  
**Balances by Segment**  
**As of March 31, 2022**  
*(Amounts in Millions of Pesos)*

|  | <b>Commercial<br/>Banking</b> | <b>Investment<br/>Banking</b> | <b>Private<br/>Banking</b> | <b>Leasing &amp;<br/>Financing</b> | <b>Insurance</b>    | <b>Others</b>     | <b>Total</b>           |
|--|-------------------------------|-------------------------------|----------------------------|------------------------------------|---------------------|-------------------|------------------------|
| <b>Revenues</b>                              |                               |                               |                            |                                    |                     |                   |                        |
| From external customer                       |                               |                               |                            |                                    |                     |                   |                        |
| Interest income                              | P 36,264                      | P 6                           | P 268                      | P 158                              | P 552               | P 1               | P 37,249               |
| Interest expense                             | (3,271)                       | -                             | (14)                       | (34)                               | (17)                | (1)               | (3,337)                |
| Net interest income                          | <u>32,993</u>                 | <u>6</u>                      | <u>254</u>                 | <u>124</u>                         | <u>535</u>          | <u>-</u>          | <u>33,912</u>          |
| Intersegment revenue                         |                               |                               |                            |                                    |                     |                   |                        |
| Interest income                              | 22                            | 1                             | -                          | -                                  | 1                   | -                 | 24                     |
| Interest expense                             | (4)                           | (7)                           | (2)                        | (4)                                | (3)                 | (16)              | (36)                   |
| Net interest income                          | <u>18</u>                     | <u>(6)</u>                    | <u>(2)</u>                 | <u>(4)</u>                         | <u>(2)</u>          | <u>(16)</u>       | <u>(12)</u>            |
| Other operating income                       |                               |                               |                            |                                    |                     |                   |                        |
| Investment banking fees                      | -                             | 643                           | -                          | -                                  | -                   | -                 | 643                    |
| Others                                       | 11,672                        | 53                            | 416                        | 184                                | 5,684               | 126               | 18,135                 |
|  | <u>11,672</u>                 | <u>696</u>                    | <u>416</u>                 | <u>184</u>                         | <u>5,684</u>        | <u>126</u>        | <u>18,778</u>          |
| <b>Total net revenues</b>                    | <b><u>44,683</u></b>          | <b><u>696</u></b>             | <b><u>668</u></b>          | <b><u>304</u></b>                  | <b><u>6,217</u></b> | <b><u>110</u></b> | <b><u>52,678</u></b>   |
| <b>Expenses</b>                              |                               |                               |                            |                                    |                     |                   |                        |
| Other operating expenses                     |                               |                               |                            |                                    |                     |                   |                        |
| Depreciation and amortization                | 2,260                         | 21                            | 18                         | 112                                | 80                  | 21                | 2,512                  |
| Impairment losses                            | 3,743                         | (1)                           | -                          | 3                                  | (1)                 | -                 | 3,744                  |
| Others                                       | 23,916                        | 218                           | 340                        | 92                                 | 5,043               | 81                | 29,690                 |
|  | <u>29,919</u>                 | <u>238</u>                    | <u>358</u>                 | <u>207</u>                         | <u>5,122</u>        | <u>102</u>        | <u>35,946</u>          |
| Segment operating income                     | 14,764                        | 458                           | 310                        | 97                                 | 1,095               | 8                 | 16,732                 |
| Tax expense                                  | 2,851                         | 117                           | 48                         | 23                                 | 188                 | 4                 | 3,231                  |
| <b>Segment net income</b>                    | <b><u>P 11,913</u></b>        | <b><u>P 341</u></b>           | <b><u>P 262</u></b>        | <b><u>P 74</u></b>                 | <b><u>P 907</u></b> | <b><u>P 4</u></b> | <b><u>P 13,501</u></b> |
| <b>Statement of Financial Position</b>       |                               |                               |                            |                                    |                     |                   |                        |
| Total resources                              |                               |                               |                            |                                    |                     |                   |                        |
| Segment assets                               | P 3,551,995                   | P 6,155                       | P 39,942                   | P 14,554                           | P 85,876            | P 4,195           | P 3,702,717            |
| Deferred tax assets (Liabilities) - net      | 6,765                         | (157)                         | 16                         | 16                                 | 53                  | (6)               | 6,687                  |
| Intangible assets                            | 7,049                         | 74                            | 28                         | -                                  | 22                  | 1                 | 7,174                  |
|  | <u>P 3,565,809</u>            | <u>P 6,072</u>                | <u>P 39,986</u>            | <u>P 14,570</u>                    | <u>P 85,951</u>     | <u>P 4,190</u>    | <u>P 3,716,578</u>     |
| Total liabilities                            | <u>P 3,130,879</u>            | <u>P 1,901</u>                | <u>P 33,897</u>            | <u>P 7,343</u>                     | <u>P 72,866</u>     | <u>P 2,077</u>    | <u>P 3,248,963</u>     |
| <b>Other Segment Information</b>             |                               |                               |                            |                                    |                     |                   |                        |
| Capital expenditures                         | <u>P 951</u>                  | <u>P 1</u>                    | <u>P 1</u>                 | <u>P 39</u>                        | <u>P 65</u>         | <u>P 1</u>        | <u>P 1,058</u>         |
| Investment in associates under equity method | <u>P -</u>                    | <u>P -</u>                    | <u>P -</u>                 | <u>P -</u>                         | <u>P -</u>          | <u>P 5,360</u>    | <u>P 5,360</u>         |
| Share in the profit of associates            | <u>P -</u>                    | <u>P -</u>                    | <u>P -</u>                 | <u>P -</u>                         | <u>P -</u>          | <u>P 240</u>      | <u>P 240</u>           |



**BDO Unibank, Inc. and Subsidiaries**  
**Reconciliation**  
**As of March 31, 2023 and 2022**  
**(Amounts in Millions of Pesos)**

|  | <u>2023</u>        | <u>2022</u>        |
|--|--------------------|--------------------|
| <b>Revenue</b>                             |                    |                    |
| Total segment net revenues                 | P 64,412           | P 52,678           |
| Elimination of intersegment revenues       | <u>(2,102)</u>     | <u>(2,086)</u>     |
| Net revenues as reported in profit or loss | <u>P 62,310</u>    | <u>P 50,592</u>    |
| <b>Profit or loss</b>                      |                    |                    |
| Total segment net income                   | P 18,214           | P 13,501           |
| Elimination of intersegment profit         | <u>(1,686)</u>     | <u>(1,732)</u>     |
| Net profit as reported in profit or loss   | <u>P 16,528</u>    | <u>P 11,769</u>    |
| <b>Resources</b>                           |                    |                    |
| Total segment resources                    | P 4,166,249        | P 3,716,578        |
| Elimination of intersegment assets         | <u>(79,462)</u>    | <u>(46,067)</u>    |
| Total resources                            | <u>P 4,086,787</u> | <u>P 3,670,511</u> |
| <b>Liabilities</b>                         |                    |                    |
| Total segment liabilities                  | P 3,640,250        | P 3,248,963        |
| Elimination of intersegment liabilities    | <u>(29,344)</u>    | <u>(8,316)</u>     |
| Total Liabilities                          | <u>P 3,610,906</u> | <u>P 3,240,647</u> |

## MANAGEMENT'S DISCUSSION &amp; 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 – March 2023 vs. December 2022

- Cash and Other Cash Items dropped 26% to P61.7 billion, owing to a high year-end 2022 level coming from deposits generated during the Christmas season.
- Due from Other Banks decreased 8% to P54.3 billion from reduced placements and working balances with correspondent banks.
- Investment Securities went up 10% to P798.4 billion primarily due to a 35% increase in Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI).
- Net Loans and Other Receivables slightly dipped by 2% to P2.6 trillion as Interbank Loans and Other Receivables went down by 14% and 28%, respectively, while Securities Purchased Under Reverse Repurchase Agreements (SPURRA) rose 13%.
- Deferred Tax Assets went down 7% to P5.0 billion mainly from loan write-offs.
- Other Resources grew 8% to P52.8 billion due to higher levels of prepaid expenses.
- Total Deposits was steady at P3.2 trillion as Savings deposits decreased 4% while Time deposits climbed 12%.
- Bills Payable dropped 9% to P180.7 billion from the redemption of Senior Notes in March 2023.
- Insurance Contract Liabilities increased 7% to P68.8 billion on higher BDO Life business volumes.
- Other Liabilities rose 8% to P139.4 billion on account of higher levels of outstanding acceptances from trade transactions and bills purchased contra account.

## 1.b Balance Sheet – March 2023 vs. March 2022

- Total Resources expanded 11% year-on-year to P4.1 trillion from growth in customer loans and Investment Securities primarily funded by deposits.
- Cash and Other Cash Items and Due from BSP expanded 18% and 10%, respectively, following an increase in total deposits.
- Due from Other Banks dropped 18% on lower levels of placements and working balances with correspondent banks.
- Investment Securities surged 24% to P798.4 billion as FVOCI and Investment Securities at Amortized Cost jumped 35% and 24%, respectively.
- Net Loans and Other Receivables grew 9% year-on-year as gross customer loans, Interbank Loans, SPURRA and Other Receivables climbed 8%, 22%, 32% and 18%, respectively.
- Equity Investments went up 10% to P5.7 billion owing to earnings from associates.
- Investment Properties hiked 13% to P21.1 billion coming from foreclosures and dacion payments.
- Deferred Tax Assets slid 25% due to loan write-offs.



- Other Resources surged 24% mainly due to increases in retirement assets, prepaid expenses and foreign currency notes and coins on hand.
- Deposit Liabilities expanded 14% year-on-year owing to growth in Demand and Time deposits of 9% and 92%, respectively.
- Bills Payable dropped 25% from the redemption of Senior Notes in March 2023 and Peso Fixed Rate bonds in April 2022.
- Insurance Contract Liabilities went up 5% on higher BDO Life business volumes.
- Other Liabilities hiked 21% due to increases in outstanding acceptances from trade transactions, bills purchased contra account and accrued taxes payable.
- Total Equity increased 11% to P475.9 billion from continued profitable operations.

#### 1.c Income Statement – March 2023 vs. March 2022

- The Bank reported a Net Income attributable to Equity holders of the Parent Company of P16.5 billion for the first quarter of the year, up 41% from the P11.7 billion for the same period last year.
- Net Interest Income soared 28% to P43.4 billion from an expansion in earning assets coupled with an improvement in margins from rising interest rates brought about by policy rate hikes implemented by the BSP.
- The Bank continued its conservative stance, setting aside P3.2 billion as Provision for Impairment Losses, further raising the NPL coverage ratio to 170%.
- Other income grew 13% to P18.9 billion owing to the following:
  - Trading Gain went up to P1.0 billion from the previous year's P197 million.
  - Service Charges and Fees hiked 22% to P10.1 billion on continued growth from the Bank's major service businesses.
  - Foreign Exchange (FX) Gain went down to P448 million from P997 million the previous year, primarily from revaluation certain derivatives contra trading gain.
  - Other Income climbed 12% to P1.2 billion on higher income from associates.
- Operating Expenses went up 17% to P37.4 billion due to the following:
  - Employee Benefits rose 14% owing to salary increases and a higher manpower headcount.
  - Taxes and Licenses jumped 51% from Gross Receipt Taxes on a higher income base as well as higher Documentary Stamp Tax on increased Time Deposit levels.
  - Insurance expenses grew 13% following deposit growth.
  - Advertising expenses increased 32% coming from higher marketing, promotional and advertising expenditures.
  - Litigation/Assets Acquired expenses dropped 35% due to lower costs relating to litigation and maintenance of acquired assets.
  - Insurance Benefits and Claims grew 7% on higher BDO Life business volumes while Policy Reserves declined 23% primarily from lower Single Pay Unit Linked premiums.
  - Security, Clerical and Janitorial expenses as well as Other expenses hiked 19% and 30%, respectively, on account of increased business volumes and a wider distribution network.
- Tax Expense went up 60% to P5.2 billion on higher taxable income.



## 1.d Comprehensive Income – March 2023 vs. March 2022

- From a Net Income of P16.5 billion, Total Comprehensive Income for the first quarter of 2023 registered at P18.7 billion, inclusive of P4.0 billion unrealized gains on debt investments at FVOCI, a positive P12 million translation adjustment related to foreign operations, a negative P1.9 billion re-measurement on life insurance reserves, a P5 million actuarial loss on re-measurement of retirement benefit obligation, and a P76 million increase in unrealized gain on equity investments at FVOCI.
- This represents a 170% improvement from the Total Comprehensive Income of P6.9 billion for the same period last year, comprised of an P11.7 billion Net Income, a P7.8 billion decline in unrealized gains on debt investments at FVOCI, a negative P85 million translation adjustment related to foreign operations, a positive P2.9 billion re-measurement on life insurance reserves, an P11 million actuarial gain on re-measurement of retirement benefit obligation, and a P151 million increase 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                           | 3M 2023 | 3M 2022 | 12M 2022 |
|-------------------------------------|---------|---------|----------|
| Return on Average Common Equity (%) | 14.45%  | 11.09%  | 13.02%   |
| Return on Average Assets(%)         | 1.64%   | 1.29%   | 1.49%    |
| Net Interest Margin                 | 4.58%   | 4.03%   | 4.14%    |
| Liquidity Ratio                     | 35.29%  | 33.45%  | 34.17%   |
| Debt to Equity                      | 758.78% | 753.88% | 783.01%  |
| Asset to Equity                     | 858.78% | 853.88% | 883.01%  |
| Interest Rate Coverage              | 305.88% | 549.51% | 468.93%  |
| Profit Margin                       | 22.69%  | 21.82%  | 23.79%   |
| Capital Adequacy Ratio              | 14.81%  | 14.64%  | 14.50%   |
| Basic Earnings per Share            | 3.06    | 2.17    | 10.77    |

- Return on Average Common Equity and Return on Average Assets improved to 14.45% and 1.64%, respectively, from a higher Net Income.
- Net Interest Margin rose to 4.58% following earning asset expansion in a rising interest rate environment.
- Liquidity Ratio went up to 35.29% as liquid assets grew faster than total assets.
- Debt to Equity and Assets to Equity increased to 758.78% and 858.78%, respectively, as the growth in liabilities and total assets outpaced the increase in total equity.
- Interest Rate Coverage dropped to 305.88% from higher interest expense brought about by a rising interest rate environment.
- Profit Margin improved year-on-year to 22.69% from higher bottomline profits.
- Capital Adequacy Ratio, covering credit, market and operations risk went up to 14.81% as the increase in capital outpaced the growth in risk-weighted assets.
- Basic earnings per share increased to P3.06 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 – March 2023 vs. December 2022

Remarks: NONE



II. Balance Sheet – March 2023 vs. March 2022

- Savings deposits as a percentage of Total Deposits went down from 70.9% to 62.0%, owing to a 92% growth in Time deposits.
- Consequently, Time deposits to Total Deposits increased to 23.7% from 14.1%.

III. Income Statement – March 2023 vs. March 2022

- Interest Expense on Deposit Liabilities surged 37.3% to account for 81.7% of Total Interest Expense, due to increased level of Time deposits in a higher interest rate environment.
- Accordingly, the proportion of Interest Expense on Bills Payable to Total Interest Expense dropped from 49.1% to 16.4%.

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 March 31, 2023**  
*(Amounts in Millions of Pesos)*

| TYPE OF ACCOUNTS                                | CURRENT                   | 90 DAYS OR<br>LESS     | 91 - 120 DAYS         | 121 - 180 DAYS        | 181 DAYS<br>AND OVER   | TOTAL                     |
|---|---------------------------|------------------------|-----------------------|-----------------------|------------------------|---------------------------|
| <b>A. INTERBANK LOANS RECEIVABLES</b>           | P 99,265                  | P 0                    | P 0                   | P 0                   | P 0                    | P 99,265                  |
| <b>B. LOANS AND RECEIVABLES</b>                 | P 2,553,678               | P 10,789               | P 2,262               | P 3,668               | P 42,643               | P 2,613,040               |
| Loans & Discounts                               | 2,094,956                 | 6,132                  | 782                   | 1,304                 | 25,153                 | 2,128,327                 |
| Agri - Agra Loans                               | 102,122                   | 29                     | 0                     | 34                    | 3,239                  | 105,424                   |
| Bills Purchased                                 | 13,083                    | 0                      | 0                     | 0                     | 46                     | 13,129                    |
| Customers Liability on Draft under LC/TR        | 59,397                    | 327                    | 0                     | 0                     | 797                    | 60,521                    |
| Customers Liability for this Bank's Acceptances | 30,709                    | 0                      | 0                     | 0                     | 0                      | 30,709                    |
| Credit Card Receivables                         | 119,614                   | 2,110                  | 812                   | 1,269                 | 5,926                  | 129,731                   |
| Restructured Loans                              | 87,529                    | 2,102                  | 473                   | 863                   | 5,864                  | 96,831                    |
| Reverse Repurchase Agreement                    | 29,709                    | 0                      | 0                     | 0                     | 0                      | 29,709                    |
| Other Loans & Receivables                       | 16,559                    | 89                     | 195                   | 198                   | 1,618                  | 18,659                    |
| <b>C. ACCOUNTS RECEIVABLE</b>                   | P <u>6,906</u>            | P <u>963</u>           | P <u>190</u>          | P <u>288</u>          | P <u>2,043</u>         | P <u>10,390</u>           |
| <b>TOTAL</b>                                    | P <u><u>2,659,849</u></u> | P <u><u>11,752</u></u> | P <u><u>2,452</u></u> | P <u><u>3,956</u></u> | P <u><u>44,686</u></u> | P <u><u>2,722,695</u></u> |