A Financial and Operational Analysis of Banco De Oro

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Abstract: Banco De Oro Unibank, Inc. (BDO) is one of the universal banks in the Philippines that was a product of a merger that made it unprecedented in size and scale in the Philippine banking industry. It offers a variety of services, ranging from the usual lending and deposit-taking to foreign exchange, brokering, and corporate cash management. It is currently majority owned by the SM Group of Companies, which is headed by business tycoon, Mr. Henry Sy, who is considered the richest man in the Philippines. As of June 30, 2014, in terms of assets and loans it is ranked number one in the universal and commercial bank group. BDO should be able to compete to uplift its reputation with the increase in competition and constant penetration of international banks. The financials and operations of the bank must be examined to determine if it still has a competitive advantage over the increasing number of international banks in the Philippines. To examine BDO’s performance in the financial side, an in-depth financial ratio analysis is done. To study where the bank is in terms of its operations side, the SWOT Analysis and Porter’s Five Forces Model will be used. The financial ratios show that in terms of resources, gross customer loans, deposit liabilities, capital funds and net income, BDO is doing well and improving as all the figures are increasing. This is due to the bank’s strengths and opportunities that it grabbed from the past years. The financial and operations analysis will enable the reader to understand how BDO operates, its standings in terms of finance and operations from the years 2011-2013, and the future strategies it plans to take especially in the upcoming ASEAN integration.

Key Words: BDO; banks; finance; operations; Philippines