

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 3
Month

3 1
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

13,434
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, 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	2,607,437,907	

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.

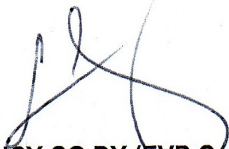
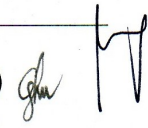
Yes No.

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 APR 30 2012 day of April,

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

Doc. No. 215
 Page No. 44
 Book No. II
 Series of 2012

Notary Public

Atty. REAGAN C. OLIVA
 Appointment No. M-401
 Notary Public until 31 December 2012
 14/F BDO North Tower, BDO Corporate Center
 7699 Makati Avenue, Makati City
 Roll No. 43988
 IBP No. 877972, 1/4/2012, Quezon City
 PTR No. 3181664, 1/5/2012, Makati City
 MCLE Compliance No. III-0006546, 12/4/2009

* 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 CODY
EVP/COMPTRROLLER *John Mac*

Date..... **April 26, 2012**

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

Signature and Title..... 
EVP/COMPTRROLLER

Date..... **April 26, 2012**

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

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

		<u>As of</u> <u>March 31, 2012</u>		<u>Audited</u> <u>As of</u> <u>December 31, 2011</u>
<u>RESOURCES</u>				
CASH AND OTHER CASH ITEMS	P	21,573	P	33,129
DUE FROM BANGKO SENTRAL NG PILIPINAS		122,505		124,894
DUE FROM OTHER BANKS		21,167		24,719
INVESTMENT SECURITIES				
At Fair Value Through Profit or Loss		6,529		4,823
Available-for-Sale – net		111,979		89,925
Held-to-Maturity – net		94,380		93,670
LOANS AND OTHER RECEIVABLES—net		667,400		673,927
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net		15,681		15,690
INVESTMENT PROPERTIES		9,685		10,137
EQUITY INVESTMENTS – net		4,146		4,187
DEFERRED TAX ASSETS		5,414		5,485
OTHER RESOURCES - net		15,654		16,763
		<u>1,096,113</u>		<u>1,097,349</u>
TOTAL RESOURCES	P	<u>1,096,113</u>	P	<u>1,097,349</u>
<u>LIABILITIES AND CAPITAL FUNDS</u>				
DEPOSIT LIABILITIES	P		P	
Demand		44,061		48,499
Savings		491,141		482,517
Time		312,125		327,553
Total Deposit Liabilities		<u>847,327</u>		<u>858,569</u>
BILLS PAYABLE		64,978		59,474
SUBORDINATED NOTES PAYABLE		38,427		38,255
OTHER LIABILITIES		45,216		44,089
Total Liabilities		<u>995,948</u>		<u>1,000,387</u>
<u>EQUITY</u>				
Attributable to Shareholders of the Parent Company		99,518		96,329
Minority Interest		647		633
Total Equity		<u>100,165</u>		<u>96,962</u>
TOTAL LIABILITIES AND EQUITY	P	<u>1,096,113</u>	P	<u>1,097,349</u>
<u>CONTINGENT</u>				
Trust department accounts	P	730,618	P	711,411
Unused commercial letters of credit		34,450		33,391
Outstanding guarantees issued		1,321		1,220
Export L/Cs Confirmed		96		97
Bills for collection		6,137		6,029
Late deposits/payment received		1,887		2,208
Spot Exchange Bought		10,219		7,828
Spot Exchange Sold		6,199		4,457
Forward Exchange Bought		193,312		151,892
Forward Exchange Sold		216,480		188,610
Interest Rate Swap Receivable		9,173		8,832
Interest Rate Swap Payable		9,173		8,582
Other Contingent Accounts		137,443		134,460
TOTAL CONTINGENT ACCOUNTS	P	<u>1,356,508</u>	P	<u>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 three-month Period ended March 31, 2012	For the three-month Period ended March 31, 2011
INTEREST INCOME ON		
Loans and Receivables	P 10,051	P 8,783
Investment Securities	2,627	2,701
Due from Other Banks	246	645
Others	<u>69</u>	<u>167</u>
Total Interest Income	<u>12,993</u>	<u>12,296</u>
INTEREST EXPENSE ON		
Deposit liabilities	3,441	2,976
Bills Payable and Others	<u>1,153</u>	<u>834</u>
Total Interest Expense	<u>4,594</u>	<u>3,810</u>
NET INTEREST INCOME	8,399	8,486
IMPAIRMENT LOSSES	<u>1,297</u>	<u>2,068</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>7,102</u>	<u>6,418</u>
OTHER OPERATING INCOME		
Service Charges, Fees and Commissions	2,755	2,605
Trading Gain – net	2,356	1,498
Trust Fees	477	415
Foreign Exchange Gain/(Loss) – net	-285	201
Miscellaneous – net	<u>489</u>	<u>631</u>
Total Other Operating Income	<u>5,792</u>	<u>5,350</u>
OTHER OPERATING EXPENSES		
Employee Benefits	2,979	2,615
Occupancy	1,100	1,048
Taxes and licenses	1,067	903
Security, Clerical, Messengerial and Janitorial	508	456
Insurance	450	411
Advertising	541	580
Litigation/Assets Acquired	182	177
Miscellaneous	<u>2,820</u>	<u>2,649</u>
Total Other Operating Expenses	<u>9,647</u>	<u>8,839</u>
INCOME BEFORE TAX	3,247	2,929
TAX EXPENSE (INCOME)	423	469
NET INCOME AFTER TAX	P <u>2,824</u>	P <u>2,460</u>
ATTRIBUTABLE TO:		
Equity holders of the parent	P 2,810	P 2,444
Minority Interest	<u>14</u>	<u>16</u>
	P <u>2,824</u>	P <u>2,460</u>
AVERAGE COMMON STOCK	2,607	2,607
INCOME PER SHARE (See annex A)		
Basic	0.95	0.81
Diluted	0.95	0.81

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, 2012	For the three-month period ending March 31, 2011
NET PROFIT	2,824	2,460
OTHER COMPREHENSIVE INCOME(LOSS)		
Net unrealized fair value gains(losses) on available-for-sale securities	726	(2,981)
Translation adjustment related to foreign operations	(17)	(8)
Other Comprehensive Income, net of tax	709	(2,989)
TOTAL COMPREHENSIVE INCOME(LOSS)	3,533	(529)
Attributable To:		
Shareholders of the Parent Bank	3,519	(475)
Non-controlling Interest	14	(54)
	3,533	(529)

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

BDO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2012 AND 2011
(Amounts in Millions of Pesos)

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,247	2,929
Adjustments for:		
Interest income	(12,993)	(12,296)
Interest received	14,170	13,856
Interest expense	4,594	3,810
Interest paid	(4,961)	(4,216)
Impairment losses	1,297	2,068
Depreciation and amortization	630	615
Fair value loss (gain)	688	305
Operating loss before changes in operating resources and liabilities	6,672	7,071
Decrease (increase) in financial assets at fair value through profit or loss	(2,366)	1,238
Decrease (increase) in loans and other receivables	1,837	(18,746)
Decrease (increase) in investment properties	377	298
Decrease (increase) in other resources	1,161	(217)
Increase (decrease) in deposit liabilities	(9,722)	(35,147)
Increase (decrease) in other liabilities	476	(599)
Cash generated from (used in) operations	(1,565)	(46,102)
Cash paid for income tax	(288)	(281)
Net Cash From (Used in) Operating Activities	<u>(1,853)</u>	<u>(46,383)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net acquisitions of bank premises, furniture, fixtures and equipment	(522)	(296)
Net decrease (increase) in equity investment	41	93
Net decrease (increase) in held-to-maturity investments	744	5,067
Net decrease (increase) in available-for-sale financial assets	(20,216)	5,933
Net Cash From (Used in) Investing Activities	<u>(19,953)</u>	<u>10,797</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from (payments of) bills payable	5,039	(8,745)
Dividends paid	(330)	(330)
Net Cash From (Used in) Financing Activities	<u>4,709</u>	<u>(9,075)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(17,097)</u>	<u>(44,661)</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	21,573	18,203
Due from Bangko Sentral ng Pilipinas	122,505	106,415
Due from other banks	21,167	17,653
Interbank Call Loans	400	0
	<u>165,645</u>	<u>142,271</u>

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

STATEMENT OF CHANGES IN EQUITY
COMPARATIVE PERIODS ENDED MARCH 31, 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 Atributable 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													
Cash Dividends							(330)				(330)		(330)
Total transactions with owners	0	0	0	0	0	0	(330)	0	0	0	(330)	0	(330)
Total comprehensive income							2,810	726		(17)	3,519	14	3,533
Transfer to/(from) Surplus Free													
Additional appropriation						24	(24)				0		0
	0	0	0	0	0	24	(24)	0	0	0	0	0	0
Balance at March 31, 2012	P26,074	P5,000	P-	P-	P25,175	P1,720	P35,727	P5,086	P1,118	(P382)	P99,518	P647	P100,165
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							(330)				(330)		(330)
Audit Adjustments							47				47		47
Total transactions with owners	0	0	0	0	0	0	(283)	0	0	0	(283)	0	(283)
Total comprehensive income							2,444	(2,911)		(8)	(475)	(54)	(529)
Transfer to/(from) Surplus Free													
Additional appropriation						(10)	10				0		0
Revaluation increment on land and building sold							68		(47)		21		21
	0	0	0	0	0	(10)	78	0	(47)	0	21	0	21
Balance at March 31, 2011	P26,074	P5,000	P-	P-	P25,175	P1,540	P27,976	P753	P1,118	(P364)	P87,272	P669	P87,941

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

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of March 31, 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 8,096	P 0	P 0	P 0	P 0	8,096
B. LOANS AND RECEIVABLES	P 658,358	P 4,609	P 6,094	P 14,879	P 3,599	687,539
Loans & Discounts	554,230	2,855	4,863	5,350	2,908	570,206
Agra-Agri Loans	21,771	4	0	0	0	21,775
Bills Purchases	11,528	0	0	25	2	11,555
Customers Liability on draft under LC/TR	30,240	51	231	1,642	272	32,436
Customers Liability for this bank's acceptances	1,996	0	0	0	0	1,996
Credit Card Receivables	24,045	1,325	907	3,559	166	30,002
Restructured Loans	45	75	54	3,061	222	3,457
Other Loan & Receivables	4,860	299	39	1,072	29	6,299
Reverse Repurchase Agreement	3,621	0	0	0	0	3,621
Unquoted Debt Securities Classified as Loans	6,022	0	0	170	0	6,192
C. ACCOUNTS RECEIVABLE	P 2,477	P 461	P 218	P 2,913	P 4	6,073
TOTAL	P 668,931	P 5,070	P 6,312	P 17,792	P 3,603	701,708

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	2012		2011	
	Outstanding Balance of Common Shares	Average Number of Common Shares	Outstanding Balance of Common Shares	Average Number of Common Shares
January	2,607		2,607	
February	2,607		2,607	
March	2,607	2,607	2,607	2,607
Weighted Average		2,607		2,607
Basic Earnings per share				
Net profit attributable to shareholders of the Parent Bank		2,810		2,444
Less: Dividends on preferred shares		330		330
Net profit available to common shares		2,480		2,114
Divided by the weighted average number of outstanding common shares		2,607		2,607
Basic Earnings per share		0.95		0.81
Diluted Earnings Per Share				
Net profit attributable to shareholders of the Parent Bank		2,480		2,114
Divided by the weighted average number of outstanding common shares:				
Weighted Average number of common shares		2,607		2,607
Potential common shares from assumed conversion of preferred shares		0		0
Potential common shares from assumed conversion of stock option plan		0		0
Total weighted average number of common shares after assumed conversion of convertible preferred shares		2,607		2,607
Diluted Earnings Per Share		0.95		0.81

Note:

**Net profit attributable to shareholders of the Parent Bank is reduced by dividends on preferred shares as these were not assumed to be covered. 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 three months ended: March 31, 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 also conducted early this year using the outstanding balances of financial statements 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.

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.

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.



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. Record and payment dates shall be fixed and disclosed after approval by the BSP.

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.

The Bank recently announced a USD1 billion capital raising program intended to support the growth of the Bank and in anticipation of new capital rules under Basel III. The program, which will be through a rights offer of approximately 1:3 (one stock right for every 3 shares held), is still being finalized.

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 rose 8% to P1.4 trillion primarily owing to the following:
 - Increased treasury activities from the following:
 - Spot Exchange Bought grew 31% to P10.2 billion
 - Spot Exchange Sold rose by 39% to P6.2 billion
 - Forward Exchange Bought expanded by 27% to P193.3 billion
 - Forward Exchange Sold hiked 15% to P216.5 billion
 - Interest Rate Swap Payable went up by 7% to P9.2 billion
 - Outstanding Guarantees Issued increased by 8% to P1.3 billion from increased volume of shipside bonds, airway bills and loan guarantees issued by the Bank.
- Late Deposits and Payments Received went down by 15% to P1.9 billion due to lower outstanding transactions as of the cut-off date.



MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – March 2012 vs. December 2011

- Cash and Other Cash Items dropped 35% to P21.6 billion as year-end 2011 level was particularly high owing to cash deposits by clients, from sales generated during the Christmas season.
- Due from Other Banks slid 14% to P21.2 billion due to lower levels of deposits and working balances with correspondent banks.
- Investment Securities climbed 13% to P212.9 billion from a 35% and 25% increase in Financial Assets at Fair Value Through Profit or Loss (FVTPL) as well as Available for Sale Securities (AFS), respectively.
- Other Resources went down 7% to P15.7 billion owing to lower levels of non-current assets held for sale as well as float and miscellaneous assets.
- Bills Payable grew 9% to P65.0 billion on account of the \$300 million Senior Notes issuance.

II. Balance Sheet – March 2012 vs. March 2011

- Total Resources expanded 15% to P1.1 trillion primarily owing to a growth in customer loans funded by deposits and subordinated debt issuance.
- Cash and Other Cash Items as well as Due from BSP hiked 19% and 15%, respectively, on account of increased deposit levels.
- Due from Other Banks went up 20% from higher volume of placements and working balances with foreign correspondent banks year-on-year.
- Investment Securities was up by 15% primarily from a larger portfolio of FVTPL and AFS Securities.
- Net Loans and Other Receivables climbed 15% to P667.4 billion following a 23% expansion in gross customer receivables. The growth was tempered by year-on-year reductions in Interbank Loans, Securities Purchased Under Reverse Repurchase Agreements and Unquoted Debt Securities Classified as Loans.
- Bank Premises rose 6% to P15.7 billion due to expansion and upgrades in the Bank's distribution network.
- Equity Investments grew 26% to P4.1 billion owing to earnings from investments in associates engaged in real estate and insurance.
- Investment Properties fell 17% to P9.7 billion on sustained ROPA disposal.
- Other Resources went up by 5% from an increase in miscellaneous assets consistent with growing business volumes.
- Deposit Liabilities increased 14% to P847.3 billion on account of aggressive deposit marketing efforts. Demand, Savings as well as Time Deposits grew by 12%, 14% and 13%, respectively.
- Bills Payable rose 13% due to the \$300 million Senior Notes Issuance.
- Subordinated Notes Payable hiked 65% to P38.4 billion owing to an P8.5 billion issuance in June 2011 and a P6.5 billion issuance in October 2011.
- Other Liabilities grew 12% to P45.2 billion from higher levels of bills purchased, outstanding checks issued, accrued expenses payable and miscellaneous liabilities.
- Total Equity expanded by 14% to P100.2 billion from bottomline profits.



III. Income Statement – March 2012 vs. March 2011

- Net Income attributable to Equity holders of the Parent Company jumped 15% to P2.8 billion for the first quarter of 2012.
- Net Interest Income was slightly down by 1% to P8.4 billion as an expansion in earning assets and improvement in funding mix were tempered by competitive pricing pressures brought about by continuing domestic liquidity.
- The Bank continued with its conservative asset approach with P1.3 billion in Provision for Impairment Losses.
- Other income went up 8% to P5.8 billion on account of the following:
 - Trading Gain soared 57% to P2.4 billion from increased treasury trading activities.
 - Service Charges and Fees rose 6% to P2.8 billion due to increased business volumes from major business lines.
 - Trust Fees grew 15% to P477 million owing to a larger portfolio of managed funds.
 - Foreign Exchange (FX) Loss registered at P285 million from an FX Gain of P201 million for the same period last year.
 - Miscellaneous Income declined 23% to P489 million as the previous year's income included one-off items.
- Operating Expenses increased 9% to P9.6 billion.
 - Employee Benefits grew 14% from a higher manpower count as a result of business volume expansion.
 - Occupancy Expenses went up 5% resulting from an expanded distribution network.
 - Taxes and Licenses climbed 18% due to higher gross receipt taxes and documentary stamp taxes on deposits.
 - Insurance expenses rose 9% on account of continued deposit growth.
 - Security, Clerical, Messengerial & Janitorial as well as Miscellaneous expenses increased by 11% and 6%, respectively, owing to business volume expansion.
 - Advertising expenses went down 7% resulting from controlled advertising and publicity programs.
- Tax Expense went down by 10% from a lower level of corresponding taxable income.

IV. Comprehensive Income – March 2012 vs. March 2011

- From a Net Income of P2.8 billion, Total Comprehensive Income for the first quarter of 2012 stood at P3.5 billion inclusive of a P726 million increase in unrealized mark-to-market gain on AFS Securities and a negative P17 million translation adjustment related to foreign operations.
- The Total Comprehensive Income represents a 768% jump from the Total Comprehensive Loss of P529 million for the same period last year. The Comprehensive Loss consists of Net Income of P2.5 billion, a decrease in unrealized gain on AFS Securities of P3.0 billion and a negative P8 million translation adjustment related to foreign operations.



1. Key Performance Indicators

Indicator	3M 2012	3M 2011	Inc/(Dec)
Return on Average Common Equity	11.74%	11.43%	0.31%
Return on Average Assets	1.03%	1.01%	0.02%
Net Interest Margin	3.34%	3.80%	-0.46%
Capital Adequacy Ratio	15.37%	14.01%	1.36%
Basic Earnings per Share	0.95	0.81	0.14

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 grew 0.31%, from improved net income.
- Annualized return on average assets rose slightly by 0.02% as bottomline profit growth outpaced asset base expansion.
- Annualized Net Interest Margin declined 0.46% from more competitive loan pricing pressures.
- Capital Adequacy Ratio, covering credit, market and operations risk, went up by 1.36% from profitable operations and the Tier 2 issuance in June 2011.
- Basic Earnings per Share climbed P0.14 due to a higher net income.

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 2012 vs. December 2011

Remarks: NONE

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

Remarks: NONE

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

- Provision for Impairment Losses registered at 15.4% of Net Interest Income compared to 24.4% last year.
- Trading Gain as a percentage of Other Income increased to 40.7% from 28.0%, owing to more favorable market conditions.
- FX Loss, on the other hand, represented -4.9% 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 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	423.7	502.0
UDSCL	79.7	82.5
Total	503.4	584.5

- 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	1.5
UDSCL	(5.9)
Total	(4.4)

- 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, 2012
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	12,410	20	251	312	12,993	0	12,993
Inter-Segment	29	1	1	4	35	(35)	0
	<u>12,439</u>	<u>21</u>	<u>252</u>	<u>316</u>	<u>13,028</u>	<u>(35)</u>	<u>12,993</u>
Total Interest Expense							
External	4,422	0	84	88	4,594	0	4,594
Inter-Segment	5	10	0	19	34	(34)	0
	<u>4,427</u>	<u>10</u>	<u>84</u>	<u>107</u>	<u>4,628</u>	<u>(34)</u>	<u>4,594</u>
Net Interest Income	<u>8,012</u>	<u>11</u>	<u>168</u>	<u>209</u>	<u>8,400</u>	<u>(1)</u>	<u>8,399</u>
Other Operating Income							
Investment Banking Fees	0	128	0	0	128	0	128
Others	5,107	28	137	514	5,786	(122)	5,664
	<u>5,107</u>	<u>156</u>	<u>137</u>	<u>514</u>	<u>5,914</u>	<u>(122)</u>	<u>5,792</u>
Other Operating Expenses							
Depreciation and Amortization	566	1	7	56	630	0	630
Impairment Losses	1,272	0	0	25	1,297	0	1,297
Others	8,497	74	169	300	9,040	(23)	9,017
	<u>10,335</u>	<u>75</u>	<u>176</u>	<u>381</u>	<u>10,967</u>	<u>(23)</u>	<u>10,944</u>
Profit before Tax	<u>2,784</u>	<u>92</u>	<u>129</u>	<u>342</u>	<u>3,347</u>	<u>(100)</u>	<u>3,247</u>
Tax Expense	314	25	19	65	423	0	423
Net Profit	<u>2,470</u>	<u>67</u>	<u>110</u>	<u>277</u>	<u>2,924</u>	<u>(100)</u>	<u>2,824</u>
Statements of Financial Position							
Total Resources							
Segment Assets	1,054,124	2,806	22,879	26,526	1,106,335	(16,101)	1,090,234
Intangible Assets	454	9	1	1	465	0	465
Deferred Tax Assets	5,567	(41)	4	(116)	5,414	0	5,414
	<u>1,060,145</u>	<u>2,774</u>	<u>22,884</u>	<u>26,411</u>	<u>1,112,214</u>	<u>(16,101)</u>	<u>1,096,113</u>
Total Liabilities	<u>966,209</u>	<u>1,055</u>	<u>17,722</u>	<u>15,352</u>	<u>1,000,338</u>	<u>(4,390)</u>	<u>995,948</u>
Other Segment Information							
Capital expenditures	456	3	17	69	545	0	545
Investment in associate under equity method	4,636	68	0	0	4,704	0	4,704
Share in the Profit of associates	58	0	0	0	58	0	58

BDO Unibank, Inc. & Subsidiaries
Balances by Segment
As of March 31, 2011
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	11,630	4	286	376	12,296	0	12,296
Inter-Segment	2	2	0	4	8	(8)	0
	<u>11,632</u>	<u>6</u>	<u>286</u>	<u>380</u>	<u>12,304</u>	<u>(8)</u>	<u>12,296</u>
Total Interest Expense							
External	3,626	0	108	76	3,810	0	3,810
Inter-Segment	5	0	1	2	8	(8)	0
	<u>3,631</u>	<u>0</u>	<u>109</u>	<u>78</u>	<u>3,818</u>	<u>(8)</u>	<u>3,810</u>
Net Interest Income	<u>8,001</u>	<u>6</u>	<u>177</u>	<u>302</u>	<u>8,486</u>	<u>0</u>	<u>8,486</u>
Other Operating Income							
Investment Banking Fees	0	186	0	0	186	0	186
Others	4,721	75	159	363	5,318	(154)	5,164
	<u>4,721</u>	<u>261</u>	<u>159</u>	<u>363</u>	<u>5,504</u>	<u>(154)</u>	<u>5,350</u>
Other Operating Expenses							
Depreciation and Amortization	503	1	4	107	615	0	615
Impairment Losses	2,014	0	12	42	2,068		2,068
Others	7,735	66	151	287	8,239	(15)	8,224
	<u>10,252</u>	<u>67</u>	<u>167</u>	<u>436</u>	<u>10,922</u>	<u>(15)</u>	<u>10,907</u>
Profit before Tax	<u>2,470</u>	<u>200</u>	<u>169</u>	<u>229</u>	<u>3,068</u>	<u>(139)</u>	<u>2,929</u>
Tax Expense	369	47	12	41	469	0	469
Net Profit	<u>2,101</u>	<u>153</u>	<u>157</u>	<u>188</u>	<u>2,599</u>	<u>(139)</u>	<u>2,460</u>
Statements of Financial Position							
Total Resources							
Segment Assets	917,574	1,736	22,902	23,636	965,848	(16,785)	949,063
Intangible Assets	698	10	0	1	709	0	709
Deferred Tax Assets	5,689	(26)	28	(94)	5,597	0	5,597
	<u>923,961</u>	<u>1,720</u>	<u>22,930</u>	<u>23,543</u>	<u>972,154</u>	<u>(16,785)</u>	<u>955,369</u>
Total Liabilities	<u>840,630</u>	<u>408</u>	<u>18,326</u>	<u>17,133</u>	<u>876,497</u>	<u>(9,069)</u>	<u>867,428</u>
Other Segment Information							
Capital expenditures	420	0	4	66	490	0	490
Investment in associate under equity method	3,764	68	0	0	3,832	0	3,832
Share in the Profit of associates	43	0	0	0	43	0	43