



22 May 2026

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Suzy Claire R. Selleza**
Head, Issuer Compliance and Disclosure Department

Re: **BDO Unibank, Inc. – Clarification of News Reports**
=====

Ladies and Gentlemen:

We write in connection with the request of the Philippine Dealing & Exchange Corp. for clarification of the news article entitled "**Moody's affirms BPI, BDO investment-grade ratings**" published in the *Philippine Daily Inquirer* on May 22, 2026, as follows:

MANILA, Philippines —Moody's Ratings affirmed the investment-grade ratings and stable outlooks of Bank of the Philippines Islands (BPI) and BDO Unibank Inc., while warning that the banks may face higher credit costs as they build buffers against potential deterioration in loan quality stemming from the Middle East crisis and its impact on retail borrowers.

In separate actions on May 20, the debt watcher maintained its "Baa2" ratings on both banks, with the stable outlook signaling no expected rating change over the next one to two years.

xxx

Meanwhile, Moody's said BDO maintained good asset quality, strong funding and liquidity, as well as good profitability and adequate capital.

It highlighted BDO's dominant deposit franchise, which underpins a high share of low-cost funding, with current and savings accounts accounting for 68 percent of deposits as of end-2025.

Looking ahead, Moody's said it expects BDO's problem loan ratio to remain largely stable in 2026, supported by write-offs on its unsecured retail loans.

"We expect credit costs to remain elevated as the bank's unsecured retail loans continue to grow and season following strong growth over 2023-2025," Moody's said. "The bank's [BDO] high concentration to large corporate loans and long-dated investment securities will also pose risks to its asset quality."

xxx xxx xxx"

BDO Unibank, Inc. (BDO) confirms the accuracy of the above news article.

Very truly yours,

ELMER B. SERRANO
Corporate Information Officer