

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 C O R P O R A T E C E N T E R , 7 8 9 9
M A K A T I A V E N U E , M A K A T I C I T Y
(BUSINESS ADDRESS: NO. STREET CITY/TOWN/PROVINCE)

RUBY A. CRUZ
Contact Person
856-7434/840-7000 loc 4575
Company Telephone Number

0 9 3 0
Month 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

12,851
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 September 30, 2015.
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 | 3,645,375,218 | |

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.

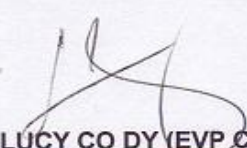
Yes ☒ No. ☐

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)

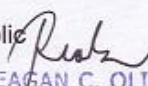
REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI } S.S.

SUBSCRIBED AND SWORN TO before me this OCT 26 2015 day of October,

2015, 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 - 04952159 | 02.17.2011/Manila 02.27.2015/Makati City |

Doc. No. 305
Page No. 02
Book No. I
Series of 2015

Notary Public 
Atty. REAGAN C. OLIVA
Notary Public for Makati City, Philippines
until 31 December 2016
Appointment No. M-184
14/F BDO North Tower, BDO Corporate Center
7899 Makati Avenue, Makati City
Roll No. 43988
IBP No. 0981263, 1/5/2015, Quezon City
PTR No. 4754565, 1/6/2015, Makati City
MCLE Compliance No. IV-0017090, 4/15/2013

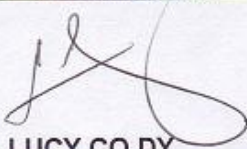
* To be signed by any of the following officers pursuant to a Board Resolution filed with the Commission

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

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 *glw gw npl*

Date..... October 23, 2015

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

Signature and Title.....

EVP/COMPTROLLER

Date..... October 23, 2015

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, 2015 | Audited As of December 31, 2014 |
|--|-----------------------------|---------------------------------------|
| <u>RESOURCES</u> | | |
| CASH AND OTHER CASH ITEMS | P 29,599 | P 41,342 |
| DUE FROM BANGKO SENTRAL NG PILIPINAS | 269,201 | 269,542 |
| DUE FROM OTHER BANKS | 37,056 | 45,621 |
| INVESTMENT SECURITIES | | |
| At Fair Value Through Profit or Loss | 11,494 | 8,768 |
| Available-for-Sale – net | 229,831 | 212,742 |
| LOANS AND OTHER RECEIVABLES—net | 1,296,703 | 1,212,930 |
| BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net | 24,007 | 21,093 |
| INVESTMENT PROPERTIES | 12,798 | 13,861 |
| EQUITY INVESTMENTS – net | 5,649 | 5,332 |
| DEFERRED TAX ASSETS | 6,040 | 6,033 |
| OTHER RESOURCES - net | 30,123 | 26,385 |
| TOTAL RESOURCES | P 1,952,501 | P 1,863,649 |
| <u>LIABILITIES AND CAPITAL FUNDS</u> | | |
| DEPOSIT LIABILITIES | P | P |
| Demand | 91,114 | 85,807 |
| Savings | 960,070 | 872,976 |
| Time | 548,929 | 533,499 |
| Total Deposit Liabilities | 1,600,113 | 1,492,282 |
| BILLS PAYABLE | 86,500 | 100,361 |
| SUBORDINATED NOTES PAYABLE | 10,030 | 10,030 |
| OTHER LIABILITIES | 63,509 | 81,307 |
| Total Liabilities | 1,760,152 | 1,683,980 |
| <u>EQUITY</u> | | |
| Attributable to Shareholders of the Parent Company | 191,740 | 179,036 |
| Minority Interest | 609 | 633 |
| Total Equity | 192,349 | 179,669 |
| TOTAL LIABILITIES AND EQUITY | P 1,952,501 | P 1,863,649 |
| <u>CONTINGENT</u> | | |
| Trust department accounts | P 870,901 | P 817,447 |
| Unused commercial letters of credit | 43,137 | 54,109 |
| Outstanding guarantees issued | 13,533 | 3,446 |
| Export L/Cs Confirmed | 2,567 | 240 |
| Bills for collection | 5,967 | 6,978 |
| Late deposits/payment received | 2,118 | 3,318 |
| Spot Exchange Bought | 7,909 | 2,522 |
| Spot Exchange Sold | 10,047 | 7,111 |
| Forward Exchange Bought | 147,919 | 121,434 |
| Forward Exchange Sold | 154,425 | 140,322 |
| Interest Rate Swap Receivable | 16,284 | 8,756 |
| Interest Rate Swap Payable | 16,284 | 8,756 |
| Other Contingent Accounts | 147,858 | 137,953 |
| TOTAL CONTINGENT ACCOUNTS | P 1,438,949 | P 1,312,392 |

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, 2015 | For the nine-month Period ended September 30, 2014 | For the Quarter ending September 30, 2015 | For the Quarter ending September 30, 2014 |
|---|--|--|---|---|
| INTEREST INCOME ON | | | | |
| Loans and Receivables | P 46,558 | P 38,994 | P 16,516 | P 13,620 |
| Investment Securities | 5,640 | 5,471 | 1,917 | 1,712 |
| Due from Other Banks | 677 | 1,864 | 178 | 468 |
| Others | <u>13</u> | <u>10</u> | <u>6</u> | <u>4</u> |
| Total Interest Income | <u>52,888</u> | <u>46,339</u> | <u>18,617</u> | <u>15,804</u> |
| INTEREST EXPENSE ON | | | | |
| Deposit liabilities | 9,095 | 7,562 | 3,232 | 2,552 |
| Bills Payable and Others | <u>2,007</u> | <u>1,442</u> | <u>671</u> | <u>488</u> |
| Total Interest Expense | <u>11,102</u> | <u>9,004</u> | <u>3,903</u> | <u>3,040</u> |
| NET INTEREST INCOME | <u>41,786</u> | <u>37,335</u> | <u>14,714</u> | <u>12,764</u> |
| IMPAIRMENT LOSSES | <u>2,682</u> | <u>3,878</u> | <u>549</u> | <u>1,325</u> |
| NET INTEREST INCOME AFTER IMPAIRMENT LOSSES | <u>39,104</u> | <u>33,457</u> | <u>14,165</u> | <u>11,439</u> |
| OTHER OPERATING INCOME | | | | |
| Service Charges, Fees and Commissions | 11,759 | 10,981 | 4,179 | 3,903 |
| Trading Gain – net | 4,378 | 5,137 | (10) | 1,027 |
| Trust Fees | 2,155 | 1,940 | 744 | 680 |
| Foreign Exchange Gain/(Loss) – net | 1,952 | 1,060 | 968 | 881 |
| Miscellaneous – net | <u>3,577</u> | <u>2,869</u> | <u>1,519</u> | <u>1,105</u> |
| Total Other Operating Income | <u>23,821</u> | <u>21,987</u> | <u>7,400</u> | <u>7,596</u> |
| OTHER OPERATING EXPENSES | | | | |
| Employee Benefits | 13,939 | 12,109 | 4,687 | 3,903 |
| Occupancy | 4,850 | 4,154 | 1,734 | 1,444 |
| Taxes and licenses | 4,660 | 4,156 | 1,680 | 1,459 |
| Security, Clerical, Messengerial and Janitorial | 1,939 | 1,822 | 676 | 640 |
| Insurance | 2,434 | 2,095 | 849 | 742 |
| Advertising | 1,779 | 2,106 | 487 | 729 |
| Litigation/Assets Acquired | 97 | 423 | 31 | 137 |
| Miscellaneous | <u>11,198</u> | <u>10,025</u> | <u>4,049</u> | <u>3,601</u> |
| Total Other Operating Expenses | <u>40,896</u> | <u>36,890</u> | <u>14,193</u> | <u>12,655</u> |
| INCOME BEFORE TAX | <u>22,029</u> | <u>18,554</u> | <u>7,372</u> | <u>6,380</u> |
| TAX EXPENSE (INCOME) | <u>4,400</u> | <u>1,799</u> | <u>1,484</u> | <u>680</u> |
| NET INCOME AFTER TAX | <u>P 17,629</u> | <u>P 16,755</u> | <u>P 5,888</u> | <u>P 5,700</u> |
| ATTRIBUTABLE TO: | | | | |
| Equity holders of the parent | P 17,603 | P 16,740 | P 5,880 | P 5,692 |
| Minority Interest | <u>26</u> | <u>15</u> | <u>8</u> | <u>8</u> |
| | <u>P 17,629</u> | <u>P 16,755</u> | <u>P 5,888</u> | <u>P 5,700</u> |
| AVERAGE COMMON STOCK | 3598 | 3581 | 3598 | 3581 |
| INCOME PER SHARE (See annex A) | | | | |
| Basic | 4.80 | 4.58 | 1.63 | 1.59 |
| Diluted | 4.80 | 4.58 | 1.62 | 1.57 |

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, 2015 | For the nine-month period ending September 30, 2014 |
|--|---|---|
| NET PROFIT | <u>17,629</u> | <u>16,755</u> |
| OTHER COMPREHENSIVE INCOME(LOSS) | | |
| Net unrealized fair value gains(losses) on available-for-sale securities | (3,679) | (169) |
| Translation adjustment related to foreign operations | (9) | 15 |
| Other Comprehensive Income, net of tax | <u>(3,688)</u> | <u>(154)</u> |
| Items that will not be reclassified to profit or loss: | | |
| Reversal of revaluation increment | (19) | 0 |
| Actuarial gains (losses) on remeasurement of retirement benefit asset, net of tax | (2) | (3) |
| | <u>(21)</u> | <u>(3)</u> |
| Total Other Comprehensive Income, Net of Tax | <u>(3,709)</u> | <u>(157)</u> |
| TOTAL COMPREHENSIVE INCOME(LOSS) | <u>13,920</u> | <u>16,598</u> |
| Attributable To: | | |
| Shareholders of the Parent Bank | 13,890 | 16,580 |
| Non-controlling Interest | 30 | 18 |
| | <u>13,920</u> | <u>16,598</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

STATEMENTS OF CHANGES IN EQUITY
COMPARATIVE PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Amounts in Millions of Pesos)

| | Common Stock | Preferred Stock | Additional Paid- in Capital | Surplus Reserves | Other Reserves | Surplus Free | Net Unrealized Fair Value Gain(Losses) on Available-for-sale Securities | Accumulated Actuarial Gains/(Losses) | Revaluation Increment | Accumulate d Translation Adjustment | Total Attributable to Shareholders of the Parent Bank | Non- Controlling Interest | Total Equity |
|--|-----------------|--------------------|--------------------------------|---------------------|-------------------|---------------|---|--|--------------------------|---|--|---------------------------------|--------------|
| Balance at January, 2015 | P 35,808 | P 5,150 | P 63,908 | P 3,454 | P 12 | P 70,242 | P 2,965 | (P 3,454) | P 1,027 | (P 76) | P 179,036 | P 633 | P 179,669 |
| Transactions with owners | | | | | | | | | | | | | |
| Issuance of additional shares | 646 | | 6,027 | | | | | | | | 6,673 | | 6,673 |
| Common Stocks Redemption | | | | | | (7,859) | | | | | 0 | (27) | (27) |
| Cash Dividend | | | | | | | | | | | (7,859) | (43) | (7,902) |
| Total transactions with owners | 646 | 0 | 6,027 | 0 | 0 | (7,859) | 0 | 0 | 0 | 0 | (1,186) | (70) | (1,256) |
| Total comprehensive income | | | | | | 17,603 | (3,680) | (2) | (19) | (12) | 13,890 | 30 | 13,920 |
| Transfer to/(from) Surplus Free Additional appropriation Trust reserve | | | | 933 44 | | (933) (44) | | | | | 0 0 | | 0 0 |
| | 0 | 0 | 0 | 977 | 0 | (977) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Adjustments | | | | | | | | | | | | | |
| Consolidation of new subsidiary | | | | | | | | | | | 0 | 16 | 16 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 16 |
| Balance at September 30, 2015 | P 36,454 | P 5,150 | P 69,935 | P 4,431 | P 12 | P 79,009 | (P 715) | (P 3,456) | P 1,008 | (P 88) | P 191,740 | P 609 | P 192,349 |
| Balance at January, 2014 | P 35,808 | P 5,150 | P 63,908 | P 2,994 | P 12 | P 55,756 | P 2,609 | (P 3,407) | P 1,027 | (P 146) | P 163,711 | P 643 | P 164,354 |
| Transactions with owners | | | | | | | | | | | | | |
| Cash Dividends | | | | | | (7,859) | | | | | (7,859) | (44) | (7,903) |
| Total transactions with owners | 0 | 0 | 0 | 0 | 0 | (7,859) | 0 | 0 | 0 | 0 | (7,859) | (44) | (7,903) |
| Total comprehensive income | | | | | | 16,740 | (167) | (3) | 0 | 10 | 16,580 | 18 | 16,598 |
| Transfer to/(from) Surplus Free Additional appropriation Trust reserve | | | | 167 36 | | (167) (36) | | | | | 0 0 | | 0 0 |
| | 0 | 0 | 0 | 203 | 0 | (203) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Adjustments | | | | | | | | | | | | | |
| Consolidation of a new subsidiary | | | | | | (10) | | | | | (10) | | (10) |
| | 0 | 0 | 0 | 0 | 0 | (10) | 0 | 0 | 0 | 0 | (10) | 0 | (10) |
| Balance at September 30, 2014 | P 35,808 | P 5,150 | P 63,908 | P 3,197 | P 12 | P 64,424 | P 2,442 | (P 3,410) | P 1,027 | (P 136) | P 172,422 | P 617 | P 173,039 |

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 AND 2014
(Amounts in Millions of Pesos)

| | 2015 | 2014 |
|--|-----------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 22,029 | 18,554 |
| Adjustments for: | | |
| Interest income | (52,888) | (46,339) |
| Interest received | 52,538 | 46,589 |
| Interest expense | 11,102 | 9,004 |
| Interest paid | (10,929) | (9,586) |
| Impairment losses | 2,682 | 3,878 |
| Depreciation and amortization | 2,875 | 2,341 |
| Share in (profit)loss of associates | (567) | (443) |
| Fair value loss (gain) | 195 | 345 |
| Operating profit before changes in operating resources and liabilities | 27,037 | 24,343 |
| Decrease (increase) in financial assets at fair value through profit or loss | (3,059) | 608 |
| Decrease (increase) in loans and other receivables | (104,443) | (143,835) |
| Decrease (increase) in investment properties | 668 | 846 |
| Decrease (increase) in other resources | (7,121) | (8,202) |
| Increase (decrease) in deposit liabilities | 107,664 | 80,057 |
| Increase (decrease) in other liabilities | (17,138) | 2,491 |
| Cash generated from (used in) operations | 3,608 | (43,692) |
| Cash paid for income tax | (2,739) | (1,438) |
| Net Cash From (Used in) Operating Activities | 869 | (45,130) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of premises, furniture, fixture and equipment | (5,311) | (3,870) |
| Proceeds from disposals of premises, furniture, fixture and equipment | 122 | 106 |
| Proceeds from disposal of available-for-sale securities | 367,751 | 320,980 |
| Acquisition of available-for-sale securities | (388,434) | (290,463) |
| Net Cash From (Used in) Investing Activities | (25,872) | 26,753 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of common stock | 6,673 | 0 |
| Net proceeds from(payment of) bills payable | (13,867) | (9,811) |
| Proceeds from (redemption of) subordinated notes payable | 0 | (3,000) |
| Dividends paid | (6,847) | (6,829) |
| Net Cash From (Used in) Financing Activities | (14,041) | (19,640) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (39,044) | (38,017) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | |
| Cash and other cash items | 41,342 | 27,824 |
| Due from Bangko Sentral ng Pilipinas | 269,542 | 408,383 |
| Due from other banks | 45,621 | 26,939 |
| SPURRA | 86,173 | 8,407 |
| | 442,678 | 471,553 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | |
| Cash and other cash items | 29,599 | 22,217 |
| Due from Bangko Sentral ng Pilipinas | 269,201 | 263,057 |
| Due from other banks | 37,056 | 46,814 |
| SPURRA | 67,778 | 101,448 |
| | 403,634 | 433,536 |

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

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of September 30, 2015
(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 26,349 | P 0 | P 0 | P 0 | P 0 | 26,349 |
| B. LOANS AND RECEIVABLES | P 1,277,670 | P 5,542 | P 2,650 | P 7,250 | P 2,627 | 1,295,739 |
| Loans & Discounts | 1,053,400 | 3,584 | 1,671 | 3,820 | 2,331 | 1,064,806 |
| Agra-Agri Loans | 56,142 | 70 | 39 | 110 | 1 | 56,362 |
| Bills Purchased | 9,622 | 0 | 0 | 24 | 2 | 9,648 |
| Customers Liability on Draft under LC/TR | 45,827 | 26 | 0 | 565 | 21 | 46,439 |
| Customers Liability for this Bank's Acceptances | 3,654 | 0 | 0 | 0 | 0 | 3,654 |
| Credit Card Receivables | 33,026 | 1,661 | 679 | 329 | 199 | 35,894 |
| Restructured Loans | 414 | 80 | 100 | 1,019 | 54 | 1,667 |
| Other Loans & Receivables | 6,968 | 121 | 161 | 1,213 | 19 | 8,482 |
| Reverse Repurchase Agreement | 67,778 | 0 | 0 | 0 | 0 | 67,778 |
| Unquoted Debt Securities Classified as Loans | 839 | 0 | 0 | 170 | 0 | 1,009 |
| C. ACCOUNTS RECEIVABLE | P 3,166 | P 631 | P 250 | P 642 | P 5 | 4,694 |
| TOTAL | P 1,307,185 | P 6,173 | P 2,900 | P 7,892 | P 2,632 | 1,326,782 |

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 | 2015 | | 2014 | |
|--|---|------------------------------------|---|------------------------------------|
| | Outstanding Balance of Common Shares | Average Number of Common Shares | Outstanding Balance of Common Shares | Average Number of Common Shares |
| January | 3,581 | | 3,581 | |
| February | 3,581 | | 3,581 | |
| March | 3,581 | | 3,581 | |
| April | 3,581 | | 3,581 | |
| May | 3,581 | | 3,581 | |
| June | 3,581 | 2,374 | 3,581 | |
| July | 3,645 | 409 | 3,581 | |
| August | 3,645 | 414 | 3,581 | |
| September | 3,645 | 401 | 3,581 | 3,581 |
| Weighted Average | | <u>3,598</u> | | <u>3,581</u> |
| Basic Earnings per share | | | | |
| Net profit attributable to shareholders of the Parent Bank | | 17,603 | | 16,740 |
| Less: Dividends on preferred shares | | <u>339</u> | | <u>339</u> |
| Net profit available to common shares | | <u>17,264</u> | | <u>16,401</u> |
| Divided by the weighted average number of outstanding common shares | | <u>3,598</u> | | <u>3,581</u> |
| Basic Earnings per share | | <u>4.80</u> | | <u>4.58</u> |
| Diluted Earnings Per Share | | | | |
| Net profit attributable to shareholders of the Parent Bank | | 17,264 | | 16,401 |
| Divided by the weighted average number of outstanding common shares: | | | | |
| Weighted Average number of common shares | | 3,598 | | 3,581 |
| 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>3,598</u> | | <u>3,581</u> |
| Diluted Earnings Per Share | | <u>4.80</u> | | <u>4.58</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 2015 and 2014.*

CHECKLIST OF REQUIRED DISCLOSURES
BANCO DE ORO UNIBANK, INC.
For the nine months ended: September 30, 2015

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 2014 and 2015 financial reporting. An impact evaluation was conducted on the second quarter of 2015 using the audited financial data as of December 31, 2014. The next impact evaluation study will be done on the second quarter of 2016 using audited financial data as of December 31, 2015.

- 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.

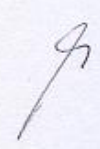
The Bank completed its acquisition of One Network Bank Inc. (ONB) last July 20, 2015. As of closing date, ONB had total assets, gross customer loans, deposits and shareholders' equity of P28.2 billion, P21.1 billion, P20.9 billion and P3.8 billion, respectively.

- 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 April 6, 2015 the Bank issued P7.5 billion worth of Long-Term Negotiable Certificates of Deposit. Proceeds of the issuance were used to support the Bank's loan growth.



On July 20, 2015, the Bank issued approximately 64 million new shares for the acquisition of ONB.

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

On January 10, 2015, the Board of Directors approved the declaration of cash dividends in the amount of P0.30 per common share for each quarter in 2015, or a total of P1.20 per common share. BSP approval was obtained on March 5, 2015. The first, second and third quarter cash dividends were paid on April 24, 2015, June 26, 2015 and September 28, 2015, respectively, while the fourth quarter cash dividends are set to be paid on December 28, 2015.

On January 31, 2015, 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 P339 million. BSP approval was obtained on March 5, 2015 and the dividends were paid on April 15, 2015.

On April 24, 2015, the Board of Directors of BDO approved the declaration of special cash dividends on common shares at the rate of P0.90 per share. BSP approval was obtained on June 10, 2015 and the dividends were paid on July 31, 2015.

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.

On July 20, 2015, the Bank successfully completed its acquisition of ONB. The acquisition expanded BDO's presence in the southern Philippines, and will provide access to new market segments that are not presently covered by commercial banks.

7.j Changes in contingent liabilities or contingent assets from December 31, 2014.

- Total Contingent Accounts climbed 10% to P1.4 trillion from the following:
 - Trust Department Accounts went up 7% to P870.9 billion owing to portfolio growth.
 - Outstanding Guarantees Issued and Export L/Cs Confirmed soared 293% and 970%, to P13.5 billion and P2.6 billion, respectively, due to higher volume of trade transactions.
 - Increased treasury activities gave rise to the following:

- Spot Exchange Bought and Sold surged 214% and 41% to P7.9 billion and P10.0 billion, respectively
- Forward Exchange Bought and Sold increased 22% and 10%, respectively, to P147.9 billion and P154.4 billion.
- Interest Rate Swap Receivable and Payable rose 86% apiece to P16.3 billion
- Other Contingent Accounts grew 7% to P147.9 billion owing to higher level of committed credit lines.
- Unused L/Cs, Bills for Collection and Late Deposits and Payments Received declined 20%, 14% and 36% to P43.1 billion, P6.0 billion and P2.1 billion, respectively, from lower number of outstanding transactions as of the cut-off date.

MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – September 2015 vs. December 2014

- Cash and Other Cash Items slid 28% to P29.6 billion, from a high year-end 2014 level resulting from deposits generated during the Christmas season.
- Due from Other Banks dropped 19% to P37.1 billion owing to lower working balances and placements with correspondent banks.
- Investment Securities rose 9% to P241.3 billion, as excess liquidity was temporarily placed in the Bank's securities portfolio.
- Net Loans and Other Receivables increased 7% to P1.3 trillion owing to a 12% expansion in gross customer receivables, which was partially offset by lower levels of Interbank Loans, Securities Purchased under Reverse Repurchase Agreements, Unquoted Debt Securities Classified as Loans and Other Receivables.
- Equity Investments went up 6% to P5.6 billion on account of earnings of associates engaged in real estate and insurance.
- Bank Premises increased 14% to P24.0 billion with the addition of ONB's distribution network.
- Investment Properties decreased 8% to P12.8 billion from continued disposal of foreclosed assets.
- Other Resources grew 14% to P30.1 billion due to higher levels of prepaid expenses, float items and goodwill from the purchase of ONBI.
- Total Deposits improved 7% to P1.6 trillion on the back of the 6% and 10% increase in Demand and Savings deposits, respectively.
- Bills Payable dropped 14% to P86.5 billion as the Bank reduced its interbank borrowings.
- Other Liabilities fell 22% to P63.5 billion due to lower levels of accounts payable and bills purchased contra-account.
- Total Equity grew 7% to P192.3 billion from bottomline profits and the issuance of new shares for the acquisition of ONB.

II. Balance Sheet – September 2015 vs. September 2014

- Total Resources expanded 12% to reach P2.0 trillion primarily funded by a growth in total deposits.
- Cash and Other Cash Items hiked 33% following the higher deposit base.
- Due from Other Banks declined 21% from lower levels of placements with foreign banks.

- Investment Securities climbed 23% as Financial Assets at Fair Value Through Profit and Loss and Available for Sale Securities increased 34% and 23%, respectively.
- Net Loans and Other Receivables grew 12% driven by the 19% growth in gross customer loans.
- Equity Investments rose 8% owing to earnings of associates.
- Bank Premises increased 21% from ONB's distribution network.
- Investment Properties expanded 24% year-on-year on foreclosures and auction payments.
- Other Resources went up 15% year-on-year mainly from goodwill from the purchase of ONBI as well as higher levels of miscellaneous assets consistent with growing business volumes.
- Deposit Liabilities hiked 12% on strong growth in Savings deposits at 17%.
- To support funding and capital requirements, the Bank issued Basel 3 compliant Subordinated Notes Payable worth P10.0 billion in December 2014.
- Other Liabilities went down 8% mainly from a lower bills purchased contra-account.
- Total Equity climbed 11% from continued profitable operations and the issuance of new shares for the acquisition of ONB.

III. Income Statement – September 2015 vs. September 2014

- Reported Net Income attributable to Equity holders of the Parent Company rose 5% year-on-year, to P17.6 billion.
- Net Interest Income expanded 12% to P41.8 billion mainly owing to an increase in the Bank's earning assets.
- Prudent provisioning stance was maintained as the Bank set aside P2.7 billion Provision for Impairment Losses for loans, securities, ROPA and other assets.
- Other income improved 8% to P23.8 billion resulting from the following:
 - Service Charges and Fees grew by 7% to P11.8 billion on recurring fee income from major business lines.
 - Trust Fees increased 11% to P2.2 billion from portfolio growth and an improved mix.
 - Foreign Exchange (FX) Gain hiked 84% to P2.0 billion as the Bank capitalized on market opportunities.
 - Other Income rose 25% to P3.6 billion from non-recurring income from a receivable of the Bank.
 - Trading Gain, on the other hand, declined 15% to P4.4 billion, representing partial offsetting gains in some trading positions of the Bank.
- Operating Expenses went up 11% to P40.9 billion due to the following:
 - Employee Benefits climbed 15% owing to annual salary increase as well as a higher manpower count.
 - Occupancy expenses grew 17% on account of higher depreciation and rent expense from enhancements in the Bank's distribution network.
 - Taxes and Licenses rose 12% mainly on GRT from higher income.
 - Insurance expenses went up 16% as a result of an expanded deposit base.
 - Advertising expenses went down 16% owing to reduced spending on marketing and publicity.
 - Litigation/Assets Acquired expenses slid 77% from reduced costs relating to litigation and maintenance of acquired assets.

- Security, Clerical and Janitorial expenses as well as Other Operating Expenses increased 6% and 12%, respectively, owing to an expanded distribution network and increased business volumes.
- Tax Expense jumped 145% to P4.4 billion on higher taxable income.

IV. Comprehensive Income – September 2015 vs. September 2014

- Total Comprehensive Income for the three quarters of 2015 stood at P13.9 billion. The P17.6 billion Net Income was reduced by a P3.7 billion drop in unrealized gain on AFS Securities from a combination of realized gains from securities sales and revaluation of the portfolio, a negative P9 million translation adjustment related to foreign operations, a P19 million reversal of revaluation increment and a P2.0 million loss on retirement benefit asset.
- Total Comprehensive Income for the same period last year was 16% higher at P16.6 billion, inclusive of a P16.8 billion Net Income, a P169 million decline in unrealized gain on AFS Securities, a P15 million translation adjustment and a P3 million loss on retirement benefit asset.

1. Key Performance Indicators

| Indicator | 9M 2015 | 9M 2014 | 12M 2014 |
|-------------------------------------|----------|----------|----------|
| Return on Average Common Equity (%) | 13.02% | 13.54% | 13.65% |
| Return on Average Assets(%) | 1.25% | 1.32% | 1.32% |
| Net Interest Margin | 3.14% | 3.13% | 3.16% |
| Liquidity Ratio | 34.42% | 37.98% | 38.09% |
| Debt to Equity | 915.08% | 911.90% | 937.27% |
| Asset to Equity | 1015.08% | 1011.90% | 1037.27% |
| Interest Rate Coverage | 298.42% | 306.06% | 319.03% |
| Profit Margin | 22.98% | 24.52% | 24.53% |
| Capital Adequacy Ratio | 13.42% | 14.14% | 14.56% |
| Basic Earnings per Share | 4.80 | 4.58 | 6.27 |

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.

- Return on Average Common Equity and Return on Average Assets declined to 13.02% and 1.25%, respectively, as total equity and total assets increased at a faster pace compared to Net Income.
- Net Interest Margin inched up year-on-year to 3.14% from the expansion loan assets.
- Liquidity Ratio went down to 34.42% as loan portfolio grew more than liquid assets.
- Debt to Equity and Assets to Equity rose year-on-year to 915.08% and 1015.08%, respectively, primarily from deposit growth and the issuance of subordinated debt.
- Interest Rate Coverage dipped to 298.42% owing to higher interest expense on deposits and borrowings.
- Profit Margin went down to 22.98% due to higher provision for income tax.
- Capital Adequacy Ratio, covering credit, market and operations risk dropped to 13.42% as the increase in Tier 1 capital from profitable operations and the issuance of Tier 2 Notes in December 2014, were offset by the faster expansion in risk-weighted assets.
- Basic earnings per share improved P0.22 year-on-year from higher bottomline profits.

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- 3.a Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

Remarks: NONE

- 3.b Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Remarks: NONE

- 3.c Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Remarks: NONE

- 3.d Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

Remarks: NONE

- 3.e Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

Remarks: NONE

- 3.f Any significant elements of income or loss that did not arise from the issuer's continuing operations.

Remarks: NONE

- 3.g The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item;

The term "material" in this section shall refer to changes of items amounting to five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.

Vertical Analysis-Material Changes

- I. Balance Sheet – June 2015 vs. December 2014

Remarks: NONE

- II. Balance Sheet – June 2015 vs. June 2014

Remarks: NONE

- III. Income Statement – June 2015 vs. June 2014

- Tax Expense as a percentage of Income before Tax went up to 10.3% due to higher taxable income.

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 adopted in accordance with the guidelines set in Bangko Sentral ng Pilipinas (BSP) Circular No. 626, Series of 2008, 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 UDSCL.

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 | - | - |
| UDSCL | - | - |
| Total | - | - |

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 | 0.01 |
| UDSCL | - |
| Total | 0.01 |

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, 2015
(Amounts in Millions of Pesos)

| | Commercial Banking | Investment Banking | Private Banking | Leasing & Finance | Others | Total | Eliminations | Group |
|---|--------------------|--------------------|-----------------|-------------------|--------|-----------|--------------|-----------|
| Statement of Income | | | | | | | | |
| Total Interest Income | | | | | | | | |
| External | 50,746 | 62 | 891 | 1,144 | 45 | 52,888 | 0 | 52,888 |
| Inter-Segment | 156 | 2 | 0 | 0 | 7 | 165 | (165) | 0 |
| | 50,902 | 64 | 891 | 1,144 | 52 | 53,053 | (165) | 52,888 |
| Total Interest Expense | | | | | | | | |
| External | 10,573 | 0 | 194 | 335 | 0 | 11,102 | 0 | 11,102 |
| Inter-Segment | 12 | 53 | 0 | 76 | 25 | 166 | (166) | 0 |
| | 10,585 | 53 | 194 | 411 | 25 | 11,268 | (166) | 11,102 |
| Net Interest Income | 40,317 | 11 | 697 | 733 | 27 | 41,785 | 1 | 41,786 |
| Other Operating Income | | | | | | | | |
| Investment Banking Fees | 0 | 799 | 0 | 0 | 0 | 799 | 0 | 799 |
| Others | 21,593 | 323 | 847 | 747 | 859 | 24,369 | (1,347) | 23,022 |
| | 21,593 | 1,122 | 847 | 747 | 859 | 25,168 | (1,347) | 23,821 |
| Other Operating Expenses | | | | | | | | |
| Depreciation and Amortization | 2,297 | 32 | 38 | 490 | 18 | 2,875 | 0 | 2,875 |
| Impairment Losses | 2,587 | 2 | 25 | 67 | 1 | 2,682 | 0 | 2,682 |
| Others | 35,746 | 504 | 781 | 390 | 706 | 38,127 | (106) | 38,021 |
| | 40,630 | 538 | 844 | 947 | 725 | 43,684 | (106) | 43,578 |
| Profit before Tax | 21,280 | 595 | 700 | 533 | 161 | 23,269 | (1,240) | 22,029 |
| Tax Expense | 3,762 | 157 | 179 | 144 | 158 | 4,400 | | 4,400 |
| Net Profit | 17,518 | 438 | 521 | 389 | 3 | 18,869 | (1,240) | 17,629 |
| Statements of Financial Position | | | | | | | | |
| Total Resources | | | | | | | | |
| Segment Assets | 1,871,929 | 6,474 | 45,251 | 33,175 | 10,146 | 1,966,975 | (28,137) | 1,938,838 |
| Intangible Assets | 4,534 | 102 | 12 | 54 | 20 | 4,722 | 2,901 | 7,623 |
| Deferred Tax Assets | 6,270 | (216) | 59 | (51) | (22) | 6,040 | 0 | 6,040 |
| | 1,882,733 | 6,360 | 45,322 | 33,178 | 10,144 | 1,977,737 | (25,236) | 1,952,501 |
| Total Liabilities | 1,697,527 | 2,960 | 39,339 | 28,168 | 2,565 | 1,770,559 | (10,407) | 1,760,152 |
| Other Segment Information | | | | | | | | |
| Capital expenditures | 5,626 | 16 | 15 | 751 | 63 | 6,471 | 0 | 6,471 |
| Investment in associate under equity method | 5,600 | 87 | 0 | 0 | 0 | 5,687 | 0 | 5,687 |
| Share in the Profit of associates | 554 | 13 | 0 | 0 | 0 | 567 | 0 | 567 |

BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of September 30, 2014
(Amounts in Millions of Pesos)

| | Commercial Banking | Investment Banking | Private Banking | Leasing & Finance | Others | Total | Eliminations | Group |
|---|--------------------|--------------------|-----------------|-------------------|---------------|------------------|-----------------|------------------|
| Statement of Income | | | | | | | | |
| Total Interest Income | | | | | | | | |
| External | 44,335 | 54 | 791 | 1,078 | 81 | 46,339 | 0 | 46,339 |
| Inter-Segment | 146 | 3 | 0 | 0 | 5 | 154 | (154) | 0 |
| | <u>44,481</u> | <u>57</u> | <u>791</u> | <u>1,078</u> | <u>86</u> | <u>46,493</u> | <u>(154)</u> | <u>46,339</u> |
| Total Interest Expense | | | | | | | | |
| External | 8,524 | 0 | 178 | 270 | 32 | 9,004 | 0 | 9,004 |
| Inter-Segment | 8 | 55 | 0 | 66 | 26 | 155 | (155) | 0 |
| | <u>8,532</u> | <u>55</u> | <u>178</u> | <u>336</u> | <u>58</u> | <u>9,159</u> | <u>(155)</u> | <u>9,004</u> |
| Net Interest Income | <u>35,949</u> | <u>2</u> | <u>613</u> | <u>742</u> | <u>28</u> | <u>37,334</u> | <u>1</u> | <u>37,335</u> |
| Other Operating Income | | | | | | | | |
| Investment Banking Fees | 0 | 751 | 0 | 0 | 0 | 751 | 0 | 751 |
| Others | 20,640 | 167 | 647 | 603 | 1,499 | 23,556 | (2,320) | 21,236 |
| | <u>20,640</u> | <u>918</u> | <u>647</u> | <u>603</u> | <u>1,499</u> | <u>24,307</u> | <u>(2,320)</u> | <u>21,987</u> |
| Other Operating Expenses | | | | | | | | |
| Depreciation and Amortization | 1,899 | 36 | 33 | 349 | 24 | 2,341 | 0 | 2,341 |
| Impairment Losses | 3,803 | 0 | 0 | 75 | 0 | 3,878 | 0 | 3,878 |
| Others | 32,250 | 553 | 742 | 378 | 727 | 34,650 | (101) | 34,549 |
| | <u>37,952</u> | <u>589</u> | <u>775</u> | <u>802</u> | <u>751</u> | <u>40,869</u> | <u>(101)</u> | <u>40,768</u> |
| Profit before Tax | <u>18,637</u> | <u>331</u> | <u>485</u> | <u>543</u> | <u>776</u> | <u>20,772</u> | <u>(2,218)</u> | <u>18,554</u> |
| Tax Expense | 1,301 | 116 | 111 | 166 | 105 | 1,799 | 0 | 1,799 |
| Net Profit | <u>17,336</u> | <u>215</u> | <u>374</u> | <u>377</u> | <u>671</u> | <u>18,973</u> | <u>(2,218)</u> | <u>16,755</u> |
| Statements of Financial Position | | | | | | | | |
| Total Resources | | | | | | | | |
| Segment Assets | 1,672,913 | 12,274 | 41,128 | 28,323 | 10,041 | 1,764,679 | (20,793) | 1,743,886 |
| Intangible Assets | 1,105 | 101 | 16 | 52 | 11 | 1,285 | 0 | 1,285 |
| Deferred Tax Assets | 5,988 | (194) | 73 | (48) | (9) | 5,810 | 0 | 5,810 |
| | <u>1,680,006</u> | <u>12,181</u> | <u>41,217</u> | <u>28,327</u> | <u>10,043</u> | <u>1,771,774</u> | <u>(20,793)</u> | <u>1,750,981</u> |
| Total Liabilities | <u>1,517,296</u> | <u>9,189</u> | <u>35,546</u> | <u>23,534</u> | <u>2,324</u> | <u>1,587,889</u> | <u>(9,947)</u> | <u>1,577,942</u> |
| Other Segment Information | | | | | | | | |
| Capital expenditures | 3,105 | 13 | 29 | 768 | 22 | 3,937 | 0 | 3,937 |
| Investment in associate under equity method | 5,732 | 46 | 0 | 0 | 0 | 5,778 | 0 | 5,778 |
| Share in the Profit of associates | 433 | 10 | 0 | 0 | 0 | 443 | 0 | 443 |