

**STANDARD DOCUMENT COVER SHEET
FOR SEC FILINGS**

All documents should be submitted under a cover page which clearly identifies the company and the specific document form as follows:

SEC Number 121

File Number

**BANK OF THE PHILIPPINE ISLANDS
BPI BUILDING, 6768 AYALA AVE. CORNER PASEO DE ROXAS
MAKATI CITY, METRO MANILA
818-55-41 to 48**

FISCAL YEAR ENDING DECEMBER 31

(indicate if anything above is new and the date it was changed)

**SEC FORM 17-Q QUARTERLY REPORT
AMENDMENT DESIGNATION (if applicable)**

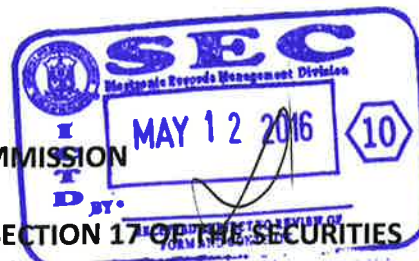
PERIOD-ENDED MARCH 31, 2016

(if a report, financial statement, GIS, or related amendment or show-cause filing)

NONE

EACH ACTIVE SECONDARY LICENSE TYPE AND FILE NUMBER

(state "NONE" if that is the case)



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER

1. For the quarterly period ended **March 31, 2016**
2. Commission identification number **121**
3. BIR Tax identification No. - **TIN: 000-438-366-000**
4. **BANK OF THE PHILIPPINE ISLANDS**
Exact name of registrant as specified in its chart
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. Industry Classification Code: (SEC Use Only)
7. **BANK OF THE PHILIPPINE ISLANDS BUILDING**
6768 Ayala Avenue Corner Paseo de Roxas
Makati City **ZIP Code 0720**
Address of principal office **Postal Code**
8. **(02) 818 5541 to 48**
Registrant's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code

Title of each class	Number of shares of common stock outstanding and amount of debt outstanding
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Common	3,937,042,962
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11. Are any or all of the securities listed on the Philippine Stock Exchange? Yes No
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange

Common

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 Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports) Yes No

(b) Has been subject to such filing requirements for the last 90 days Yes No

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF CONDITION
MARCH 31, 2016 AND DECEMBER 31, 2015
(in Thousands of Pesos)

	UNAUDITED	AUDITED
	MARCH 31, 2016	DECEMBER 31, 2015
<u>RESOURCES</u>		
Cash and Other Cash Items	23,172,525	35,681,127
Due from Bangko Sentral ng Pilipinas	226,585,736	214,959,994
Due from Other Banks	16,720,727	22,237,655
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	49,854,150	12,901,950
Financial Assets at Fair Value through Profit or Loss		
Derivative Financial Assets	4,113,299	4,529,087
Trading Securities	16,549,281	8,083,670
Available-for-Sale Securities, net	31,505,998	42,286,646
Held-to-Maturity Securities, net	253,787,145	244,809,006
Loans and Advances, net	861,219,192	872,861,110
Assets Held for Sale, net	4,277,509	4,384,996
Bank Premises, Furniture, Fixtures and Equipment, net	12,837,484	12,825,699
Investment Properties, net	739,341	733,355
Investments in Subsidiaries and Associates, net	7,127,115	6,452,540
Assets Attributable to Insurance Operations	15,418,893	16,320,263
Deferred Income Tax Assets, net	6,838,925	6,433,156
Other Resources, net	11,434,158	10,855,983
TOTAL RESOURCES	1,542,181,476	1,516,356,237
<u>LIABILITIES AND CAPITAL FUNDS</u>		
Deposit Liabilities		
Demand	218,517,269	214,596,980
Savings	723,462,913	707,783,463
Time	356,300,882	353,318,891
Sub-total	1,298,281,064	1,275,699,334
Derivative Financial Liabilities	3,444,688	3,216,283
Bills Payable	25,297,456	20,941,019
Due to Bangko Sentral ng Pilipinas and Other Banks	1,032,549	431,290
Manager's Checks and Demand Drafts Outstanding	8,011,905	8,307,575
Accrued Taxes, Interest and Other Expenses	6,084,662	5,685,288
Liabilities Attributable to Insurance Operations	13,418,679	14,648,335
Deferred Credits and Other Liabilities	28,098,849	34,697,228
TOTAL LIABILITIES	1,383,669,852	1,363,626,351
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI		
Share Capital	39,290,835	39,285,344
Share Premium	29,475,418	29,438,771
Reserves	2,573,339	2,562,640
Surplus	88,738,945	83,760,945
Accumulated Other Comprehensive Income/ (Loss)	(4,089,201)	(4,764,253)
	155,989,335	150,283,447
NON-CONTROLLING INTERESTS	2,522,289	2,446,438
TOTAL CAPITAL FUNDS	158,511,624	152,729,886
TOTAL LIABILITIES AND CAPITAL FUNDS	1,542,181,476	1,516,356,237

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2016 and 2015
(In Thousands of Pesos)

	<u>Unaudited 2016</u>	<u>Unaudited 2015</u>
INTEREST INCOME		
On loans and advances	11,310,778	10,171,380
On held-to-maturity securities	2,274,681	2,101,465
On available-for-sale securities	104,536	215,105
On deposits with BSP and other banks	576,174	424,084
On trading securities	40,511	82,520
Gross Receipts Tax	(450,749)	(435,634)
	<u>13,855,930</u>	<u>12,558,921</u>
INTEREST EXPENSE		
On Deposits	3,755,951	3,042,146
On Bills Payable and other borrowings	102,511	88,291
	<u>3,858,462</u>	<u>3,130,438</u>
NET INTEREST INCOME	<u>9,997,468</u>	<u>9,428,483</u>
IMPAIRMENT LOSSES	<u>1,180,841</u>	<u>1,020,639</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>8,816,627</u>	<u>8,407,844</u>
OTHER INCOME		
Fees and commissions	1,889,247	1,736,275
Income from foreign exchange trading	430,384	495,579
Trading gain (loss) on securities	771,227	488,640
Income attributable to insurance operations	464,255	438,740
Other operating income	2,022,274	2,293,664
Gross Receipts Tax	(305,743)	(324,446)
	<u>5,271,645</u>	<u>5,128,452</u>
OTHER EXPENSES		
Compensation and fringe benefits	3,144,339	3,028,592
Occupancy and equipment-related expenses	2,177,092	2,116,698
Other operating expenses	2,525,311	2,170,931
	<u>7,846,742</u>	<u>7,316,221</u>
INCOME BEFORE INCOME TAX	<u>6,241,530</u>	<u>6,220,075</u>
PROVISION FOR INCOME TAX		
Current	1,620,577	1,445,101
Deferred	(416,393)	(227,791)
	<u>1,204,184</u>	<u>1,217,310</u>
NET INCOME FOR THE PERIOD	<u>5,037,346</u>	<u>5,002,765</u>
Attributable to:		
Equity holders of BPI	<u>4,978,000</u>	<u>4,915,156</u>
Non-controlling interest	<u>59,346</u>	<u>87,609</u>
	<u>5,037,346</u>	<u>5,002,765</u>

Earnings per share:

Based on 3,937,042,962 shares as of March 31, 2016
and 3,932,215,498 shares in 2015

P 1.26

P 1.25

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2016 and 2015
(In Thousands of Pesos)

	<u>Unaudited 2016</u>	<u>Unaudited 2015</u>
NET INCOME BEFORE MINORITY INTEREST	5,037,346	5,002,765
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss		
Net change in fair value reserve on available-for-sale securities, net of tax effect	355,071	24,662
Fair value reserve on investments of insurance subsidiaries, net of tax effect	93,965	68,957
Share in other comprehensive income of associates	357,154	69,089
Currency translation differences	(110,257)	(73,853)
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	(4,378)	706
Total Other Comprehensive Income (Loss), net of tax effect	691,554	89,561
Total Comprehensive Income for the Year	5,728,900	5,092,327
Attributable to:		
Equity holders of BPI	5,653,051	5,022,724
Non-Controlling Interest	75,849	69,602
	5,728,900	5,092,327

BANK OF THE PHILIPPINE ISLANDS								
STATEMENT OF CHANGES IN CAPITAL FUNDS								
FOR THE PERIOD ENDED MARCH 31, 2016 & MARCH 31, 2015								
(In Thousands of Pesos)								
Consolidated								
Attributable to equity holders of BPI								
	Share Capital	Share Premium	Reserves	Surplus	Accumulated Other Comprehensive Income (Loss)	Total	Non-controlling Interests	Total Equity
Balance, December 31, 2015	39,285,344	29,438,771	2,562,640	83,760,945	(4,764,253)	150,283,447	2,446,438	152,729,886
Comprehensive Income								
Net Income for the year				4,978,000		4,978,000	59,346	5,037,346
Other Comprehensive Income for the year					675,051	675,051	16,503	691,554
Total Comprehensive Income for the year	-	-	-	4,978,000	675,051	5,653,051	75,849	5,728,900
Transactions with owners								
Executive Stock Plan amortization	5,491	36,647	10,699			52,836		52,836
Other changes in non-controlling interest						-	2	2
Total transactions with owners	5,491	36,647	10,699	-	-	52,836	2	52,838
Balance, March 31, 2016	39,290,835	29,475,418	2,573,339	88,738,945	(4,089,201)	155,989,335	2,522,289	158,511,624
Consolidated								
Attributable to equity holders of BPI								
	Share Capital	Share Premium	Reserves	Surplus	Accumulated Other Comprehensive Income (Loss)	Total	Non-controlling Interests	Total Equity
Balance, December 31, 2014	39,271,579	29,340,930	2,098,200	76,575,400	(3,223,231)	144,062,877	2,616,175	146,679,053
Comprehensive Income								
Net Income for the year				4,915,156		4,915,156	87,609	5,002,765
Other Comprehensive Income for the year					107,568	107,568	(18,007)	89,561
Total Comprehensive Income for the year	-	-	-	4,915,156	107,568	5,022,724	69,602	5,092,327
Transactions with owners								
Issuance of shares	13	-				13		13
Executive Stock Plan amortization	4,269	30,368	9,142			43,779		43,779
Cash Dividends				(3,538,993)		(3,538,993)		(3,538,993)
Transfer from Surplus to Reserves			141,136	(141,136)		-		-
Other changes in non-controlling interest							776	776
Total transactions with owners	4,282	30,368	150,278	(3,680,128)	-	(3,495,200)	776	(3,494,424)
Balance, March 31, 2015	39,275,861	29,371,298	2,248,478	77,810,428	(3,115,663)	145,590,402	2,686,553	148,276,955

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2016 AND MARCH 31 2015
(In Thousands of Pesos)

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	6,241,530	6,220,075
Adjustments for:		
Impairment losses	1,180,841	1,020,639
Depreciation and amortization	875,972	845,431
Share in net income of associates	(317,421)	(119,460)
Share based compensation	10,699	9,142
Dividend income	(25,031)	(26,626)
Interest income	(14,306,679)	(12,994,554)
Interest expense	3,858,462	3,130,438
Operating income before changes in operating assets and liabilities	(2,481,628)	(1,914,915)
Changes in operating assets and liabilities		
(Increase) decrease in:		
Due from Bangko Sentral ng Pilipinas	0	0
Interbank loans receivable and securities purchased under agreements to resell	(533,037)	470,695
Trading securities	(8,447,584)	1,398,553
Loans and advances	10,520,674	69,670,468
Assets held for sale	43,602	(9,759)
Assets attributable to insurance operations	997,930	(113,844)
Other resources	(1,060,624)	2,047,839
Increase (decrease) in:		
Deposit liabilities	22,581,730	(17,504,321)
Due to Bangko Sentral ng Pilipinas and other banks	601,260	2,415
Manager's checks demand drafts outstanding	(295,670)	552,436
Accrued taxes, interest and other expenses	371,123	(215,818)
Liabilities attributable to insurance operations	(1,229,656)	50,147
Derivative financial instrument	644,194	117,572
Deferred credits and other liabilities	(3,061,608)	(85,082)
Net cash from (used in) operations	18,650,707	54,466,386
Income taxes paid	(1,609,954)	(1,440,308)
Interest paid	(3,830,211)	(3,414,680)
Interest received	15,741,336	14,863,567
Net cash from (used in) operating activities	28,951,879	64,474,966
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Available for sale securities	11,084,630	22,936,077
Held-to-maturity securities	(10,014,624)	(10,209,963)
Bank, premises, furniture, fixtures and equipment	(716,477)	(408,180)
Investment in subsidiaries and associates, net	(18,442)	(4,120)
Assets attributable to insurance operations	(33,418)	(30,262)
Investment property, net	(30,076)	(999)
Proceeds from sale of investments	0	0
Dividends received	25,031	26,626
Net cash from (used in) investing activities	296,624	12,309,180
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Dividends	(3,538,998)	(3,538,993)
Collection on stock subscriptions	42,138	34,650
Increase (decrease) in bills payable	4,356,437	(16,886,384)
Net cash from (used in) financing activities	859,577	(20,390,726)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,108,080	56,393,420
CASH AND CASH EQUIVALENTS		
January 1	281,750,197	273,557,602
March 31	311,858,276	329,951,022

BANK OF THE PHILIPPINE ISLANDS
Financial Indicators
As at March 31, 2016 and 2015

	2016	2015
a) Liquidity Ratio *	58.2%	62.0%
b) Debt to Equity Ratio **	16.2%	11.1%
c) Asset to Equity Ratio	988.7%	975.0%
d) Interest Rate Coverage Ratio ***	284.5%	325.7%
e) Net Interest Margin on Average Earning Assets	2.8%	3.1 %
f) Return on Average Equity	13.1%	13.9 %
g) Return on Average Assets	1.3%	1.5%
h) Cost to Income Ratio	51.4%	50.3%
i) Cost to Assets Ratio	2.1%	2.2%
j) Capital to Assets Ratio	10.1%	10.3%

* Liquid Assets over Total Deposits

** Bills Payable and Unsecured Subordinated Debt over Total Equity

*** Net Income Before Income Tax add back Interest Expense and Depreciation and Amortization over Interest Expense

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles 	<ul style="list-style-type: none"> The Bank's interim financial statements have been prepared in accordance with the Phil. Financial Reporting Standards (PFRS) which includes applicable PFRS, PAS (Phil. Accounting Standards) and interpretations approved by the FRSC (Financial Reporting Standards Council).
<ul style="list-style-type: none"> The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report: 	
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Bank's interim financial statements have been prepared consistent with its most recent annual financial statements as of December 31, 2015 which was in accordance with the PFRS adopted by the SEC.
<ul style="list-style-type: none"> Explanatory comments about the seasonality or cyclicity of interim operations 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual 	<ul style="list-style-type: none"> Nothing to report

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

SEC REQUIREMENT	DISCLOSURE
because of their nature, size, or incidents	
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The mandatory effective date of PFRS 9 is for annual periods beginning January 1, 2018. The Bank is currently engaged in developing business models for Classification and Measurement of Financial Assets and credit models to estimate Expected Credit Losses as specified in the PFRS 9. Full impact of the PFRS 9 will be assessed once these models are developed.
<ul style="list-style-type: none"> Issuances, repurchases, and repayments of debt and equity securities 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> Dividends paid (aggregate per share) separately for ordinary shares and other shares 	<ul style="list-style-type: none"> On January 27, 2016, total cash dividends paid to Common Stockholders of record as of January 6, 2016 amounted to P3.5 billion.
<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Attached
<ul style="list-style-type: none"> Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period 	<ul style="list-style-type: none"> Nothing to report

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations. 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> Changes in contingent liabilities or contingent assets since the last annual balance sheet date 	<ul style="list-style-type: none"> Changes in contingent liabilities and contingent assets are in the normal course of business and are not anticipated to cause any material losses from those commitments/contingent liabilities.
<ul style="list-style-type: none"> Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period. 	<ul style="list-style-type: none"> Nothing to report

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> Assess the financial risk exposures of the company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks. If any change thereof would materially affect the financial condition and results of operation of the company, provide a discussion in the report on the qualitative and quantitative impact of such risks and include a description of any enhancement in the company's risk management policies to address the same; 	<ul style="list-style-type: none"> The BPI Group monitors and measures financial risks according to three major classifications: credit, market, and operational/IT risks. The Bank is exposed to these financial risks primarily through lending activities, trading and investment in bonds, currencies, financial derivatives and structured investment products, and engaging in operating activities, infrastructure and technology to support the Bank's business. The risks associated with these activities are closely monitored through the various key risk indicators (KRIs), risk limits, and management triggers defined and set by the Board through its Risk Management Committee (RMC). BPI has since maintained its conservative risk appetite by establishing and implementing prudent risk management policies and standards, concentrating on sovereign-issued and investment-grade securities, and by ensuring that controls are in place and working effectively, thus, exposing the Bank to manageable credit, market, and operational/IT risks which are within the RMC approved risk-appetite. The persistent challenges observed in the global and local financial markets have resulted to more active risk management strategies in the Bank. Sensitivity analyses, forward-looking simulations, daily risk monitoring and escalation procedures, regular reporting and in depth discussions involving Senior Management and the Board are measures to strengthen the effectiveness of the Bank's enterprise risk management framework. Moreover, the levels of risk exposures and limits are continuously reviewed to reflect the Board's overall risk appetite.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> • On furthering the Bank's risk metrics on market risks, the Bank's Risk Management Office (RMO) conducts comprehensive price stress tests that measure the potential impact of rate shocks on the Bank's trading portfolios and calculates the impact to the Capital Adequacy Ratio (CAR) given these scenarios. The 2016 first quarter banking book price stress test results revealed that the Bank's CAR is well above the minimum regulatory requirement, despite rate shocks in local and foreign interest rates. Meanwhile, the Bank's Treasury group has been executing trading and portfolio strategies to reduce risk exposures and preserve the Bank's comprehensive income amidst highly volatile global financial markets. In assessing the Bank's liquidity risk position, BPI as an institution, has ample liquidity to service its financial obligations to its clients and other creditors. The Bank's liquidity stress test results as of the first quarter of 2016 consistently revealed that under both name-specific and system-wide crisis scenarios, the Bank would still have more than sufficient liquidity to meet its financial obligations. The RMO continues to improve its assessment and measurement of risks by enhancing its methodologies of risk measurement and monitoring, periodic reviews and updating of scenarios and assumptions used in the Bank's market risk models and regularly conducts back-testing to assess the accuracy, effectiveness and relevance of its models and risk metrics. The Bank manages liquidity risk by setting a minimum cumulative liquidity net inflow limit, conducting liquidity stress tests, and establishing a liquidity contingency funding plan. • On the Bank's management of operational and IT risks, as of first quarter of 2016, the Bank has

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

SEC REQUIREMENT	DISCLOSURE
	<p>maintained actual operational and IT losses related to the Bank's operating activities to less than 1% of gross income. Such minimal losses are within the Senior Management and Board/RMC's conservative risk appetite, and are generally attributed as inherent risks in executing the Bank's day-to-day business operations.</p> <ul style="list-style-type: none"> The Bank, to the best of its knowledge, deems that there are no anticipated and significant changes in risk exposures that shall materially affect the Bank's financial condition and results of operations.
<ul style="list-style-type: none"> The significant judgments made in classifying a particular financial instrument in the fair value hierarchy. 	<ul style="list-style-type: none"> The assumptions/judgments made in the Bank's interim financial statements are consistent with the most recent annual financial statements as of December 31, 2015.
<ul style="list-style-type: none"> A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods 	<ul style="list-style-type: none"> In accordance with PAS 39, trading account securities are marked to market as profit and loss. As such, these are reflected in Other Income – Trading gain (loss) on securities including realized gains (losses) from opportunistic sell down of inventory.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

SEC REQUIREMENT	DISCLOSURE												
	<ul style="list-style-type: none"> • Available for sale securities are marked to market against capital funds and reflected as Accumulated Other Comprehensive Income (Loss). The movements of these accounts are recognized as Other Comprehensive Income – Net Change in Fair Value Reserve for the banking books and Fair Value Reserve on investments of insurance subsidiaries. • The table below summarizes the carrying amount and fair value of Held To Maturities Securities, net <table data-bbox="857 835 1461 1108" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Carrying amount</th> <th style="text-align: right;">Fair value</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">(In Million Pesos)</th> </tr> </thead> <tbody> <tr> <td>March 31, 2016 (unaudited)</td> <td style="text-align: right;">253,787</td> <td style="text-align: right;">260,240</td> </tr> <tr> <td>Dec 31, 2015 (audited)</td> <td style="text-align: right;">244,809</td> <td style="text-align: right;">248,866</td> </tr> </tbody> </table> 		Carrying amount	Fair value		(In Million Pesos)		March 31, 2016 (unaudited)	253,787	260,240	Dec 31, 2015 (audited)	244,809	248,866
	Carrying amount	Fair value											
	(In Million Pesos)												
March 31, 2016 (unaudited)	253,787	260,240											
Dec 31, 2015 (audited)	244,809	248,866											

BANK OF THE PHILIPPINE ISLANDS					
SEGMENT REPORT					
For the Three Months Ended March 31, 2016					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	6,682	1,095	2,946	(725)	9,997
Impairment charge	789	392	0	-	1,181
Net interest income after impairment charge	5,893	702	2,945	(725)	8,816
Fees and commission	1,464	185	250	(10)	1,889
Other income	1,109	377	1,749	453	3,688
GRT	(160)	(14)	(114)	(18)	(306)
Other Income, net	2,413	548	1,885	425	5,272
Compensation and fringe benefits	2,181	297	233	433	3,144
Occupancy and equipment- related expenses	1,014	275	18	870	2,177
Other operating expenses	2,739	295	298	(807)	2,525
Total operating expenses	5,934	866	550	495	7,846
Operating profit	2,373	385	4,281	(796)	6,242
Share in net income of associates					317
Provision for Income Tax					1,204
Total Assets	499,187	626,077	389,114	27,804	1,542,181
Total Liabilities	1,326,206	14,298	26,092	17,074	1,383,670

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition as of March 31, 2016 versus as of December 31, 2015

Total resources increased P25.8 billion, or 1.7%, to P1.54 trillion, from P1.52 trillion. While increase in Resources was minimal at 1.7%, it was impacted by the following movements:

- **Interbank Loans Receivable and Securities Purchased under Agreements to Resell**, at P49.9 billion, increased P37.0 billion, or 286.4% due to higher volume of placements in Reverse Repurchase Agreements (RRP) and interbank term loans with foreign banking/financial institutions;
- **Due from Bangko Sentral ng Pilipinas**, at P226.6 billion, increased P11.6 billion or 5.4%, due to higher special deposit account with the BSP;
- **Trading Securities**, at P16.5 billion, increased P8.5 billion, or 104.7%, due to increase in government securities purchased;
- **Investment in Subsidiaries and Associates, net**, at P7.1 billion, increased P674.6 million, or 10.5%, largely due to higher income contributed by the Bank's bancassurance affiliate;
- **Other Resources, net**, at P11.4 billion, was up by P578.2 million, or 5.3%, on account of higher miscellaneous assets; and
- **Deferred Income Tax Assets, net** at P6.8 billion, increased P405.8 million, or 6.3%, due to higher level of impairment losses.

Above increases were partially tempered by the following:

- **Loans and Advances** at P861.2 billion, declined P11.6 billion, or 1.3%, on lower loan demand from multinationals and large conglomerates;
- **Cash and Other Cash Items** at P23.2 billion, declined P12.5 billion, or 35.1%, on account of lower cash requirement this period as compared to year end 2015;
- **Available-for-Sale Securities, net** at P31.5 billion, declined P10.8 billion, or 25.5%, owing to decrease in position taking in foreign government holdings;
- **Due from Other Banks**, at P16.7 billion, declined P5.5 billion, or 24.8%, as a result of lower working balances maintained with the correspondent banks;
- **Assets Attributable to Insurance Operations** at P15.4 billion, decreased P901.4 million, or 5.5%, due to reduction in both prepaid reinsurance premium and receivables; and
- **Derivative Financial Assets** at P4.1 billion, declined P415.8 million, or 9.2%, on account of the lower positive fair value of certain derivative positions such as non-deliverable swaps (NDS).

Total Liabilities increased P20.0 billion, or 1.5% and this increase came from the following:

- **Total Deposits** at P1.3 trillion, increased P22.6 billion, or 1.8%, due to savings, demand, and time deposit balances increases of P15.7 billion, or 2.2%, P3.9 billion, or 1.8%, and P3.0 billion or 0.8%, respectively;

- **Bills Payable** at P25.3 billion, increased P4.4 billion, or 20.8%, because of increased borrowings from foreign banks;
- **Due to Bangko Sentral ng Pilipinas and Other Banks** at P 1.0 billion, increased P601.3 million, or 139.4% due to higher tax collections;
- **Accrued Taxes, Interest and Other Expenses** at P6.1 billion, increased P399.4 million, or 7.0%, on higher accrued interest payable on time certificate of deposits and higher accruals for income taxes; and
- **Derivative Financial Liabilities** at P3.4 billion, increased P228.4 million, or 7.1%, due to higher negative fair value of certain derivative positions.

These increases in Liabilities were partly tempered by the following:

- **Deferred Credits and Other Liabilities** at P28.1 billion, declined P6.6 billion, or 19.0%, due to lower bills purchased contra account and miscellaneous liabilities; and
- **Liabilities Attributable to Insurance Operations** at P13.4 billion, decreased P1.2 billion, or 8.4% due to the combined decline in non-life affiliate's reinsurance and claims liabilities.

Capital Funds

- **Total Capital Funds** at P156.0 billion, increased by P5.7 billion, or 3.8%, from year-end 2015 owing to the P5.0 billion increase on surplus as a result of accumulated profits net of cash dividend payments.
- **Accumulated Other Comprehensive Loss** at P4.1 billion, decreased by P675.1 million, or 14.2%, on account of higher market valuation of the bank's available-for-sale securities.

RESULTS OF OPERATIONS

For the Quarters ended March 31, 2016 and 2015

Net income for the first quarter of 2016 was P5.0 billion, up by P62.8 million, or 1.3% from the profit earned in the first quarter of 2015. The slight increase was driven largely by the P712.2 million, or 4.9%, growth in total revenues and was partially offset by the increases in **other expenses** of P530.5 million, or 7.3% and **impairment losses** of P160.2 million, or 15.7%.

Net interest income at P10.0 billion, increased P569.0 million, or 6.0% on account of the P156.5 billion, or 11.5%, expansion in average asset base partly tempered by the decline in spreads.

Interest income stood at P13.9 billion, up P1.3 billion, or 10.3%, and this was affected by the following movements:

- Increases in interest income **on loans and advances** at P11.3 billion, up P1.1 billion, or 11.2%, and **on held-to-maturity securities** at P2.3 billion, up P173.2 million, or 8.2%, largely on higher volume partly offset by lower yield;
- Increase in interest income **on deposits with BSP and other banks** at P576.2 million, up P152.1 million, or 35.9%, as a result of higher volume and yield ;

- Decrease in interest income **on available-for-sale securities** at P104.5 million, down P110.6 million, or 51.4%, largely due to lower yield;
- Decrease in interest income **on trading securities** at P40.5 million, down P42.0 million, or 50.9% as a result of decline in both volume and yield.

Interest expense at P3.9 billion, increased P728.0 million, or 23.3%, and this was driven by the following movements:

- Increase in interest expense **on deposits** at P3.8 billion, up P713.8 million, or 23.5%, due to higher volume and cost;
- Increase in interest expense **on bills payable and other borrowings** at P102.5 million, up P14.2 million, or 16.1%, due to higher cost.

Other income at P5.3 billion was P143.2 million, or 2.8% higher than the P5.1 billion earned in the first quarter of 2015.

- **Trading gain (loss) on securities** at P771.2 million, increased P282.6 million, or 57.8% from profit taking on certain winning positions.
- **Fees and commissions** at P1.9 billion, increased P153.0 million, or 8.8%, on account of service charges and bank commissions growth.
- **Income attributable to insurance operations** at P464.3 million, increased P25.5 million, or 5.8%, on account of growth in gross premiums and higher income from investments of BPI Philam, partly tempered by higher actuarial reserves.
- **Other Operating Income** at P2.0 billion, declined P271.4 million, or 11.8%, owing to lower ROPA sales.
- **Income from foreign exchange trading** at P430.4 million, declined P65.2 million, or 13.2% from losses on proprietary position.
- Overall increase in Other income did not translate to higher **Gross Receipts Tax**, which ended lower by P18.7 million, or 5.8%, at P305.7 million, as the increase came largely from GRT exempt FCDU income.

Impairment losses at P1.2 billion, increased P160.2 million, or 15.7%, on higher loan loss provisioning.

Other expenses at P7.8 billion, grew P530.5 million, or 7.3%, from P7.3 billion.

- **Other operating expenses** at P2.5 billion, increased P354.4 million, or 16.3%, largely due to higher regulatory and marketing costs.

Provision for income tax at P1.2 billion, decreased P13.1 million, or 1.1%.

- **Current income tax** at P1.6 billion was P175.5 million, or 12.1% higher, due to increased taxable income.
- **Deferred income tax** at (P416.4) million, was (P188.6) million lower, from last year's (P227.8) million, due to accounts with timing differences.

Income attributable to non-controlling interest at P59.3 million, decreased P28.3 million or 32.3% due to higher net losses incurred by BankO.

Total comprehensive income at P5.7 billion, increased P630.3 million, or 12.6%, as **total other comprehensive income, net of tax effect** went up by P607.1 million. **Net income before minority interest** slightly improved by P34.6 million, or 0.7%.

- **Net change in fair value reserve on available-for-sale securities, net of tax effect** at P355.1 million, increased P330.4 million, on account of higher market valuation of the Bank's investment securities.
- **Share in other comprehensive income of associates** at P357.2 million, increased P288.1 million, or 417.0%, due to the upward market valuation of the investments of the bancassurance affiliate.
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P94.0 million, increased P25.0 million, or 36.3% as a result of higher market valuation of the insurance subsidiaries' investment funds.
- **Currency translation differences** at (P110.3) million, decreased P36.4 million or 49.3%, due to the general strengthening of the Philippine Peso against the other currencies.
- **Actuarial gains (losses) on defined benefit plan net of tax effect**, at (P4.4 million) declined by P5.1 million, or 720.4% as impacted by the change in financial assumption.
- **Income attributable to non-controlling interest** at P75.8 million, increased by P6.2 million, or 9.0%, on the back of improved income from the Bank's insurance subsidiaries.

Key Performance Indicators

The following ratios, applied on a consolidated basis, are used to assess the performance of the Bank and its majority owned subsidiaries:

	March 31, 2016	March 31, 2015
Return on Equity (%)	13.1	13.9
Return on Assets (%)	1.3	1.5
Net Interest Margin (%)	2.8	3.1
Operating Efficiency Ratio (%)	51.4	50.3
Capital Adequacy Ratio (%) - Basel III	13.9	15.7

Return on equity (ROE), net income divided by average equity was lower at 13.1%, compared to last year's 13.9%. The decline was due to the faster growth in average equity at 6.2% versus growth in net income of 1.3%

Return on assets (ROA), net income divided by average assets, was also lower at 1.3%, versus 1.5% last year due to faster growth in average assets at 11.5% as compared to growth in net income.

Net interest margin (NIM), net interest income divided by average interest bearing assets, at 2.8% was lower by 25 basis points than the first quarter of 2015 on the combined impact of the decline in yields on loans and investment securities and increase in cost of deposits.

Operating efficiency ratio (cost to income), operating expenses divided by total revenues, increased from 50.3% to 51.4% as increase in operating expenses outpaced that of the revenues. Cost to income ratio measures the Bank's ability to utilize its overhead to generate revenues.

Capital adequacy ratio (CAR), total qualifying capital divided by total risk-weighted assets, measures the ability of the Bank's capital funds to cover its various risks. The Bank's CAR at 13.9% was lower than last year's 15.7%, as growth in risk weighted assets, led by credit risks, outpaced the growth in qualifying capital. The Bank's CAR is above the BSP's minimum requirement of 10%. CET 1 ratio at 13.0%, was lower than 14.8% last year, and above the minimum regulatory requirement.

Material Events and Uncertainties

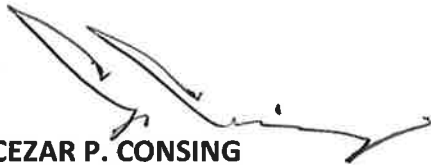
The Bank has nothing to report on the following:

1. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
3. Other 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 other than those mentioned above.
4. Material commitments for capital expenditures.
5. 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 or revenues or income from continuing operations.
6. Events that will cause material change in the relationship between costs and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments).
7. Any significant elements of income or loss that did not arise from the registrant's continuing operations.
8. Any seasonal aspects that had a material effect on the financial condition or results of operations.

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 hereunto duly authorized.

BANK OF THE PHILIPPINE ISLANDS
Issuer



CEZAR P. CONSING
President
Chief Executive Officer

Date: May 12, 2016



JOSEPH ALBERT L. GOTUACO
Executive Vice President &
Chief Financial Officer

Date: May 12, 2016

BPI UNIBANK
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
March 31, 2016

No. of Days Outstanding	Amount (In Thousands)
0-90	P 636,520
91-180	356,925
181-360	93,125
Over 360	1,087,730
Total	2,174,301
Less : Allow. For Probable Losses	1,136,041
Net of Allowance	P 1,038,260