



Via ODiSy

17 December 2012

PHILIPPINE STOCK EXCHANGE, INC.

Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Ms. Christina Marie C. Fortes
Assistant Manager
Disclosure Department

Re: **BDO Unibank, Inc. - Amended SEC Form 17-Q**
=====

Ladies:

We submit with this letter BDO Unibank, Inc.'s (**BDO**) amended quarterly report on SEC Form 17-Q for the period ended September 30, 2012. As required by the Securities and Exchange Commission, BDO amended said report to include the following financial soundness indicators: asset-to-equity ratio, interest rate coverage ratio and profitability ratio, which are indicated in the last page of the report.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Elmer B. Serrano'.

ELMER B. SERRANO
Corporate Information Officer

COVER SHEET

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S.E.C. Registration Number

[illegible][illegible]

(COMPANY'S FULL NAME)

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

RUBY A. CRUZ

Contact Person

856-7434/840-7000 loc 4575

Company Telephone Number

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Month

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Day

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Form Type	Form Number	Form Description	Form Status
Form 1	101	Form 101	Active
Form 2	102	Form 102	Active
Form 3	103	Form 103	Active
Form 4	104	Form 104	Active
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Form 90	190	Form 190	Active
Form 91	191	Form 191	Active
Form 92	192	Form 192	Active

Every last Friday of the month of May

Every last Friday of the month of May

Annual Meeting

Secondary License type, if applicable

C	F	D
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Dept. Requiring this Doc.

Amended Articles Number/Section

13,280

Total No.of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Stamps

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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 **September 30, 2012.**
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

Makati City, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code (For SEC Use Only)

BDO Corporate Center, 7899 Makati Avenue, Makati City

7. Address of issuer's principal office Postal Code

856-7434/840-7000 LOC 4575

8. Issuer's Telephone number, including area code

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	3,580,875,328	

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. ☐

SEC FORM 17-Q

I hereby certify that all the information set forth in the above report are true and correct
of my own knowledge.


LUCY CO DY (EVP Comptroller)
Authorized Signatory
(PRINTED NAME & DESIGNATION)

REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI } S.S.

SUBSCRIBED AND SWORN TO before me this DEC 17 2012 day of December,

2012, the above affiant exhibiting to me his/her described Competent Evidence of Identity ("CEI"):

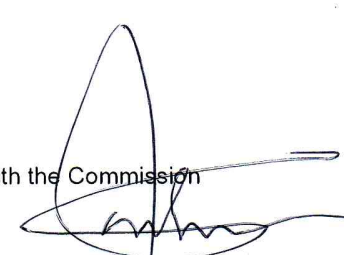
Name	CEI	Date & Place Issued
Lucy Co Dy	Passport - EB1933736 CTC - 9866095	02.17.2011/Manila 02.29.2012/Mandaluyong City

Notary Public

Doc. No. 168
Page No. 75
Book No. II
Series of 2012

* To be signed by any of the following officers pursuant to a Board Resolution filed with the Commission

1. Chief Operating Officer
2. Chief Financial Officer
3. Comptroller or Treasurer


Atty. SANDRA SHEILA R. TUBORO
Notary Public for Makati City, Philippines
until 31 December 2013
Appointment No. M-333
19/F BDO North Tower, BDO Corporate Center
7699 Makati Avenue, Makati City
Roll No. 54658
IBP Lifetime No. 010488, PPLM
PTR No. 3180483, 1/5/2012, Makati City
MCLE Compliance No. MI-0013406, 3/30/2010

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..... **December 17, 2012**

Principal Financial /Accounting
Officer/Comptroller..... **LUCY CO DY**

Signature and Title.....
EVP/COMPTROLLER

Date..... **December 17, 2012**

BDO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

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

		As of September 30, 2012	Audited As of December 31, 2011
<u>RESOURCES</u>			
CASH AND OTHER CASH ITEMS	P	13,972	P 33,129
DUE FROM BANGKO SENTRAL NG PILIPINAS		146,043	124,894
DUE FROM OTHER BANKS		13,635	24,719
INVESTMENT SECURITIES			
At Fair Value Through Profit or Loss		8,797	4,823
Available-for-Sale – net		115,580	89,925
Held-to-Maturity – net		101,534	93,670
LOANS AND OTHER RECEIVABLES—net		722,941	673,927
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net		16,077	15,690
INVESTMENT PROPERTIES		9,267	10,137
EQUITY INVESTMENTS – net		4,314	4,187
DEFERRED TAX ASSETS		5,381	5,485
OTHER RESOURCES - net		16,702	16,763
TOTAL RESOURCES	P	<u>1,174,243</u>	<u>P 1,097,349</u>
<u>LIABILITIES AND CAPITAL FUNDS</u>			
DEPOSIT LIABILITIES	P		P
Demand		43,853	48,499
Savings		509,631	482,517
Time		306,369	327,553
Total Deposit Liabilities		859,853	858,569
BILLS PAYABLE		71,411	59,474
SUBORDINATED NOTES PAYABLE		38,430	38,255
OTHER LIABILITIES		52,261	44,089
Total Liabilities		<u>1,021,955</u>	<u>1,000,387</u>
<u>EQUITY</u>			
Attributable to Shareholders of the Parent Company		151,629	96,329
Minority Interest		659	633
Total Equity		<u>152,288</u>	<u>96,962</u>
TOTAL LIABILITIES AND EQUITY	P	<u>1,174,243</u>	<u>P 1,097,349</u>
<u>CONTINGENT</u>			
Trust department accounts	P	781,501	P 711,411
Unused commercial letters of credit		31,721	33,391
Outstanding guarantees issued		594	1,220
Export L/Cs Confirmed		227	97
Bills for collection		6,164	6,029
Late deposits/payment received		2,179	2,208
Spot Exchange Bought		9,959	7,828
Spot Exchange Sold		15,418	4,457
Forward Exchange Bought		214,268	151,892
Forward Exchange Sold		218,626	188,610
Interest Rate Swap Receivable		8,794	8,832
Interest Rate Swap Payable		8,794	8,582
Other Contingent Accounts		132,332	134,460
TOTAL CONTINGENT ACCOUNTS	P	<u>1,430,577</u>	<u>P 1,259,017</u>

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

BDO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

CONDENSED STATEMENTS OF INCOME
(Amounts in Millions of Pesos Except Per Share Data)

	For the nine-month Period ended September 30, 2012	For the nine-month Period ended September 30, 2011	For the Quarter ending September 30, 2012	For the Quarter ending September 30, 2011
INTEREST INCOME ON				
Loans and Receivables	P 31,410	P 27,415	P 10,879	P 9,574
Investment Securities	8,172	7,991	2,755	2,634
Due from Other Banks	487	1,880	100	608
Others	<u>234</u>	<u>358</u>	<u>88</u>	<u>101</u>
Total Interest Income	<u>40,303</u>	<u>37,644</u>	<u>13,822</u>	<u>12,917</u>
INTEREST EXPENSE ON				
Deposit liabilities	9,935	9,366	3,186	3,374
Bills Payable and Others	<u>3,573</u>	<u>2,621</u>	<u>1,203</u>	<u>942</u>
Total Interest Expense	<u>13,508</u>	<u>11,987</u>	<u>4,389</u>	<u>4,316</u>
NET INTEREST INCOME	<u>26,795</u>	<u>25,657</u>	<u>9,433</u>	<u>8,601</u>
IMPAIRMENT LOSSES	<u>4,241</u>	<u>5,092</u>	<u>1,719</u>	<u>1,547</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>22,554</u>	<u>20,565</u>	<u>7,714</u>	<u>7,054</u>
OTHER OPERATING INCOME				
Service Charges, Fees and Commissions	8,516	7,543	2,676	2,480
Trading Gain – net	7,410	3,434	3,641	841
Trust Fees	1,461	1,277	501	442
Foreign Exchange Gain/(Loss) – net	(379)	1,261	171	565
Miscellaneous – net	<u>1,906</u>	<u>1,807</u>	<u>739</u>	<u>578</u>
Total Other Operating Income	<u>18,914</u>	<u>15,322</u>	<u>7,728</u>	<u>4,906</u>
OTHER OPERATING EXPENSES				
Employee Benefits	10,557	9,553	3,448	3,071
Occupancy	3,525	3,166	1,334	1,055
Taxes and licenses	3,080	2,719	1,025	924
Security, Clerical, Messengerial and Janitorial	1,559	1,433	538	499
Insurance	1,372	1,250	469	424
Advertising	1,755	1,633	620	529
Litigation/Assets Acquired	544	547	169	198
Miscellaneous	<u>7,325</u>	<u>6,663</u>	<u>2,730</u>	<u>2,266</u>
Total Other Operating Expenses	<u>29,717</u>	<u>26,964</u>	<u>10,333</u>	<u>8,966</u>
INCOME BEFORE TAX	<u>11,751</u>	<u>8,923</u>	<u>5,109</u>	<u>2,994</u>
TAX EXPENSE (INCOME)	<u>1,173</u>	<u>1,243</u>	<u>361</u>	<u>366</u>
NET INCOME AFTER TAX	P <u>10,578</u>	P <u>7,680</u>	P <u>4,748</u>	P <u>2,628</u>
ATTRIBUTABLE TO:				
Equity holders of the parent	P 10,535	P 7,637	P 4,735	P 2,612
Minority Interest	<u>43</u>	<u>43</u>	<u>13</u>	<u>16</u>
	P <u>10,578</u>	P <u>7,680</u>	P <u>4,748</u>	P <u>2,628</u>
AVERAGE COMMON STOCK	2,976	2,607	2,976	2,607
INCOME PER SHARE (See annex A)				
Basic	3.43	2.80	1.59	1.00
Diluted	3.43	2.80	1.56	0.97

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

BDO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Pesos)

	For the nine-month period ending September 30, 2012	For the nine-month period ending September 30, 2011
NET PROFIT	<u>10,578</u>	<u>7,680</u>
OTHER COMPREHENSIVE INCOME(LOSS)		
Net unrealized fair value gains(losses) on available-for-sale securities	2,052	(3,092)
Translation adjustment related to foreign operations	<u>(52)</u>	<u>4</u>
Other Comprehensive Income, net of tax	<u>2,000</u>	<u>(3,088)</u>
TOTAL COMPREHENSIVE INCOME(LOSS)	<u><u>12,578</u></u>	<u><u>4,592</u></u>
Attributable To:		
Shareholders of the Parent Bank	12,538	4,573
Non-controlling Interest	<u>40</u>	<u>19</u>
	<u><u>12,578</u></u>	<u><u>4,592</u></u>

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

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2012 AND 2011
(Amounts in Millions of Pesos)

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,751	8,923
Adjustments for:		
Interest income	(40,303)	(37,644)
Interest received	40,684	39,116
Interest expense	13,508	11,987
Interest paid	(13,718)	(12,327)
Impairment losses	4,241	5,092
Depreciation and amortization	2,116	1,858
Fair value loss (gain)	(151)	(129)
Operating loss before changes in operating resources and liabilities	18,128	16,876
Decrease (increase) in financial assets at fair value through profit or loss	(4,024)	1,275
Decrease (increase) in loans and other receivables	(52,947)	(70,087)
Decrease (increase) in investment properties	418	744
Decrease (increase) in other resources	(189)	(1,403)
Increase (decrease) in deposit liabilities	1,788	38,552
Increase (decrease) in other liabilities	7,916	11,893
Cash generated from (used in) operations	(28,910)	(2,150)
Cash paid for income tax	(915)	(1,097)
Net Cash From (Used in) Operating Activities	<u>(29,825)</u>	<u>(3,247)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net acquisitions of bank premises, furniture, fixtures and equipment	(2,006)	(1,701)
Net decrease (increase) in equity investment	(127)	(468)
Net decrease (increase) in held-to-maturity investments	(8,241)	3,837
Net decrease (increase) in available-for-sale financial assets	(23,458)	(2,079)
Net Cash From (Used in) Investing Activities	<u>(33,832)</u>	<u>(411)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	43,093	0
Net proceeds from (payments of) bills payable	11,816	(4,065)
Dividends paid	(344)	(2,991)
Net Cash From (Used in) Financing Activities	<u>54,565</u>	<u>(7,056)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(9,092)</u>	<u>(10,714)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	33,129	26,673
Due from Bangko Sentral ng Pilipinas	124,894	138,482
Due from other banks	24,719	21,777
	<u>182,742</u>	<u>186,932</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and other cash items	13,972	16,611
Due from Bangko Sentral ng Pilipinas	146,043	140,891
Due from other banks	13,635	18,716
	<u>173,650</u>	<u>176,218</u>

BDO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

STATEMENT OF CHANGES IN EQUITY
COMPARATIVE PERIODS ENDED SEPTEMBER 30, 2012 AND 2011
(Amounts in Millions of Pesos)

	Common Stock	Preferred Stock	Common Stock Options	Treasury Shares at Cost	Additional Paid-in Capital	Surplus Reserves	Surplus Free	Net Unrealized Fair Value Gain(Losses) on Available-for- sale Securities	Revaluation Increment	Accumulated Translation Adjustment	Total Attributable to Shareholders of the Parent Bank	Non- Controlling Interest	Total Equity
Balance at January, 2012	P26,074	P5,000	P-	P-	P25,175	P1,696	P33,271	P4,360	P1,118	(P365)	P96,329	P633	P96,962
Transactions with owners													
Issuance of additional shares	9,734	150									9,884		9,884
Premium on issuance of new shares, net of listing fees					38,733						38,733		38,733
Stock dividend declaration for common & preferred stocks							(5,524)				(5,524)		(5,524)
Cash Dividends							(330)				(330)	(14)	(344)
Audit Adjustments							(1)				(1)		(1)
Total transactions with owners	9,734	150	0	0	38,733	0	(5,855)	0	0	0	42,762	(14)	42,748
Total comprehensive income							10,535	2,055		(52)	12,538	40	12,578
Transfer to/(from) Surplus Free													
Additional appropriation						425	(425)				0		0
Reversal of Unrealized Gain											0		0
	0	0	0	0	0	425	(425)	0	0	0	0	0	0
Balance at September 30, 2012	P35,808	P5,150	P-	P-	P63,908	P2,121	P37,526	P6,415	P1,118	(P417)	P151,629	P659	P152,288
Balance at January, 2011	P26,074	P5,000	P-	P-	P25,175	P1,550	P25,737	P3,664	P1,165	(P356)	P88,009	P723	P88,732
Transactions with owners													
Cash Dividends							(2,937)				(2,937)	(54)	(2,991)
Audit Adjustments							52				52	3	55
Total transactions with owners	0	0	0	0	0	0	(2,885)	0	0	0	(2,885)	(51)	(2,936)
Total comprehensive income							7,637	(3,068)		4	4,573	19	4,592
Transfer to/(from) Surplus Free													
Additional appropriation						39	(39)				0		0
Revaluation increment on land and building sold							69		(47)		22		22
	0	0	0	0	0	39	30	0	(47)	0	22	0	22
Balance at September 30, 2011	P26,074	P5,000	P-	P-	P25,175	P1,589	P30,519	P596	P1,118	(P352)	P89,719	P691	P90,410

BDO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of September 30, 2012
(Amounts in Millions of Pesos)

TYPE OF ACCOUNTS		CURRENT		61 – 180 DAYS		181 - 360 DAYS		OVER 360 DAYS		ITEMS IN LITIGATION		TOTAL
A. INTERBANK TERM LOANS RECEIVABLES	P	12,858	P	0	P	0	P	0	P	0	P	12,858
B. LOANS AND RECEIVABLES	P	714,736	P	4,061	P	2,336	P	14,403	P	3,604	P	739,140
Loans & Discounts		611,987		2,069		1,622		5,002		2,994		623,674
Agra-Agri Loans		22,529		20		0		0		0		22,549
Bills Purchases		11,769		0		0		25		2		11,796
Customers Liability on draft under LC/TR		27,868		23		41		1,649		270		29,851
Customers Liability for this bank's acceptances		2,601		0		0		0		0		2,601
Credit Card Receivables		25,434		1,704		577		3,608		131		31,454
Restructured Loans		37		1		2		3,008		175		3,223
Other Loan & Receivables		5,937		244		94		941		32		7,248
Reverse Repurchase Agreement		936		0		0		0		0		936
Unquoted Debt Securities Classified as Loans		5,638		0		0		170		0		5,808
C. ACCOUNTS RECEIVABLE	P	2,838	P	646	P	152	P	2,975	P	3	P	6,614
TOTAL	P	730,432	P	4,707	P	2,488	P	17,378	P	3,607	P	758,612

BDO UNIBANK, INC. & SUBSIDIARIES
7899, BDO Corporate Center, Makati Avenue, Makati City

COMPUTATION OF WEIGHTED NUMBER OF COMMON SHARES
(Amounts in Millions of Pesos Except Per Share Data)

NO. OF SHARES – COMMON As of September	2012		2011	
	Outstanding Balance of Common Shares	Average Number of Common Shares	Outstanding Balance of Common Shares	Average Number of Common Shares
January	2,686		2,607	
February	2,686		2,607	
March	2,686		2,607	
April	2,686		2,607	
May	2,686		2,607	
June	2,686	1,784	2,607	
July	3,581	395	2,607	
August	3,581	405	2,607	
September	3,581	392	2,607	2,607
Weighted Average		<u>2,976</u>		<u>2,607</u>
Basic Earnings per share				
Net profit attributable to shareholders of the Parent Bank		10,535		7,637
Less: Dividends on preferred shares		<u>330</u>		<u>330</u>
Net profit available to common shares		<u>10,205</u>		<u>7,307</u>
Divided by the weighted average number of outstanding common shares		<u>2,976</u>		<u>2,607</u>
Basic Earnings per share		<u>3.43</u>		<u>2.80</u>
Diluted Earnings Per Share				
Net profit attributable to shareholders of the Parent Bank		10,205		7,307
Divided by the weighted average number of outstanding common shares:				
Weighted Average number of common shares		2,976		2,607
Potential common shares from assumed conversion of preferred shares		0		0
Potential common shares from assumed conversion of stock option plan		<u>0</u>		<u>0</u>
Total weighted average number of common shares after assumed conversion of convertible preferred shares		<u>2,976</u>		<u>2,607</u>
Diluted Earnings Per Share		<u>3.43</u>		<u>2.80</u>

Note:

**Net profit attributable to shareholders of the Parent Bank is reduced by dividends on preferred shares as these were not assumed to be converted. Potential common shares from assumed conversion of these preferred shares are anti-dilutive in 2012 and 2011.*

CHECKLIST OF REQUIRED DISCLOSURES
BANCO DE ORO UNIBANK, INC.
For the nine months ended: September 30, 2012

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 except for the reclassification of certain financial assets, which was adopted in accordance with the guidelines set in Bangko Sentral ng Pilipinas (BSP) Circular No. 626, Series of 2008. The full details of the reclassification are discussed in Section 4 of this report.

The Bank has also opted not to implement early adoption of PFRS 9 for its 2011 and 2012 financial reporting. An impact evaluation was conducted this second quarter of 2012 using the audited financial data as of December 31, 2011.

- 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 Bank used the same accounting policies and methods of computation for the interim and latest annual financial statements.

- 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.

The Bank raised P43.5 billion last July 4 from a 1:3 Stock Rights Offer, thereby increasing Total Equity to P152.3 billion.

- 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 16, 2012, the Bank issued \$300 million 5-year Fixed Rate Senior Notes with a coupon of 4.5%. The proceeds of the Notes were used to support expansion plans and re-lending activities.

On July 4, 2012, the Bank increased its core capital by P43.5 billion through a Stock Rights offering. A total of 895,218,832 common shares were issued and listed on the



Philippine Stock Exchange bringing BDO's total issued and outstanding shares to 3,580,875,328. The issuance puts the Bank in a better position to fulfill its medium-term growth objectives and take advantage of the positive outlook on the Philippine economy.

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

On January 28, 2012, the Board of Directors of BDO approved the declaration of annual dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P330 million. BSP approval was obtained on February 20, 2012 and the dividends were paid on March 9, 2012.

On March 22, 2012, the Bank's Board of Directors approved the declaration of stock dividends equivalent to 3% of BDO's outstanding capital stock. The stock dividend declaration was presented and approved at the BDO's Annual Shareholders' Meeting on April 20, 2012 and the dividends were paid on June 8, 2012.

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.

Remarks: NONE

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, 2011.

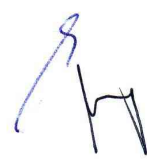
- Total Contingent Accounts increased 14% to P1.4 trillion owing to the following:
 - Trust Department Accounts grew 10% to P781.5 billion on account of a larger portfolio of managed funds.
 - Export L/Cs Confirmed surged 134% to P227 million mainly from larger volume of trade transactions.
 - Increased treasury activities owing to the following:
 - Spot Exchange Bought increased 27% to P10.0 billion
 - Spot Exchange Sold soared by 246% to P15.4 billion
 - Forward Exchange Bought hiked 41% to P214.3 billion
 - Forward Exchange Sold rose by 16% to P218.6 billion
 - Unused L/Cs and Outstanding Guarantees Issued declined by 5% and 51% to P31.7 billion and P594 million, respectively, owing to lower outstanding transactions as of the cut-off date.

MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – September 2012 vs. December 2011

- Cash and Other Cash Items slid 58% to P14.0 billion as year-end 2011 level was particularly high owing to deposits generated during the Christmas season.
- Due from BSP increased 17% to P146.0 billion on account of the new reserve requirement rules implemented by BSP starting April 2012.
- Due from Other Banks dropped 45% to P13.6 billion resulting from lower levels of deposits and working balances with foreign correspondent banks.
- Investment Securities grew 20% to P225.9 billion owing to the temporary deployment of proceeds from the Stock Rights issuance.
- Net Loans and Other Receivables went up by 7% to P722.9 billion due to an 8% growth in customer loans and a 76% hike in Interbank Loans. On the other hand, Securities Purchased Under Reverse Repurchase Agreements (SPURRA), Unquoted Debt Securities Classified as Loans (UDSCL) and other receivables dropped 81%, 32% and 9%, respectively.
- Investment Properties went down by 9% to P9.3 billion on sustained ROPA disposal.
- Bills Payable increased 20% to P71.4 billion coming from the Senior Notes issuance.
- Other Liabilities rose by 19% to P52.3 billion primarily due to higher levels of accrued expenses as well as outstanding acceptances and checks as of the cut-off date.
- Total Equity expanded 57% to P152.3 billion resulting from the Bank's profitable operations and the Stock Rights offering.

II. Balance Sheet – September 2012 vs. September 2011

- Total Resources grew 12% to P1.2 trillion owing to a growth in customer loans and investment securities primarily funded by deposits and capital from the Stock Rights offering.
 - Cash and Other Cash Items declined 16% from the new rules on reserve requirements.
 - Due from Other Banks dropped 27%, on account of lower levels of placements and deposits with correspondent banks year-on-year.
 - Investment Securities expanded 19% resulting from a 49% and 37% increase in FVTPL and AFS Securities, respectively.
 - Net Loans and Other Receivables rose 15% primarily owing to a 17% hike in customer receivables. The growth was tempered by reductions in Interbank Loans SPURRA and UDSCL.
 - Bank Premises went up 5% to P16.1 billion from expansion and upgrades in the Bank's distribution network.
 - Equity Investments rose 12% to P4.3 billion due to earnings from investments in associates engaged in real estate and insurance.
 - Investment Properties dropped 15% on continued ROPA disposals.
 - Other Resources went up by 8% to P16.7 owing to higher levels of miscellaneous assets consistent with growing business volumes.
 - Deposit Liabilities increased 5% to P859.9 billion on account of aggressive low-cost deposit marketing efforts. Demand and Savings rose by 6% and 13%, respectively while Time Deposits slid by 7%.
 - Bills Payable rose 15% resulting from the Senior Notes issuance.
- 

- Subordinated Notes Payable jumped 21% to P38.4 billion owing to a P6.5 billion Tier 2 issuance in October 2011.
- Other Liabilities went up by 19% primarily due to higher levels of accounts payable, accrued expenses and outstanding checks as of the cut-off date.
- Total Equity expanded by 68% from bottomline profits and the Stock Rights issuance.

III. Income Statement – September 2012 vs. September 2011

- Net Income attributable to Equity holders of the Parent Company climbed 38% to P10.5 billion for the third quarter of 2012, from P7.6 billion for the same period last year.
- Net Interest Income slightly improved by 4% owing to an expansion in earning assets.
- The Bank maintained its conservative provisioning by setting aside P4.2 billion in Provision for Impairment Losses for loans, securities, ROPA and other assets.
- Other income hiked 23% to P18.9 billion due to the following:
 - Trading Gain jumped 116% to P7.4 billion as the Bank capitalized on market opportunities.
 - Service Charges and Fees grew 13% to P8.5 billion resulting from increased business volumes from major business lines.
 - Trust Fees increased 14% to P1.5 billion on a larger portfolio of managed funds.
 - Foreign Exchange (FX) Loss registered at P379 million coming from an FX Gain of P1.3 billion for the same period last year.
 - Miscellaneous Income went up 5% due to higher dividend and rental income.
- Operating Expenses rose by 10% to P29.7 billion as:
 - Employee Benefits climbed by 11% from a higher manpower count owing to business volume expansion.
 - Occupancy expenses went up 11% due to higher depreciation and rent expense from expansion and upgrades in the Bank's distribution network.
 - Taxes and Licenses increased 13% due to gross receipts taxes on interest and fee-based income.
 - Insurance expenses grew 10% on account of higher levels of deposits.
 - Advertising expenses was higher by 7% from continuous marketing and advertising campaigns.
 - Security, Clerical, Messengerial & Janitorial rose by 9% on higher business volumes.
- Tax Expense declined 6% to P1.2 billion as deductible expenses outpaced the growth in corresponding taxable income.

IV. Comprehensive Income – September 2012 vs. September 2011

- Total Comprehensive Income for the third quarter of 2012 stood at P12.6 billion coming from a P10.6 billion Net Income, a P2.1 billion increase in unrealized gain on AFS Securities and a negative P52 million translation adjustment related to foreign operations.
- The Total Comprehensive Income jumped 174% from P4.6 billion for the same period last year, which consisted of a Net Income of P7.7 billion, a decline in unrealized gain on AFS Securities of P3.1 billion and P4 million translation adjustment related to foreign operations.

1. Key Performance Indicators

Indicator	9M 2012	9M 2011	Inc/(Dec)
Return on Average Common Equity	11.54%	11.75%	-0.21%
Return on Average Assets	1.24%	1.00%	0.24%
Net Interest Margin	3.42%	3.64%	-0.22%
Capital Adequacy Ratio	20.35%	15.01%	5.34%
Basic Earnings per Share	3.43	2.80	0.63

2. Discussion of the company's five (5) 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.

- Annualized return on average common equity slid to 11.54% as total equity expanded from the Stock Rights issuance.
- Annualized return on average assets improved to 1.24% from 1.00% as the growth in earnings outpaced the increase in assets.
- Net Interest Margin declined to 3.42% from the continued low interest rate environment, competitive pricing pressures and BSP's new policy of not paying interest on banks' reserve accounts starting April.
- Capital Adequacy Ratio, covering credit, market and operations risk, climbed to 20.35% from profitable operations as well as the Stock Rights issuance.
- Basic earnings per share hiked to P3.43 from P2.80 for the same period last year, on account of higher bottomline profits.

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 – September 2012 vs. December 2011

Remarks: NONE

- II. Balance Sheet – September 2012 vs. September 2011

Remarks: NONE

- III. Income Statement – September 2012 vs. September 2011

- Interest income from loans and receivables rose to 77.9% of total interest income due to the expansion in customer loan portfolio.
- Trading Gain as a percentage of Other Income hiked 16.8% to 39.2%, as the Bank capitalized on market opportunities.
- FX Loss, on the other hand, represented -2.0% of Other Income coming from an FX Gain registered by the Bank for the same period last year.

- 3.h Any seasonal aspects that had a material effect on the financial condition or results of operations.

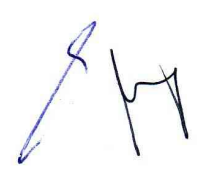
Remarks: NONE

4. The details of reclassification of financial assets are stated below:

- a. The financial assets reclassified into and from each category

As of September 30, 2008, the Bank reclassified certain FVTPL, AFS and credit-linked transactions booked in Due from Other Banks to HTM and UDSC.

- b. For each reporting period until derecognition, the carrying amounts and fair values of all financial assets reclassified in the current reporting period and previous reporting periods.



in US\$ mil	Carrying Amount	Fair Value
HTM	422.5	523.4
UDSCL	39.8	41.7
Total	462.3	565.1

- c. In the reporting period to which financial assets are reclassified, the fair value of the gains or losses of those assets as recognized either in profit or loss, or in equity (other comprehensive income) in that reporting period and previous reporting periods.

in US\$ mil	P&L Impact	Equity Impact
HTM	2.1	17.2
UDSCL	11.6	27.5
Adjustment of BV	(3.1)	(18.0)
Total	10.6	26.7

- d. For the remainder of the instruments' lives, the gains or losses that would have been recognized in profit or loss, or equity had they not been reclassified, together with the gains, losses, income and expenses now recognized.

in US\$ mil	Impact
HTM	31.8
UDSCL	(10.1)
Total	21.7

- e. As at that date of reclassification, the effective interest rates and estimated amounts of cash flows the company expects to recover.

The effective interest rates of the reclassified securities range from 3.82% to 12.54%.
The Bank expects cashflows amounting to US\$1.5 billion from these financial assets.

BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of September 30, 2012
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	38,484	64	784	971	40,303	0	40,303
Inter-Segment	95	6	1	11	113	(113)	0
	38,579	70	785	982	40,416	(113)	40,303
Total Interest Expense							
External	13,002	0	229	277	13,508	0	13,508
Inter-Segment	16	32	1	63	112	(112)	0
	13,018	32	230	340	13,620	(112)	13,508
Net Interest Income	25,561	38	555	642	26,796	(1)	26,795
Other Operating Income							
Investment Banking Fees	0	600	0	0	600	0	600
Others	16,954	152	403	1,598	19,107	(793)	18,314
	16,954	752	403	1,598	19,707	(793)	18,914
Other Operating Expenses							
Depreciation and Amortization	1,928	4	28	156	2,116	0	2,116
Impairment Losses	4,165	1	1	74	4,241	0	4,241
Others	26,015	243	519	910	27,687	(86)	27,601
	32,108	248	548	1,140	34,044	(86)	33,958
Profit before Tax	10,407	542	410	1,100	12,459	(708)	11,751
Tax Expense	815	138	63	157	1,173	0	1,173
Net Profit	9,592	404	347	943	11,286	(708)	10,578
Statements of Financial Position							
Total Resources							
Segment Assets	1,128,780	3,516	23,868	29,409	1,185,573	(17,855)	1,167,718
Intangible Assets	1,127	10	6	1	1,144	0	1,144
Deferred Tax Assets	5,549	(44)	4	(128)	5,381	0	5,381
	1,135,456	3,482	23,878	29,282	1,192,098	(17,855)	1,174,243
Total Liabilities	989,954	1,417	18,753	17,866	1,027,990	(6,035)	1,021,955
Other Segment Information							
Capital expenditures	2,102	3	43	296	2,444	0	2,444
Investment in associate under equity method	4,853	20	0	0	4,873	0	4,873
Share in the Profit of associates	316	20	0	0	336	0	336

BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of September 30, 2011
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	35,784	36	741	1,083	37,644	0	37,644
Inter-Segment	78	8	50	13	149	(149)	0
	<u>35,862</u>	<u>44</u>	<u>791</u>	<u>1,096</u>	<u>37,793</u>	<u>(149)</u>	<u>37,644</u>
Total Interest Expense							
External	11,490	0	287	210	11,987	0	11,987
Inter-Segment	20	18	1	59	98	(98)	0
	<u>11,510</u>	<u>18</u>	<u>288</u>	<u>269</u>	<u>12,085</u>	<u>(98)</u>	<u>11,987</u>
Net Interest Income	<u>24,352</u>	<u>26</u>	<u>503</u>	<u>827</u>	<u>25,708</u>	<u>(51)</u>	<u>25,657</u>
Other Operating Income							
Investment Banking Fees	0	486	0	0	486	0	486
Others	13,302	148	469	1,242	15,161	(325)	14,836
	<u>13,302</u>	<u>634</u>	<u>469</u>	<u>1,242</u>	<u>15,647</u>	<u>(325)</u>	<u>15,322</u>
Other Operating Expenses							
Depreciation and Amortization	1,619	3	15	221	1,858	0	1,858
Impairment Losses	4,938	0	29	125	5,092	0	5,092
Others	23,638	205	468	849	25,160	(54)	25,106
	<u>30,195</u>	<u>208</u>	<u>512</u>	<u>1,195</u>	<u>32,110</u>	<u>(54)</u>	<u>32,056</u>
Profit before Tax	<u>7,459</u>	<u>452</u>	<u>460</u>	<u>874</u>	<u>9,245</u>	<u>(322)</u>	<u>8,923</u>
Tax Expense	<u>937</u>	<u>126</u>	<u>51</u>	<u>129</u>	<u>1,243</u>	<u>0</u>	<u>1,243</u>
Net Profit	<u>6,522</u>	<u>326</u>	<u>409</u>	<u>745</u>	<u>8,002</u>	<u>(322)</u>	<u>7,680</u>
Statements of Financial Position							
Total Resources							
Segment Assets	1,008,436	2,804	23,272	25,352	1,059,864	(17,426)	1,042,438
Intangible Assets	700	10	1	1	712	0	712
Deferred Tax Assets	5,666	(26)	29	(86)	5,583	0	5,583
	<u>1,014,802</u>	<u>2,788</u>	<u>23,302</u>	<u>25,267</u>	<u>1,066,159</u>	<u>(17,426)</u>	<u>1,048,733</u>
Total Liabilities	<u>929,842</u>	<u>1,299</u>	<u>18,483</u>	<u>18,321</u>	<u>967,945</u>	<u>(9,622)</u>	<u>958,323</u>
Other Segment Information							
Capital expenditures	1,704	0	32	319	2,055	0	2,055
Investment in associate under equity method	4,394	0	0	0	4,394	0	4,394
Share in the Profit of associates	329	0	0	0	329	0	329

BDO Unibank, Inc. and Subsidiaries
Additional Disclosure Requirements
As of September 30, 2012 & 2011

	<u>Sep 2012</u>	<u>Sep 2011</u>	<u>Change</u>
Liquidity Ratio	35.68%	37.90%	-2.22%
Debt-to-Equity	671.07%	1059.98%	-388.91%
Asset-to-Equity	771.07%	1159.98%	-388.91%
Interest Rate Coverage	186.99%	174.44%	12.55%
Profit Margin	17.86%	14.50%	3.36%

Liquidity Ratio slid 2.22% primarily owing to a hike in customer loans.

Debt-to-Equity went down 388.91% from the Stock Rights issuance in July.

Asset-to-Equity also dropped 388.91% due to the Stock Rights issuance.

Interest Rate Coverage increased 12.55% as a result of more profitable operations.

Profit Margin rose 3.36% from more profitable operations year-on-year.

