

COVER SHEET

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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 3 3 1
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

12,838
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

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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, 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	3,580,875,328	

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)

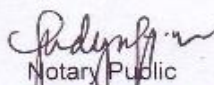
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REPUBLIC OF THE PHILIPPINES }
CITY OF MAKATI } S.S.

SUBSCRIBED AND SWORN TO before me this MAY 07 2015 day of May,

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


Notary Public

Atty. JUDY ANNE C. ABAT-VERA
Notary Public for Makati City, Philippines
until 31 December 2015
Appointment No. M-305
14/F BDO North Tower, BDO Corporate Center
7839 Makati Avenue, Makati City
Poll No. 45180
IBP No. 0901256, 1/5/2015, Makati City
PTR No. 4754574, 1/6/2015, Makati City
MCLE Compliance No. IV-0004518, 2/16/2012

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Series of 2015

* 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

Date.....

May 5, 2015

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

LUCY CO DY

Signature and Title.....


EVP/COMPTROLLER

Date.....

May 5, 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 March 31, 2015	Audited As of December 31, 2014
<u>RESOURCES</u>		
CASH AND OTHER CASH ITEMS	P 26,407	P 41,342
DUE FROM BANGKO SENTRAL NG PILIPINAS	352,504	269,542
DUE FROM OTHER BANKS	36,471	45,621
INVESTMENT SECURITIES		
At Fair Value Through Profit or Loss	8,899	8,768
Available-for-Sale – net	225,637	212,742
LOANS AND OTHER RECEIVABLES—net	1,134,979	1,212,930
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net	21,579	21,093
INVESTMENT PROPERTIES	13,145	13,861
EQUITY INVESTMENTS – net	5,626	5,332
DEFERRED TAX ASSETS	5,975	6,033
OTHER RESOURCES - net	23,154	26,385
TOTAL RESOURCES	P 1,854,376	P 1,863,649
<u>LIABILITIES AND CAPITAL FUNDS</u>		
DEPOSIT LIABILITIES	P	P
Demand	84,323	85,807
Savings	892,900	872,976
Time	514,908	533,499
Total Deposit Liabilities	1,492,131	1,492,282
BILLS PAYABLE	102,197	100,361
SUBORDINATED NOTES PAYABLE	10,030	10,030
OTHER LIABILITIES	69,038	81,307
Total Liabilities	1,673,396	1,683,980
<u>EQUITY</u>		
Attributable to Shareholders of the Parent Company	180,370	179,036
Minority Interest	610	633
Total Equity	180,980	179,669
TOTAL LIABILITIES AND EQUITY	P 1,854,376	P 1,863,649
<u>CONTINGENT</u>		
Trust department accounts	P 841,913	P 817,447
Unused commercial letters of credit	46,386	54,109
Outstanding guarantees issued	6,245	3,446
Export L/Cs Confirmed	2,117	240
Bills for collection	7,293	6,978
Late deposits/payment received	3,123	3,318
Spot Exchange Bought	11,384	2,522
Spot Exchange Sold	19,589	7,111
Forward Exchange Bought	138,053	121,434
Forward Exchange Sold	144,650	140,322
Interest Rate Swap Receivable	14,093	8,756
Interest Rate Swap Payable	14,093	8,756
Other Contingent Accounts	149,959	137,953
TOTAL CONTINGENT ACCOUNTS	P 1,398,898	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 three-month Period ended <u>March 31, 2015</u>	For the three-month Period ended <u>March 31, 2014</u>
INTEREST INCOME ON		
Loans and Receivables	P 14,561	P 12,324
Investment Securities	1,874	1,998
Due from Other Banks	332	802
Others	<u>3</u>	<u>3</u>
Total Interest Income	<u>16,770</u>	<u>15,127</u>
INTEREST EXPENSE ON		
Deposit liabilities	2,846	2,497
Bills Payable and Others	<u>668</u>	<u>497</u>
Total Interest Expense	<u>3,514</u>	<u>2,994</u>
NET INTEREST INCOME	13,256	12,133
IMPAIRMENT LOSSES	<u>1,168</u>	<u>1,293</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>12,088</u>	<u>10,840</u>
OTHER OPERATING INCOME		
Service Charges, Fees and Commissions	3,593	3,387
Trading Gain – net	3,165	1,738
Trust Fees	691	618
Foreign Exchange Gain/(Loss) – net	265	488
Miscellaneous – net	<u>1,058</u>	<u>847</u>
Total Other Operating Income	<u>8,772</u>	<u>7,078</u>
OTHER OPERATING EXPENSES		
Employee Benefits	3,817	3,367
Occupancy	1,510	1,317
Taxes and licenses	1,535	1,346
Security, Clerical, Messengerial and Janitorial	612	574
Insurance	789	673
Advertising	679	696
Litigation/Assets Acquired	34	143
Miscellaneous	<u>4,323</u>	<u>3,784</u>
Total Other Operating Expenses	<u>13,299</u>	<u>11,900</u>
INCOME BEFORE TAX	7,561	6,018
TAX EXPENSE (INCOME)	1,434	547
NET INCOME AFTER TAX	P <u><u>6,127</u></u>	P <u><u>5,471</u></u>
ATTRIBUTABLE TO:		
Equity holders of the parent	P 6,121	P 5,474
Minority Interest	<u>6</u>	<u>(3)</u>
	P <u><u>6,127</u></u>	P <u><u>5,471</u></u>
AVERAGE COMMON STOCK	3581	3851
INCOME PER SHARE (See annex A)		
Basic	1.61	1.43
Diluted	1.61	1.43

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 three-month period ending March 31, 2015	For the three-month period ending March 31, 2014
NET PROFIT	<u>6,127</u>	<u>5,471</u>
OTHER COMPREHENSIVE INCOME(LOSS)		
Net unrealized fair value gains(losses) on available-for-sale securities	(171)	1,017
Translation adjustment related to foreign operations	38	(22)
Other Comprehensive Income, net of tax	<u>(133)</u>	<u>995</u>
Items that will not be reclassified to profit or loss:		
Actuarial gains (losses) on remeasurement of retirement benefit asset, net of tax	<u>(4)</u>	<u>6</u>
	<u>(4)</u>	<u>6</u>
Total Other Comprehensive Income, Net of Tax	<u>(137)</u>	<u>1,001</u>
TOTAL COMPREHENSIVE INCOME(LOSS)	<u><u>5,990</u></u>	<u><u>6,472</u></u>
Attributable To:		
Shareholders of the Parent Bank	5,970	6,468
Non-controlling Interest	<u>20</u>	<u>4</u>
	<u><u>5,990</u></u>	<u><u>6,472</u></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 MARCH 31, 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	Accumulated 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													
Cash Dividend						(4,636)					(4,636)	(43)	(4,679)
Total transactions with owners	0	0	0	0	0	(4,636)	0	0	0	0	(4,636)	(43)	(4,679)
Total comprehensive income						6,121	(178)	(4)		31	5,970	20	5,990
Transfer to/(from) Surplus Free													
Trust reserve				44		(44)					0		0
Self Insurance				6		(6)					0		0
	0	0	0	50	0	(50)	0	0	0	0	0	0	0
Balance at March 31, 2015	P 35,808	P 5,150	P 63,908	P 3,504	P 12	P 71,677	P 2,787	(P 3,458)	P 1,027	(P 45)	P 180,370	P 610	P 180,980
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						(4,636)					(4,636)	(37)	(4,673)
Total transactions with owners	0	0	0	0	0	(4,636)	0	0	0	0	(4,636)	(37)	(4,673)
Total comprehensive income						5,474	1,010	6	0	(22)	6,468	4	6,472
Transfer to/(from) Surplus Free													
Trust reserve				36		(36)					0		0
	0	0	0	36	0	(36)	0	0	0	0	0	0	0
Other Adjustments													
Consolidation of a new subsidiary						17					17		17
	0	0	0	0	0	17	0	0	0	0	17	0	17
Balance at March 31, 2014	P 35,808	P 5,150	P 63,908	P 3,030	P 12	P 56,575	P 3,619	(P 3,401)	P 1,027	(P 168)	P 165,560	P 610	P 166,170

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2015 AND 2014
(Amounts in Millions of Pesos)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,561	6,018
Adjustments for:		
Interest income	(16,770)	(15,127)
Interest received	17,528	16,235
Interest expense	3,514	2,994
Interest paid	(3,406)	(3,482)
Impairment losses	1,168	1,293
Depreciation and amortization	884	738
Share in (profit)loss of associates	(196)	(122)
Fair value loss (gain)	388	(265)
Operating profit before changes in operating resources and liabilities	10,671	8,282
Decrease (increase) in financial assets at fair value through profit or loss	(733)	1,635
Decrease (increase) in loans and other receivables	11,934	(52,363)
Decrease (increase) in investment properties	689	362
Decrease (increase) in other resources	1,990	(1,213)
Increase (decrease) in deposit liabilities	(284)	(10,494)
Increase (decrease) in other liabilities	(16,852)	(6,082)
Cash generated from (used in) operations	7,415	(59,873)
Cash paid for income tax	(407)	(282)
Net Cash From (Used in) Operating Activities	7,008	(60,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of premises, furniture, fixture and equipment	(1,211)	(1,076)
Proceeds from disposals of premises, furniture, fixture and equipment	23	9
Proceeds from disposal of available-for-sale securities	92,298	141,751
Acquisition of available-for-sale securities	(105,353)	(101,791)
Net Cash From (Used in) Investing Activities	(14,243)	38,893
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from(payment of) bills payable	1,860	(12,360)
Proceeds from (redemption of) subordinated notes payable	0	(3,000)
Dividends paid	(43)	(1,450)
Net Cash From (Used in) Financing Activities	1,817	(16,810)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,418)	(38,072)
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	26,407	20,890
Due from Bangko Sentral ng Pilipinas	352,504	377,397
Due from other banks	36,471	26,180
SPURRA	21,878	9,014
	437,260	433,481

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

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of March 31, 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 25,173	P 0	P 0	P 0	P 0	25,173
B. LOANS AND RECEIVABLES	P 1,116,518	P 4,859	P 2,531	P 6,603	P 2,641	1,133,152
Loans & Discounts	942,502	2,903	1,924	3,246	2,350	952,925
Agra-Agri Loans	49,002	9	4	19	0	49,034
Bills Purchased	15,632	0	0	24	2	15,658
Customers Liability on Draft under LC/TR	44,765	58	4	579	20	45,426
Customers Liability for this Bank's Acceptances	2,164	0	0	0	0	2,164
Credit Card Receivables	31,921	1,791	530	425	196	34,863
Restructured Loans	36	0	0	915	54	1,005
Other Loans & Receivables	5,967	98	69	1,225	19	7,378
Reverse Repurchase Agreement	21,878	0	0	0	0	21,878
Unquoted Debt Securities Classified as Loans	2,651	0	0	170	0	2,821
C. ACCOUNTS RECEIVABLE	P 5,365	P 442	P 137	P 706	P 3	6,653
TOTAL	P 1,147,056	P 5,301	P 2,668	P 7,309	P 2,644	1,164,978

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 March	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	3,581	3,581
Weighted Average		<u>3,581</u>		<u>3,581</u>
Basic Earnings per share				
Net profit attributable to shareholders of the Parent Bank		6,121		5,474
Less: Dividends on preferred shares		<u>339</u>		<u>339</u>
Net profit available to common shares		<u>5,782</u>		<u>5,135</u>
Divided by the weighted average number of outstanding common shares		<u>3,581</u>		<u>3,581</u>
Basic Earnings per share		<u>1.61</u>		<u>1.43</u>
Diluted Earnings Per Share				
Net profit attributable to shareholders of the Parent Bank		5,782		5,135
Divided by the weighted average number of outstanding common shares:				
Weighted Average number of common shares		3,581		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>3,581</u>		<u>3,581</u>
Diluted Earnings Per Share		<u>1.61</u>		<u>1.43</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 three months ended: March 31, 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 2013 and 2014 financial reporting. An impact evaluation was conducted on the second quarter of 2014 using the audited financial data as of December 31, 2013. The next impact evaluation study will be done on the second quarter of 2015 using audited financial data as of December 31, 2014.

- 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.

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.

Remarks: NONE

- 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, third and fourth quarter cash dividends are set to be paid on April 24, 2015, June 26, 2015, September 25, 2015 and December 28, 2015, respectively.

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 is set to be paid on April 15, 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.

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

- 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, 2014.

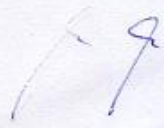
- Total Contingent Accounts increased 7% to P1.4 trillion from the following:
 - Outstanding Guarantees Issued and Export L/Cs Confirmed climbed 81% and 782%, to P6.2 billion and P2.1 billion, respectively, owing to higher number of trade transactions.
 - Bills for Collection went up 5% to P7.3 billion from a higher volume of bills, drafts and checks outstanding.
 - Increased treasury activities resulted in the following:
 - Spot Exchange Bought and Sold soared 351% and 175% to P11.4 billion and P19.6 billion, respectively
 - Forward Exchange Bought grew 14% to P138.1 billion
 - Interest Rate Swap Receivable and Payable grew 61% apiece to P14.1 billion
 - Other Contingent Accounts rose 9% on a higher level of committed credit lines.
 - Unused L/Cs and Late Deposits and Payments Received went down 14% and 6% to P46.4 billion and P3.1 billion, respectively, on account of lower volume of transactions as of the cut-off date.

MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – March 2015 vs. December 2014

- Cash and Other Cash Items declined 36% to P26.4 billion due to the high year-end 2014 level from deposits generated during the Christmas season.
- Due from BSP and Investment Securities increased 31% and 6% to P352.5 billion and P234.5 billion, respectively, as excess liquidity was temporarily placed in liquid assets.
- Due from Other Banks dropped 20% to P36.5 billion from lower levels of placements and working balances with correspondent banks.
- Net Loans and Other Receivables, dipped 6% to P1.1 trillion as the increase in gross customer receivables were offset by declines in Interbank Loans, Securities Purchased under Reverse Repurchase Agreements and Other Receivables.
- Equity Investments went up 6% to P5.6 billion on account of earnings of associates.
- Investment Properties declined 5% to P13.1 billion resulting from continued disposal of foreclosed assets.
- Other Resources dropped 12% to P23.2 billion from a reduced level of outstanding credit card transactions.
- Other Liabilities fell 15% to P69.0 billion due to lower levels of accounts payable and bills purchased contra-account.

II. Balance Sheet – March 2015 vs. March 2014

- Total Resources climbed 13% to P1.9 trillion as the Bank's securities and loan portfolios increased, funded by a hike in total deposits.
 - Cash and Other Cash Items rose 26% corresponding to a higher deposit base.
 - Due from BSP went down 7% from lower levels of placements with BSP.
 - Due from Other Banks jumped 39% from higher levels of deposits with correspondent banks year-on-year.
 - Investment Securities moved up 26% due to a 9% increase in Financial Assets at Fair Value Through Profit and Loss and a 26% growth in Available for Sale Securities.
 - Net Loans and Other Receivables expanded 17% year-on-year primarily due to a 16% hike in gross customer receivables, supported by continued corporate and consumer loan demand. Securities Purchased Under Reverse Repurchase Agreements likewise went up 143%.
 - Bank Premises went up 18% to P21.6 billion on account of branch expansion and improvements in the Bank's distribution channels.
 - Equity Investments rose 14% owing to earnings of associates engaged in real estate and insurance.
 - Investment Properties increased 32% on an investment in a prime property in the Makati central business district as well as foreclosures and dacion payments.
 - Other Resources climbed 10% year-on-year to P23.2 billion resulting from higher levels of miscellaneous assets consistent with growing business volumes.
 - Deposit Liabilities grew 12% to P1.5 trillion as Savings deposits surged 21% from sustained marketing efforts. Time deposits likewise went up 2% while Demand deposits declined by 9%.
 - Bills Payable climbed 25% to P102.2 billion on higher levels of interbank borrowings.
 - The Bank also issued Basel 3 compliant Subordinated Notes Payable worth P10.0 billion in December 2014.
- 

- Other Liabilities hiked 10% year-on-year on higher levels of miscellaneous liabilities.
- Total Equity increased 9% to P181.0 billion from continued profitable operations.

III. Income Statement – March 2015 vs. March 2014

- Reported Net Income attributable to Equity holders of the Parent Company grew 12%, to P6.1 billion from P5.5 billion the previous period.
- Net Interest Income increased 9% to P13.3 billion primarily owing to an expansion in earning assets.
- The Bank continued its conservative provisioning stance, setting aside P1.2 billion Provision for Impairment Losses for loans, securities, ROPA and other assets.
- Other income hiked 24% to P8.8 billion owing to the following:
 - Trading Gain surged 82% to P3.2 billion as the Bank capitalized on market opportunities.
 - Service Charges and Fees went up 6% on account of recurring fee income from major business lines.
 - Trust Fees improved 12% to P691 million due to an improved portfolio mix.
 - Foreign Exchange (FX) Gain dropped to P265 million from P488 million for the same period last year, representing partial offsetting gains in some trading positions of the Bank.
 - Miscellaneous Income rose 25% to P1.1 billion owing to higher ROPA gains and rental income.
- Operating Expenses went up 12% to P13.3 billion from the following:
 - Employee Benefits increased 13% from annual salary increase as well as a higher manpower count owing to business expansion.
 - Occupancy expenses climbed 15% owing to higher depreciation and rent expense from enhancements in the Bank's distribution network.
 - Taxes and Licenses hiked 14% mainly from GRT on a higher income base.
 - Insurance expenses increased 17% primarily owing to a higher deposit base.
 - Litigation/Assets Acquired expenses fell 76% from reduced litigation and acquired asset expenses.
 - Security, Clerical and Janitorial expenses as well as Other Operating Expenses moved up 7% and 14%, respectively, resulting from an expanded distribution network and increased business volumes.
- Tax Expense surged 162% to P1.4 billion on higher taxable income.

IV. Comprehensive Income – March 2015 vs. March 2014

- Total Comprehensive Income for the first quarter of 2015 registered at P6.0 billion from P6.5 billion for the same period last year. Coming from a Net Income of P6.1 billion, the Total Comprehensive Income included a P171 million decline in unrealized gain on AFS Securities, a P38 million translation adjustment related to foreign operations and a P4.0 million loss on retirement benefit asset.
- Total Comprehensive Income for the same period last year, included a P1.0 billion increase in unrealized gain on AFS Securities and a negative P22 million translation adjustment and a P6 million gain on retirement benefit asset.

1. Key Performance Indicators

Indicator	3M 2015	3M 2014	Inc/(Dec)
Return on Average Common Equity (%)	13.83%	13.52%	0.31%
Return on Average Assets(%)	1.32%	1.32%	0.00%
Net Interest Margin	3.04%	3.10%	-0.06%
Liquidity Ratio	37.73%	39.30%	-1.57%
Debt to Equity	924.63%	890.17%	34.46%
Asset to Equity	1024.63%	990.17%	34.46%
Interest Rate Coverage	315.17%	301.00%	14.17%
Profit Margin	23.99%	24.64%	-0.65%
Capital Adequacy Ratio	14.05%	14.83%	-0.78%
Basic Earnings per Share	1.61	1.43	0.18

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 improved to 13.83% from higher Net Income.
- Return on Average Assets was steady at 1.32% as assets and profits went up in tandem.
- Net Interest Margin went down 6 basis points to 3.04% from a continuing decline in market rates.
- Liquidity Ratio declined slightly to 37.73% as loan portfolio expanded faster than liquid assets.
- Debt to Equity and Assets to Equity rose to 942.63% and 1024.63%, respectively, resulting from deposit growth, increase in bills payable and the issuance of subordinated debt.
- Interest Rate Coverage rose to 315.17% owing to higher revenues year-on-year.
- Profit Margin went down to 23.99% from higher provision for income tax.
- Capital Adequacy Ratio, covering credit, market and operations risk declined to 14.05% as the increase in Tier 1 capital from profitable operations and the issuance of Tier 2 Notes in December 2014, were offset by the hike in risk-weighted assets.
- Basic earnings per share went up to P1.61, 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 – March 2015 vs. December 2014

Remarks: NONE

II. Balance Sheet – March 2015 vs. March 2014

Remarks: NONE

III. Income Statement – March 2015 vs. March 2014

- Interest Income from Loans & Receivables as a percentage of total Interest Income went up 5.4% to 86.8% from an expanded loan portfolio.
- Trading Gain, now representing 36.1% of Other Income, hiked 11.5% as the Bank capitalized on market opportunities. Consequently, Service Charges and Fees as a percentage of Other Income went down from 47.9% to 41.0%.
- Tax Expense as a percentage of Income before Tax increased to 19.0% as a result of 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 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	5.0	5.0
UDSCL	-	-
Total	5.0	5.0

- 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 March 31, 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	16,062	21	301	370	16	16,770	0	16,770
Inter-Segment	49	1	0	0	2	52	(52)	0
	16,111	22	301	370	18	16,822	(52)	16,770
Total Interest Expense								
External	3,346	0	65	103	0	3,514	0	3,514
Inter-Segment	3	18	0	23	8	52	(52)	0
	3,349	18	65	126	8	3,566	(52)	3,514
Net Interest Income	12,762	4	236	244	10	13,256	0	13,256
Other Operating Income								
Investment Banking Fees	0	131	0	0	0	131	0	131
Others	8,059	73	432	235	570	9,369	(728)	8,641
	8,059	204	432	235	570	9,500	(728)	8,772
Other Operating Expenses								
Depreciation and Amortization	705	9	13	151	6	884	0	884
Impairment Losses	1,143	0	0	25	0	1,168	0	1,168
Others	11,667	159	280	125	220	12,451	(36)	12,415
	13,515	168	293	301	226	14,503	(36)	14,467
Profit before Tax	7,306	40	375	178	354	8,253	(692)	7,561
Tax Expense	1,240	18	76	47	53	1,434	0	1,434
Net Profit	6,066	22	299	131	301	6,819	(692)	6,127
Statements of Financial Position								
Total Resources								
Segment Assets	1,776,376	6,179	40,506	30,305	10,758	1,864,124	(20,293)	1,843,831
Intangible Assets	4,377	102	18	60	13	4,570	0	4,570
Deferred Tax Assets	6,160	(199)	73	(39)	(20)	5,975	0	5,975
	1,786,913	6,082	40,597	30,326	10,751	1,874,669	(20,293)	1,854,376
Total Liabilities	1,617,472	2,849	34,664	25,529	2,256	1,682,770	(9,374)	1,673,396
Other Segment Information								
Capital expenditures	1,246	5	1	304	35	1,591	0	1,591
Investment in associate under equity method	6,110	75	0	0	0	6,185	0	6,185
Share in the Profit of associates	190	6	0	0	0	196	0	196

BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of March 31, 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	14,488	17	260	355	7	15,127	0	15,127
Inter-Segment	54	1	0	0	2	57	(57)	0
	<u>14,542</u>	<u>18</u>	<u>260</u>	<u>355</u>	<u>9</u>	<u>15,184</u>	<u>(57)</u>	<u>15,127</u>
Total Interest Expense								
External	2,858	0	59	77	0	2,994	0	2,994
Inter-Segment	3	17	0	28	9	57	(57)	0
	<u>2,861</u>	<u>17</u>	<u>59</u>	<u>105</u>	<u>9</u>	<u>3,051</u>	<u>(57)</u>	<u>2,994</u>
Net Interest Income	<u>11,681</u>	<u>1</u>	<u>201</u>	<u>250</u>	<u>0</u>	<u>12,133</u>	<u>0</u>	<u>12,133</u>
Other Operating Income								
Investment Banking Fees	0	232	0	0	0	232	0	232
Others	7,559	9	257	180	469	8,474	(1,628)	6,846
	<u>7,559</u>	<u>241</u>	<u>257</u>	<u>180</u>	<u>469</u>	<u>8,706</u>	<u>(1,628)</u>	<u>7,078</u>
Other Operating Expenses								
Depreciation and Amortization	599	18	10	106	5	738	0	738
Impairment Losses	1,268	0	0	25	0	1,293	0	1,293
Others	10,437	184	233	132	213	11,199	(37)	11,162
	<u>12,304</u>	<u>202</u>	<u>243</u>	<u>263</u>	<u>218</u>	<u>13,230</u>	<u>(37)</u>	<u>13,193</u>
Profit before Tax	<u>6,936</u>	<u>40</u>	<u>215</u>	<u>167</u>	<u>251</u>	<u>7,609</u>	<u>(1,591)</u>	<u>6,018</u>
Tax Expense	410	39	33	47	18	547	0	547
Net Profit	<u>6,526</u>	<u>1</u>	<u>182</u>	<u>120</u>	<u>233</u>	<u>7,062</u>	<u>(1,591)</u>	<u>5,471</u>
Statements of Financial Position								
Total Resources								
Segment Assets	1,580,293	6,180	37,331	27,080	8,236	1,659,120	(20,855)	1,638,265
Intangible Assets	1,031	101	14	35	1	1,182	0	1,182
Deferred Tax Assets	6,071	(192)	68	(21)	(13)	5,913	0	5,913
	<u>1,587,395</u>	<u>6,089</u>	<u>37,413</u>	<u>27,094</u>	<u>8,224</u>	<u>1,666,215</u>	<u>(20,855)</u>	<u>1,645,360</u>
Total Liabilities	<u>1,429,324</u>	<u>3,298</u>	<u>31,930</u>	<u>22,484</u>	<u>2,304</u>	<u>1,489,340</u>	<u>(10,150)</u>	<u>1,479,190</u>
Other Segment Information								
Capital expenditures	876	12	8	185	4	1,085	0	1,085
Investment in associate under equity method	5,453	36	0	0	0	5,489	0	5,489
Share in the Profit of associates	121	1	0	0	0	122	0	122