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SECURITIES AND EXCHANGE COMMISSION

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**STANDARD DOCUMENT COVER SHEET
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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 JUNE 30, 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)

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
JUNE 30, 2016 AND DECEMBER 31, 2015
(in Thousands of Pesos)

	UNAUDITED JUNE 30, 2016	AUDITED DECEMBER 31, 2015
<u>RESOURCES</u>		
Cash and Other Cash Items	23,026,105	35,681,127
Due from Bangko Sentral ng Pilipinas	232,013,017	214,959,994
Due from Other Banks	37,494,976	22,237,655
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	55,965,372	12,901,950
Financial Assets at Fair Value through Profit or Loss		
Derivative Financial Assets	3,383,099	4,529,087
Trading Securities	16,847,101	8,083,670
Available-for-Sale Securities, net	35,821,899	42,286,646
Held-to-Maturity Securities, net	216,664,342	244,809,006
Loans and Advances, net	904,384,548	872,861,110
Assets Held for Sale, net	3,728,301	4,384,996
Bank Premises, Furniture, Fixtures and Equipment, net	13,307,821	12,825,699
Investment Properties, net	714,466	733,355
Investments in Subsidiaries and Associates, net	7,224,788	6,452,540
Assets Attributable to Insurance Operations	15,226,746	16,320,263
Deferred Income Tax Assets, net	7,251,749	6,433,156
Other Resources, net	11,532,215	10,855,983
TOTAL RESOURCES	1,584,586,544	1,516,356,237
<u>LIABILITIES AND CAPITAL FUNDS</u>		
Deposit Liabilities		
Demand	225,760,063	214,596,980
Savings	749,660,894	707,783,463
Time	351,356,716	353,318,891
Sub-total	<u>1,326,777,673</u>	<u>1,275,699,334</u>
Derivative Financial Liabilities	4,599,331	3,216,283
Bills Payable	31,443,747	20,941,019
Due to Bangko Sentral ng Pilipinas and Other Banks	552,687	431,290
Manager's Checks and Demand Drafts Outstanding	7,658,630	8,307,575
Accrued Taxes, Interest and Other Expenses	7,055,960	5,685,288
Liabilities Attributable to Insurance Operations	12,639,932	14,648,335
Deferred Credits and Other Liabilities	30,433,791	34,697,228
TOTAL LIABILITIES	1,421,161,750	1,363,626,351
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI		
Share Capital	39,296,973	39,285,344
Share Premium	29,516,229	29,438,771
Reserves	2,688,076	2,562,640
Surplus	92,783,906	83,760,945
Accumulated Other Comprehensive Income/ (Loss)	(3,498,867)	(4,764,253)
	160,786,317	150,283,447
NON-CONTROLLING INTERESTS	2,638,477	2,446,438
TOTAL CAPITAL FUNDS	163,424,794	152,729,886
TOTAL LIABILITIES AND CAPITAL FUNDS	1,584,586,544	1,516,356,237

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Quarter Ended June 30, 2016 and 2015
(In Thousands of Pesos)

	<u>2016</u>	<u>2015</u>
INTEREST INCOME		
On loans and advances	12,068,361	10,141,911
On held-to-maturity securities	2,285,358	2,179,749
On available-for-sale securities	143,412	178,557
On deposits with BSP and other banks	622,560	753,360
On trading securities	73,956	30,279
Gross Receipts Tax	(487,110)	(448,124)
	<u>14,706,538</u>	<u>12,835,732</u>
INTEREST EXPENSE		
On Deposits	3,870,265	3,287,385
On Bills Payable and other borrowings	129,798	81,652
	<u>4,000,063</u>	<u>3,369,037</u>
NET INTEREST INCOME	10,706,475	9,466,696
IMPAIRMENT LOSSES	1,921,854	1,083,099
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	8,784,621	8,383,597
OTHER INCOME		
Fees and commissions	1,761,753	1,754,131
Income from foreign exchange trading	416,392	358,406
Trading gain (loss) on securities	4,787,345	893,598
Income attributable to insurance operations	449,157	296,703
Other operating income	2,328,774	2,168,130
Gross Receipts Tax	(518,201)	(371,047)
	<u>9,225,219</u>	<u>5,099,920</u>
OTHER EXPENSES		
Compensation and fringe benefits	4,047,374	3,222,317
Occupancy and equipment-related expenses	2,655,934	2,281,420
Other operating expenses	2,758,851	2,305,306
	<u>9,462,158</u>	<u>7,809,042</u>
INCOME BEFORE INCOME TAX	8,547,682	5,674,475
PROVISION FOR INCOME TAX		
Current	1,202,448	1,473,383
Deferred	(410,177)	(280,583)
	<u>792,271</u>	<u>1,192,800</u>
NET INCOME FOR THE QUARTER	7,755,411	4,481,675
Attributable to:		
Equity holders of BPI	7,691,776	4,431,700
Non-controlling interest	63,635	49,975
	<u>7,755,411</u>	<u>4,481,675</u>

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended June 30, 2016 and 2015
(In Thousands of Pesos)

	<u>2016</u>	<u>2015</u>
NET INCOME BEFORE MINORITY INTEREST	7,755,411	4,481,675
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	227,154	(206,651)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	194,212	(167,371)
Share in other comprehensive income of associates	250,993	(128,805)
Currency translation differences	(29,490)	109,947
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	7	255
Total Other Comprehensive Income (Loss), net of tax effect	642,876	(392,626)
Total Comprehensive Income for the Year	8,398,287	4,089,049
Attributable to:		
Equity holders of BPI	8,282,110	4,057,026
Non-Controlling Interest	116,177	32,023
	8,398,287	4,089,049

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Six Months Ended June 30, 2016 and 2015
(In Thousands of Pesos)

	Unaudited 2016	Unaudited 2015
INTEREST INCOME		
On loans and advances	23,379,139	20,313,292
On held-to-maturity securities	4,560,039	4,281,214
On available-for-sale securities	247,948	393,662
On deposits with BSP and other banks	1,198,734	1,177,445
On trading securities	114,468	112,799
Gross Receipts Tax	(937,859)	(883,758)
	28,562,468	25,394,653
INTEREST EXPENSE		
On Deposits	7,626,216	6,329,531
On Bills Payable and other borrowings	232,309	169,943
	7,858,525	6,499,474
NET INTEREST INCOME	20,703,943	18,895,179
IMPAIRMENT LOSSES	3,102,695	2,103,738
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	17,601,249	16,791,441
OTHER INCOME		
Fees and commissions	3,651,000	3,490,406
Income from foreign exchange trading	846,777	853,986
Trading gain (loss) on securities	5,558,571	1,382,237
Income attributable to insurance operations	913,412	735,442
Other operating income	4,351,047	4,461,794
Gross Receipts Tax	(823,944)	(695,493)
	14,496,863	10,228,372
OTHER EXPENSES		
Compensation and fringe benefits	7,191,713	6,250,908
Occupancy and equipment-related expenses	4,833,026	4,398,118
Other operating expenses	5,284,162	4,476,237
	17,308,900	15,125,263
INCOME BEFORE INCOME TAX	14,789,212	11,894,550
PROVISION FOR INCOME TAX		
Current	2,823,025	2,918,484
Deferred	(826,570)	(508,375)
	1,996,455	2,410,110
NET INCOME FOR THE PERIOD	12,792,757	9,484,440
Attributable to:		
Equity holders of BPI	12,669,776	9,346,856
Non-controlling interest	122,981	137,584
	12,792,757	9,484,440
Earnings per share:		
Based on 3,937,042,962 shares as of June 30, 2016	P 3.22	P 2.38
and 3,932,220,179 shares in 2015		

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Six Months Ended June 30, 2016 and 2015
(In Thousands of Pesos)

	<u>Unaudited 2016</u>	<u>Unaudited 2015</u>
NET INCOME BEFORE MINORITY INTEREST	12,792,757	9,484,440
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	582,224	(181,989)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	288,177	(98,414)
Share in other comprehensive income of associates	608,147	(59,716)
Currency translation differences	(139,747)	36,094
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	(4,371)	961
Total Other Comprehensive Income (Loss), net of tax effect	1,334,431	(303,064)
Total Comprehensive Income for the Year	14,127,188	9,181,376
Attributable to:		
Equity holders of BPI	13,935,162	9,079,751
Non-Controlling Interest	192,026	101,626
	14,127,188	9,181,376

BANK OF THE PHILIPPINE ISLANDS
STATEMENT OF CHANGES IN CAPITAL FUNDS
FOR THE PERIOD ENDED JUNE 30, 2016 & JUNE 30, 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				12,669,776		12,669,776	122,981	12,792,757
Other Comprehensive Income for the year					1,265,386	1,265,386	69,045	1,334,431
Total Comprehensive Income for the year	-	-	-	12,669,776	1,265,386	13,935,162	192,026	14,127,188
Transactions with owners								
Executive Stock Plan amortization	11,630	77,458	21,959			111,046		111,046
Cash Dividends				(3,543,339)		(3,543,339)		(3,543,339)
Transfer from Surplus to Reserves			103,476	(103,476)		-		-
Other changes in non-controlling interest						-	14	14
Total transactions with owners	11,630	77,458	125,435	(3,646,815)	-	(3,432,292)	14	(3,432,279)
Balance, June 30, 2016	39,296,973	29,516,229	2,688,076	92,783,906	(3,498,867)	160,786,317	2,638,477	163,424,794

	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				9,346,856		9,346,856	137,584	9,484,440
Other Comprehensive Income for the year					(267,106)	(267,106)	(35,959)	(303,064)
Total Comprehensive Income for the year	-	-	-	9,346,856	(267,106)	9,079,751	101,626	9,181,376
Transactions with owners								
Issuance of shares	60	541				601		601
Executive Stock Plan amortization	7,568	53,687	16,633			77,888		77,888
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							(236,524)	(236,524)
Total transactions with owners	7,628	54,227	157,769	(3,680,128)	-	(3,460,504)	(236,524)	(3,697,028)
Balance, June 30, 2015	39,279,207	29,395,158	2,255,968	82,242,128	(3,490,337)	149,682,124	2,481,276	152,163,400

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED JUNE 30, 2016 AND JUNE 30, 2015
(In Thousands of Pesos)

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	8,547,682	5,674,475
Adjustments for:		
Impairment losses	1,921,854	1,083,099
Depreciation and amortization	966,307	967,608
Share in net income of associates	(212,221)	(96,535)
Share based compensation	11,260	7,491
Dividend income	(16,678)	(3,326)
Interest income	(15,193,648)	(13,283,856)
Interest expense	4,000,063	3,369,037
Operating income before changes in operating assets and liabilities	24,619	(2,282,009)
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	1,888,242	451,504
Trading securities	(305,552)	3,399,779
Loans and advances	(44,505,638)	(34,270,999)
Assets held for sale	158,591	622,654
Assets attributable to insurance operations	387,203	1,017,227
Other resources	5,573	1,627,298
Increase (decrease) in:		
Deposit liabilities	28,496,609	38,759,066
Due to Bangko Sentral ng Pilipinas and other banks	(479,862)	(77,679)
Manager's checks demand drafts outstanding	(353,275)	504,468
Accrued taxes, interest and other expenses	443,571	(354,297)
Liabilities attributable to insurance operations	(778,748)	(705,342)
Derivative financial instrument	1,884,842	163,385
Deferred credits and other liabilities	(1,217,037)	(3,023,562)
Net cash from (used in) operations	(14,350,862)	5,831,492
Income taxes paid	(1,205,095)	(1,465,083)
Interest paid	(3,472,336)	(2,983,666)
Interest received	14,690,902	11,790,286
Net cash from (used in) operating activities	(4,337,391)	13,173,029
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Available for sale securities	(4,139,368)	(433,203)
Held-to-maturity securities	37,407,545	(16,085,688)
Bank, premises, furniture, fixtures and equipment	(1,258,133)	(941,007)
Equity investments	530,275	(426,032)
Assets attributable to insurance operations	(414,485)	60,024
Investment property	0	(13,165)
Dividends received	16,678	3,326
Net cash from (used in) investing activities	32,142,511	(17,835,746)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Dividends	0	0
Collection on stock subscriptions	46,950	27,205
Increase (decrease) in bills payable	6,146,291	664,915
Net cash from (used in) financing activities	6,193,240	692,120
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,998,360	(3,970,596)
CASH AND CASH EQUIVALENTS		
March 31	311,858,276	329,951,022
June 30	345,856,636	325,980,425

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SEMESTER ENDED JUNE 30, 2016 AND JUNE 30 2015
(In Thousands of Pesos)

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	14,789,212	11,894,550
Adjustments for:		
Impairment losses	3,102,695	2,103,738
Depreciation and amortization	1,842,279	1,813,039
Share in net income of associates	(529,642)	(215,996)
Share based compensation	21,959	16,633
Dividend income	(41,709)	(29,952)
Interest income	(29,500,327)	(26,278,411)
Interest expense	7,858,525	6,499,474
Operating income before changes in operating assets and liabilities	(2,457,009)	(4,196,924)
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	1,355,206	922,200
Trading securities	(8,753,136)	4,798,333
Loans and advances	(33,984,964)	35,399,469
Assets held for sale	202,194	612,895
Assets attributable to insurance operations	1,385,133	903,383
Other resources	(1,055,051)	3,675,136
Increase (decrease) in:		
Deposit liabilities	51,078,340	21,254,744
Due to Bangko Sentral ng Pilipinas and other banks	121,397	(75,264)
Manager's checks demand drafts outstanding	(648,945)	1,056,904
Accrued taxes, interest and other expenses	814,694	(570,115)
Liabilities attributable to insurance operations	(2,008,404)	(655,194)
Derivative financial instrument	2,529,036	280,957
Deferred credits and other liabilities	(4,278,645)	(3,108,644)
Net cash from (used in) operations	4,299,845	60,297,878
Income taxes paid	(2,815,048)	(2,905,390)
Interest paid	(7,302,547)	(6,398,345)
Interest received	30,432,237	26,653,853
Net cash from (used in) operating activities	24,614,487	77,647,995
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Available for sale securities	6,945,262	22,502,874
Held-to-maturity securities	27,392,921	(26,295,651)
Bank, premises, furniture, fixtures and equipment	(1,974,610)	(1,349,186)
Investment in subsidiaries and associates, net	511,833	(430,152)
Assets attributable to insurance operations	(447,903)	29,762
Investment property, net	(30,076)	(14,164)
Proceeds from sale of investments	0	0
Dividends received	41,709	29,952
Net cash from (used in) investing activities	32,439,135	(5,526,566)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Dividends	(3,538,998)	(3,538,993)
Collection on stock subscriptions	89,087	61,855
Increase (decrease) in bills payable	10,502,728	(16,221,469)
Net cash from (used in) financing activities	7,052,817	(19,698,606)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	64,106,439	52,422,823
CASH AND CASH EQUIVALENTS		
January 1	281,750,197	273,557,602
June 30	345,856,636	325,980,425

BANK OF THE PHILIPPINE ISLANDS
Financial Indicators
As at June 30, 2016 and 2015

	2016	2015
a) Liquidity Ratio *	60.3%	58.3%
b) Debt to Equity Ratio **	19.6%	11.2%
c) Asset to Equity Ratio	985.5%	952.4%
d) Interest Rate Coverage Ratio ***	311.6%	310.9%
e) Net Interest Margin on Average Earning Assets	2.9%	3.0%
f) Return on Average Equity	16.4%	13.0 %
g) Return on Average Assets	1.6%	1.4%
h) Cost to Income Ratio	49.2%	51.9%
i) Cost to Assets Ratio	2.2%	2.2%
j) Capital to Assets Ratio	10.1%	10.5%

* 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
JUNE 30, 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 cyclical nature 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 because of their nature, size, or incidents 	<ul style="list-style-type: none"> Lower due to disposal of investment securities, which the Bank no longer intended to hold to final maturity dates. The sale strengthened the Bank's capital position in compliance with recent requirements of the Bangko Sentral ng Pilipinas. As such, the Bank's hold-to-maturity portfolio remains in conformity with PAS 39.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

SEC REQUIREMENT	DISCLOSURE
<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. On June 15, 2016, the Board declared a regular cash dividend of P0.90 per share on the total outstanding Common shares of the capital stock of BPI, payable to all Common stockholders of record as of June 29, 2016 and payable on July 20, 2016. Total dividends declared and paid 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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

SEC REQUIREMENT	DISCLOSURE
<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
<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
<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 day-to-day business. The risks associated with these activities are closely monitored through the various key risk indicators (KRIs), metrics, risk limits, and management triggers defined and set by the

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

SEC REQUIREMENT	DISCLOSURE
	<p>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 generally 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.</p> <ul style="list-style-type: none"> • 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 of Directors 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.
	<ul style="list-style-type: none"> • The Bank employs stringent yet prudent measures to manage the market risk exposures of the Bank, in particular, the risk of rising interest rates. As of the second quarter of 2016, the Value-at-Risk (VaR) and Balance Sheet VaR are well within the Bank's established risk appetite approved by the RMC. 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)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

SEC REQUIREMENT	DISCLOSURE
	<p>given these scenarios. The 2016 second 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 profile is observed and monitored using the minimum cumulative liquidity net inflow which is within the prescribed limit as of the second quarter of 2016. The Bank has also implemented the Liquidity Coverage Ratio (LCR) calculations for the initial observation period as of end-June 2016 following the Basel and Bangko Sentral regulatory reporting guidelines. Further, the Bank's liquidity stress test results as of the second 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 VaR 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.</p>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> • On the Bank's management of operational and IT risks, as of second quarter of 2016, the Bank has 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. • 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. • 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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

SEC REQUIREMENT	DISCLOSURE									
	<ul style="list-style-type: none"> The table below summarizes the carrying amount and fair value of Held To Maturities Securities, net <table data-bbox="852 520 1479 793"> <thead> <tr> <th></th> <th>Carrying amount (In Million Pesos)</th> <th>Fair value</th> </tr> </thead> <tbody> <tr> <td>June 30, 2016 (unaudited)</td> <td>216,664</td> <td>222,534</td> </tr> <tr> <td>Dec 31, 2015 (audited)</td> <td>244,809</td> <td>248,866</td> </tr> </tbody> </table> 		Carrying amount (In Million Pesos)	Fair value	June 30, 2016 (unaudited)	216,664	222,534	Dec 31, 2015 (audited)	244,809	248,866
	Carrying amount (In Million Pesos)	Fair value								
June 30, 2016 (unaudited)	216,664	222,534								
Dec 31, 2015 (audited)	244,809	248,866								

BANK OF THE PHILIPPINE ISLANDS
SEGMENT REPORT
For the Quarter Ended June 30, 2016

In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	7,669	3,397	(1,088)	729	10,706
Impairment charge	1,018	907	3	(7)	1,921
Net interest income after	6,651	2,490	(1,091)	736	8,785
Fees and commission income	1,486	290	101	(115)	1,762
Other income	1,358	485	5,710	428	7,982
GRT	(186)	(27)	(290)	(16)	(518)
Other Income, net	2,658	748	5,521	298	9,226
Compensation and fringe benefits	2,314	318	248	1,168	4,048
Occupancy and equipment- related expenses	1,069	278	4	1,305	2,656
Other operating expenses	2,837	350	350	(777)	2,759
Total operating expenses	6,221	946	602	1,695	9,463
Operating profit	3,088	2,293	3,828	(661)	8,548
Share in net income of associates					212
Provision for Income Tax					792
Total Assets	483,897	652,957	416,931	30,801	1,584,587
Total Liabilities	1,360,901	14,145	32,758	13,358	1,421,162

BANK OF THE PHILIPPINE ISLANDS SEGMENT REPORT For the Six Months Ended June 30, 2016					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	13,232	3,989	4,097	(614)	20,704
Impairment charge	1,807	1,300	3	(7)	3,103
Net interest income after	11,425	2,689	4,094	(607)	17,601
Fees and commission income	2,950	475	351	(125)	3,651
Other income	2,466	863	7,460	881	11,670
GRT	(346)	(41)	(404)	(33)	(824)
Other Income, net	5,071	1,297	7,407	722	14,497
Compensation and fringe benefits	4,495	614	482	1,600	7,192
Occupancy and equipment- related expenses	2,083	553	23	2,174	4,833
Other operating expenses	5,582	640	649	(1,587)	5,284
Total operating expenses	12,161	1,808	1,153	2,187	17,309
Operating profit	4,336	2,178	10,347	(2,072)	14,789
Share in net income of associates					530
Provision for Income Tax					1,996
Total Assets	483,897	652,957	416,931	30,801	1,584,587
Total Liabilities	1,360,901	14,145	32,758	13,358	1,421,162

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

Financial Condition as of June 30, 2016 versus as of December 31, 2015

Total resources increased P68.2 billion to P1.58 trillion, from P1.52 trillion. While increase in resources was minimal at 4.5%, it was impacted by the following movements:

- **Loans and Advances** at P904.4 billion, increased P31.5 billion, or 3.6%, on higher loan demand from multinationals and large conglomerates;
- **Interbank Loans Receivable and Securities Purchased under Agreements to Resell**, at P56.0 billion, increased P43.1 billion, or 333.8% 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 P232.0 billion, increased P17.1 billion or 7.9%, due to higher special deposit account with the BSP;
- **Due from Other Banks**, at P37.5 billion, increased P15.3 billion, or 68.6%, as a result of higher working balances maintained with the correspondent banks;
- **Trading Securities**, at P16.8 billion, increased P8.8 billion, or 108.4%, due to increase in holdings of securities intended for trading;
- **Other Resources, net**, at P11.5 billion, was up by P676.2 million, or 6.2%, on account of higher miscellaneous assets;
- **Deferred Income Tax Assets, net** at P7.3 billion, increased P818.6 million, or 12.7%, due to higher level of impairment losses;
- **Investment in Subsidiaries and Associates, net**, at P7.2 billion, increased P772.2 million, or 12.0%, largely due to higher income contributed by the Bank's bancassurance affiliate.

Above increases were partially tempered by the following:

- **Held-to-Maturity Securities, net** and **Available-for-Sale Securities, net** both declined owing to sale of investment securities (please refer to the 5th bullet of the Notes to Financial Statements, Disclosure portion).
 - **Held-to-Maturity Securities, net** at P216.7 billion, declined P28.1 billion, or 11.5%;
 - **Available-for-Sale Securities, net** at P35.8 billion, declined P6.5 billion, or 15.3%;
- **Cash and Other Cash Items** at P23.0 billion, declined P12.7 billion, or 35.5%, on account of lower cash requirement this period as compared to year end 2015;
- **Assets Attributable to Insurance Operations** at P15.2 billion, decreased P1.1 billion, or 6.7%, due to reduction in both prepaid reinsurance premium and receivables;
- **Derivative Financial Assets** at P3.4 billion, declined P1.1 billion, or 25.3%, on account of the lower positive fair value of certain derivative positions;

- **Assets Held for Sale, net** at P3.7 billion, decreased P656.7 million, or 15.0%, following the continuous disposal of the Bank's foreclosed properties.

Total Liabilities increased P57.5 billion, or 4.2% and this increase came from the following:

- **Total Deposits** at P1.3 trillion, increased P51.1 billion, or 4.0%, due to savings and demand deposit balances increases of P41.9 billion, or 5.9%, and P11.2 billion, or 5.2%, respectively. On the other hand, time deposits declined P2.0 billion, or 0.6%;
- **Bills Payable** at P31.4 billion, increased P10.5 billion, or 50.2%, because of increased external borrowings;
- **Accrued Taxes, Interest and Other Expenses** at P7.1 billion, increased P1.4 billion, or 24.1%, on higher accrued interest payable on time certificate of deposits and higher accruals on taxes and other expenses payables;
- **Derivative Financial Liabilities** at P4.6 billion, increased P1.4 billion, or 43.0%, due to higher negative fair value of certain derivative positions;
- **Due to Bangko Sentral ng Pilipinas and Other Banks** at P552.7 million, increased P121.4 million, or 28.1% due to higher tax collections.

These increases in Liabilities were partly tempered by the following:

- **Deferred Credits and Other Liabilities** at P30.4 billion, declined P4.3 billion, or 12.3%, largely due to lower bills purchased contra account;
- **Liabilities Attributable to Insurance Operations** at P12.6 billion, decreased P2.0 billion, or 13.7% due to the combined decline in non-life affiliate's reinsurance and claims liabilities;
- **Manager's Checks and Demand Drafts Outstanding** at P7.7 billion, decreased P648.9 million, or 7.8%, on account of lower level of outstanding manager's checks issued.

Capital Funds

- **Total Capital Funds** at P163.4 billion, increased by P10.7 billion, or 7.0%, from year-end 2015 owing to the P9.0 billion increase on **Surplus** as a result of accumulated profits net of cash dividend payments;
- **Accumulated Other Comprehensive Loss** at P3.5 billion, declined by P1.3 billion, or 26.6%, on account of higher market valuation of the bank's available-for-sale securities.

Non-Controlling Interests at P2.6 billion, increased by P192.0 million, or 7.8%, on account of higher retained earnings/surplus and fluctuation reserves of the Bank's non-life insurance subsidiary.

RESULTS OF OPERATIONS

For the Quarters ended June 30, 2016 and 2015

Net income for the second quarter of 2016 was P7.7 billion, up by P3.3 billion, or 73.6%, from the profit earned in the second quarter of 2015. The increase was driven largely by the P5.4 billion, or 36.8%, growth in total revenues and was partially offset by the increases in **other expenses** of P1.7 billion, or 21.2%, and **impairment losses** of P838.8 million, or 77.4%.

Net interest income at P10.7 billion, increased P1.2 billion, or 13.1% on account of the P176.8 billion, or 12.6%, expansion in average asset base and increase in yields.

Interest income stood at P14.7 billion, up P1.9 billion, or 14.6%, and this was affected by the following movements:

- Increase in interest income **on loans and advances** at P12.1 billion, up P1.9 billion, or 19.0%, due to increase in average volume, partly tempered by the decline in yield;
- Increase in interest income **on trading securities** at P74.0 million, up P43.7 million, or 144.2%, as a result of increases in both volume and yield;
- Decreases in interest income **on available-for-sale securities** at P143.4 million, down P35.1 million, or 19.7%, and **on deposits with BSP and other banks** at P622.6 million, down P130.8 million, or 17.4% largely due to lower yield;
- Increase in **Gross Receipts Tax** at P487.1 million, up by P39.0 million, or 8.7%, as a result of higher interest income.

Interest expense at P4.0 billion, increased P631.0 million, or 18.7%, and this was driven by the following movements:

- Increase in interest expense **on deposits** at P3.9 billion, up P582.9 million, or 17.7%, due to higher volume and cost;
- Increase in interest expense **on bills payable and other borrowings** at P129.8 million, up P48.1 million, or 59.0%, due largely to higher volume.

Other income at P9.2 billion was P4.1 billion, or 80.9% higher than the P5.1 billion earned in the second quarter of 2015:

- **Trading gain (loss) on securities** at P4.8 billion, increased P3.9 billion, or 435.7% due to gains derived from the sale of the reclassified portion of certain held-to-maturity securities to AFS as disclosed in the Notes to Financial Statement Disclosure Portion of this document.
- **Other Operating Income** at P2.3 billion, increased P160.6 million, or 7.4%, mainly due to higher trust fees and miscellaneous income;
- **Income attributable to insurance operations** at P449.2 million, increased P152.5 million, or 51.4%, on account of higher income from investments of BPI Philam;
- **Income from foreign exchange trading** at P416.4 million, increased P58.0 million, or 16.2% from gains on proprietary position;

- Overall increase in Other income resulted in a higher **Gross Receipts Tax**, which ended at P518.2 million, up P147.2 million, or 39.7%;

Impairment losses at P1.9 billion, increased P838.8 million, or 77.4%, due to additional provisions set up for corporate accounts, and for ROPAs which remained unsold after five years.

Other expenses at P9.5 billion, grew P1.7 billion, or 21.2%, from P7.8 billion:

- **Compensation and fringe benefits** at P4.0 billion, increased P825.1 million, or 25.6%, owing to increased salaries and wages and CBA- related accruals. In addition, contribution to the Bank's defined benefit retirement fund for the remaining half year was accelerated and paid out in June 2016;
- **Occupancy and equipment-related expenses** at P2.7 billion, up P374.5 million, or 16.4%, on increased depreciation, rental, and technology-related costs;
- **Other operating expenses** at P2.8 billion, increased P453.5 million, or 19.7%, largely due to increased management and other professional fees, insurance, third party fees and incentives, and marketing costs.

Provision for income tax at P792.3 million, decreased P400.5 million, or 33.6%.

- **Current income tax** at P1.2 billion was P270.9 million, or 18.4%, lower in spite of the increase in taxable income due to the tax-free portion of the securities' sales.
- **Deferred income tax** at (P410.2) million, was (P129.6) million lower, from last year's (P280.6) million, largely due to the DIT impact on increased provision for losses.

Income attributable to non-controlling interest at P63.6 million, increased P13.7 million or 27.3% on higher income of the non-life insurance subsidiary.

Total comprehensive income at P8.3 billion, increased P4.2 billion, or 104.1%, due to the combined effect of P3.3 billion, or 73.0%, improvement in **net income before minority interest** and P1.0 billion, or 263.7%, growth in **total other comprehensive income, net of tax effect**.

- **Net change in fair value reserve on available-for-sale securities, net of tax effect** at P227.2 million, increased P433.8 million, or 209.9%, on account of higher market valuation of the Bank's investment securities;
- **Share in other comprehensive income of associates** at P251.0 million, increased P379.8 million, or 294.9%, 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 P194.2 million, increased P361.6 million, or 216.0% as a result of higher market valuation of the insurance subsidiaries' investment funds;
- **Currency translation differences** at (P29.5) million, decreased P139.4 million or 126.8%, 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 P0.01 million, declined by P0.2 million, or 97.3% as impacted by the change in financial assumption;

- **Income attributable to non-controlling interest** at P116.2 million, increased by P84.2 million, or 262.8%, due to improvement in fluctuation reserves in investment in stocks of the Bank's insurance subsidiaries.

For the Six Months ended June 30, 2016 and 2015

Net income for the first semester of 2016 was P12.7 billion, up by P3.3 billion, or 35.6%, from the profit earned in the first semester of 2015. The increase was driven largely by the P6.1 billion, or 20.9%, growth in total revenues and was partially offset by the increases in **other expenses** of P2.2 billion, or 14.4%, and **impairment losses** of P1.0 billion, or 47.5%.

Net interest income at P20.7 billion, increased P1.8 billion, or 9.6% on account of the P166.6 billion, or 12.0%, expansion in average asset base partly tempered by the decline in spreads.

Interest income stood at P28.6 billion, up P3.2 billion, or 12.5%, and this was affected by the following movements:

- Increases in interest income **on loans and advances** at P23.4 billion, up P3.1 billion, or 15.1%, and **on held-to-maturity securities** at P4.6 billion, up P278.8 million, or 6.5%, largely on higher average volume partly offset by lower yield;
- Decrease in interest income **on available-for-sale securities** at P247.9 million, down P145.7 million, or 37.0%, largely due to lower yield partly offset by higher average volume;
- Increase in **Gross Receipts Tax** at P937.9 million, up by P54.1 million, or 6.1%, as a result of higher interest income.

Interest expense at P7.9 billion, increased P1.4 billion, or 20.9%, and this was driven by the following movements:

- Increase in interest expense **on deposits** at P7.6 billion, up P1.3 billion, or 20.5%, due to higher volume and cost;
- Increase in interest expense **on bills payable and other borrowings** at P232.3 million, up P62.4 million, or 36.7%, due to higher average volume.

Other income at P14.5 billion was P4.3 billion, or 41.7%, higher than the P10.2 billion earned in the first semester of 2015.

- **Trading gain (loss) on securities** at P5.6 billion, increased P4.2 billion, or 302.1% as this year includes a gain from the sale of certain Held-to-maturity securities reclassified to AFS as mentioned in the Notes to Financial Statements, Disclosure portion;
- **Income attributable to insurance operations** at P913.4 million, increased P178.0 million, or 24.2%, on account of growth in gross premiums of non-life insurance companies and higher income from investments of BPI Philam, partly tempered by higher actuarial reserves;
- Overall increase in other income resulted in a higher **Gross Receipts Tax**, which ended at P823.9 million, up by P128.5 million, or 18.5%.

Impairment losses at P3.1 billion, increased P1.0 billion, or 47.5%, due to additional provisions set up for corporate accounts, and for ROPAs which remained unsold after five years.

Other expenses at P17.3 billion, grew P2.2 billion, or 14.4%, from P15.1 billion.

- **Compensation and fringe benefits** at P7.2 billion, increased P940.8 million, or 15.1%, driven by the accelerated retirement fund contribution, CBA-related costs, annual pay hikes and increased headcount;
- **Occupancy and equipment-related expenses** at P4.8 billion, up P434.9 million, or 9.9%, on increased depreciation, rental, and technology-related costs;
- **Other operating expenses** at P5.3 billion, increased P807.9 million, or 18.0%, largely due to increased management and other professional fees, transaction servicing, regulatory and marketing costs.

Provision for income tax at P2.0 billion, decreased P413.7 million, or 17.2%.

- **Deferred income tax** at (P826.6) million, was (P318.2) million lower, from last year's (P508.4) million, due to the DIT impact of higher provisioning and accounts with timing differences.

Income attributable to non-controlling interest at P123.0 million, decreased P14.6 million or 10.6% due to lower income contributed by the Bank's insurance subsidiaries.

Total comprehensive income at P13.9 billion, increased P4.9 billion, or 53.5%, due to the combined effect of P3.3, billion, or 34.9%, improvement in **net income before minority interest** and P1.6 billion, or 540.3%, growth in **total other comprehensive income, net of tax effect**.

- **Net change in fair value reserve on available-for-sale securities, net of tax effect** at P582.2 million, increased P764.2 million, or 419.9%, on account of higher market valuation of the Bank's investment securities.
- **Share in other comprehensive income of associates** at P608.1 million, increased P667.9 million, 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 P288.2 million, increased P386.6 million, or 392.8% as a result of higher market valuation of the insurance subsidiaries' investment funds.
- **Currency translation differences** at (P139.7) million, decreased P175.8 million or 487.2%, 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 P5.3 million, or 554.8% as impacted by the change in financial assumption.
- **Income attributable to non-controlling interest** at P192.0 million, increased by P90.4 million, or 89.0%, due to improvement in fluctuation reserves in investment in stocks of 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:

	June 30, 2016	June 30, 2015
Return on Equity (%)	16.4	13.0
Return on Assets (%)	1.6	1.4
Net Interest Margin (%)	2.9	3.0
Operating Efficiency Ratio (%)	49.2	51.9
Capital Adequacy Ratio (%) - Basel III	13.9	15.2

Return on equity (ROE), net income divided by average equity at 16.4%, improved from last year's 13.0% due to the faster growth in net income at 35.6% versus growth in average equity of 7.2%.

Return on assets (ROA), net income divided by average assets, also improved to 1.6%, versus 1.4% last year due to faster growth in net income at 35.6% versus growth in average assets at 12.0%.

Net interest margin (NIM), net interest income divided by average interest bearing assets, at 2.9% was lower by 15 basis points than the first semester 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, decreased from 51.9% to 49.2% as increase in revenues outpaced that of the operating expenses. 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 15.2%, 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 14.3% last year, and above the minimum regulatory requirement.

Material Events and Uncertainties

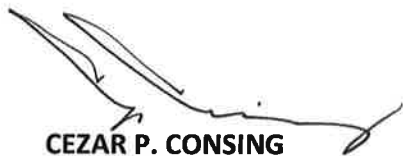
The Bank has nothing to report on the following:

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: August 10, 2016



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

Date: August 10, 2016

BPI UNIBANK
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
June 30, 2016

No. of Days Outstanding	Amount (In Thousands)
0-90	P 1,576,500
91-180	142,538
181-360	137,050
Over 360	1,060,198
Total	2,916,286
Less : Allow. For Probable Losses	1,080,697
Net of Allowance	P 1,835,589