



11112015000242



SECURITIES AND EXCHANGE COMMISSION

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Industry Classification
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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 SEPTEMBER 30, 2015
(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 **September 30, 2015**
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
Common	3,932,220,179

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
SEPTEMBER 30, 2015 AND DECEMBER 31, 2014
(in Thousands of Pesos)

	UNAUDITED	AUDITED
	SEPTEMBER 30, 2015	DECEMBER 31, 2014
<u>RESOURCES</u>		
Cash and Other Cash Items	21,317,203	38,426,679
Due from Bangko Sentral ng Pilipinas	204,046,400	211,946,457
Due from Other Banks	22,813,231	22,226,814
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	17,487,598	5,782,217
Financial Assets at Fair Value through Profit or Loss		
Derivative Financial Assets	4,644,293	35,981,383
Trading Securities	25,271,150	15,861,627
Available-for-Sale Securities, net	37,131,029	51,309,378
Held-to-Maturity Securities, net	240,873,816	209,408,777
Loans and Advances, net	780,067,973	800,169,637
Assets Held for Sale, net	4,372,298	5,018,099
Bank Premises, Furniture, Fixtures and Equipment, net	12,765,240	12,759,508
Investment Properties, net	751,974	807,577
Investments in Subsidiaries and Associates, net	6,580,608	4,784,058
Assets Attributable to Insurance Operations	15,697,400	16,444,672
Deferred Income Tax Assets, net	6,555,512	5,718,082
Other Resources, net	9,704,580	13,551,691
TOTAL RESOURCES	1,410,080,307	1,450,196,656
<u>LIABILITIES AND CAPITAL FUNDS</u>		
Deposit Liabilities		
Demand	201,987,986	199,690,237
Savings	655,640,939	616,447,640
Time	325,724,328	360,074,918
Sub-total	1,183,353,253	1,176,212,795
Derivative Financial Liabilities	3,625,502	34,845,832
Bills Payable	15,289,868	32,992,551
Due to Bangko Sentral ng Pilipinas and Other Banks	734,930	687,144
Manager's Checks and Demand Drafts Outstanding	7,978,279	8,353,212
Accrued Taxes, Interest and Other Expenses	5,549,208	5,596,970
Liabilities Attributable to Insurance Operations	14,039,455	13,560,705
Deferred Credits and Other Liabilities	26,564,130	31,268,395
TOTAL LIABILITIES	1,257,134,626	1,303,517,604
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI		
Share Capital	39,282,227	39,271,579
Share Premium	29,416,629	29,340,930
Reserves	2,410,037	2,098,200
Surplus	83,050,738	76,575,400
Accumulated Other Comprehensive Income/ (Loss)	(3,722,256)	(3,223,231)
	150,437,376	144,062,877
NON-CONTROLLING INTERESTS	2,508,305	2,616,175
TOTAL CAPITAL FUNDS	152,945,682	146,679,053
TOTAL LIABILITIES AND CAPITAL FUNDS	1,410,080,307	1,450,196,656

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Quarter Ended September 30, 2015 and 2014
(In Thousands of Pesos)

	<u>2015</u>	<u>2014</u>
INTEREST INCOME		
On loans and advances	10,605,982	9,314,422
On held-to-maturity securities	2,248,785	2,122,491
On available-for-sale securities	211,454	207,826
On deposits with BSP and other banks	519,833	310,738
On trading securities	83,877	99,496
Gross Receipts Tax	(443,146)	(421,317)
	<u>13,226,785</u>	<u>11,633,655</u>
INTEREST EXPENSE		
On Deposits	3,374,524	2,732,788
On Bills Payable and other borrowings	89,259	77,868
	<u>3,463,783</u>	<u>2,810,656</u>
NET INTEREST INCOME	<u>9,763,002</u>	<u>8,822,999</u>
IMPAIRMENT LOSSES	<u>1,186,256</u>	<u>879,007</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>8,576,746</u>	<u>7,943,992</u>
OTHER INCOME		
Fees and commissions	1,725,254	1,823,515
Income from foreign exchange trading	179,681	558,930
Trading gain (loss) on securities	(456,784)	(41,093)
Income attributable to insurance operations	290,854	183,354
Other operating income	3,861,991	3,462,894
Gross Receipts Tax	(382,971)	(397,725)
	<u>5,218,026</u>	<u>5,589,875</u>
OTHER EXPENSES		
Compensation and fringe benefits	3,081,118	2,912,514
Occupancy and equipment-related expenses	2,250,094	2,214,727
Other operating expenses	2,436,009	2,264,323
	<u>7,767,221</u>	<u>7,391,564</u>
INCOME BEFORE INCOME TAX	<u>6,027,550</u>	<u>6,142,303</u>
PROVISION FOR INCOME TAX		
Current	1,813,200	1,438,220
Deferred	(321,213)	(55,123)
	<u>1,491,986</u>	<u>1,383,097</u>
NET INCOME FOR THE QUARTER	<u>4,535,564</u>	<u>4,759,205</u>
Attributable to:		
Equity holders of BPI	<u>4,492,698</u>	<u>4,771,619</u>
Non-controlling interest	<u>42,866</u>	<u>(12,413)</u>
	<u>4,535,564</u>	<u>4,759,205</u>

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended September 30, 2015 and 2014
(In Thousands of Pesos)

	<u>2015</u>	<u>2014</u>
NET INCOME BEFORE MINORITY INTEREST	4,535,564	4,759,205
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	(62,587)	283,790
Fair value reserve on investments of insurance subsidiaries, net of tax effect	(181,753)	63,527
Share in other comprehensive income of associates	(50,365)	(3,393)
Currency translation differences	46,099	5,254
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	0	(3,749)
Total Other Comprehensive Income (Loss), net of tax effect	(248,605)	345,429
Total Comprehensive Income for the Year	4,286,959	5,104,634
Attributable to:		
Equity holders of BPI	4,260,780	5,117,219
Non-Controlling Interest	26,179	(12,585)
	4,286,959	5,104,634

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Nine Months Ended September 30, 2015 and 2014
(In Thousands of Pesos)

	Unaudited 2015	Unaudited 2014
INTEREST INCOME		
On loans and advances	30,919,274	26,686,007
On held-to-maturity securities	6,529,999	5,954,061
On available-for-sale securities	605,115	558,238
On deposits with BSP and other banks	1,697,278	1,404,266
On trading securities	196,676	287,513
Gross Receipts Tax	(1,326,904)	(1,186,454)
	38,621,438	33,703,632
INTEREST EXPENSE		
On Deposits	9,704,056	7,769,113
On Bills Payable and other borrowings	259,202	260,061
	9,963,257	8,029,174
NET INTEREST INCOME	28,658,181	25,674,458
IMPAIRMENT LOSSES	3,289,994	2,658,384
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	25,368,187	23,016,074
OTHER INCOME		
Fees and commissions	5,215,660	5,090,718
Income from foreign exchange trading	1,033,666	1,470,946
Trading gain (loss) on securities	1,214,532	758,453
Income attributable to insurance operations	1,026,297	758,969
Other operating income	8,034,706	7,692,295
Gross Receipts Tax	(1,078,464)	(1,007,764)
	15,446,398	14,763,617
OTHER EXPENSES		
Compensation and fringe benefits	9,332,026	8,930,754
Occupancy and equipment-related expenses	6,648,212	6,356,396
Other operating expenses	6,912,246	6,166,197
	22,892,484	21,453,347
INCOME BEFORE INCOME TAX	17,922,100	16,326,344
PROVISION FOR INCOME TAX		
Current	4,731,684	4,056,872
Deferred	(829,588)	(523,658)
	3,902,096	3,533,214
NET INCOME FOR THE PERIOD	14,020,004	12,793,131
Attributable to:		
Equity holders of BPI	13,839,554	12,801,817
Non-controlling interest	180,450	(8,687)
	14,020,004	12,793,131
Earnings per share:		
Based on 3,932,220,179 shares as of September 30, 2015 and 3,929,297,850 shares in 2014	P 3.52	P 3.26

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2015 and 2014
(In Thousands of Pesos)

	<u>Unaudited 2015</u>	<u>Unaudited 2014</u>
NET INCOME BEFORE MINORITY INTEREST	14,020,004	12,793,131
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	(244,576)	(1,148,631)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	(280,166)	170,062
Share in other comprehensive income of associates	(110,081)	59,870
Currency translation differences	82,193	7,588
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	961	3,433
Total Other Comprehensive Income (Loss), net of tax effect	(551,670)	(907,678)
Total Comprehensive Income for the Year	13,468,335	11,885,452
Attributable to:		
Equity holders of BPI	13,340,530	11,881,305
Non-Controlling Interest	127,805	4,147
	13,468,335	11,885,452

BANK OF THE PHILIPPINE ISLANDS								
STATEMENT OF CHANGES IN CAPITAL FUNDS								
FOR THE PERIOD ENDED SEPTEMBER 30, 2015 & SEPTEMBER 30, 2014								
(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, 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				13,839,554		13,839,554	180,450	14,020,004
Other Comprehensive Income for the year					(499,024)	(499,024)	(52,645)	(551,670)
Total Comprehensive Income for the year	-	-	-	13,839,554	(499,024)	13,340,530	127,805	13,468,335
Transactions with owners								
Issuance of shares	60	541				601		601
Executive Stock Plan amortization	10,589	75,158	25,612			111,359		111,359
Cash Dividends				(7,077,991)		(7,077,991)		(7,077,991)
Transfer from Surplus to Reserves			286,225	(286,225)		-		-
Other changes in non-controlling interest							(235,674)	(235,674)
Total transactions with owners	10,649	75,699	311,837	(7,364,216)	-	(6,966,031)	(235,674)	(7,201,706)
Balance, September 30, 2015	39,282,227	29,416,629	2,410,037	83,050,738	(3,722,256)	150,437,376	2,508,305	152,945,682
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, 2013	35,563,562	8,315,756	1,679,060	62,136,685	(3,160,984)	104,534,079	1,272,609	105,806,688
Comprehensive Income								
Net Income for the year				12,801,817		12,801,817	(8,687)	12,793,131
Other Comprehensive Income for the year					(920,513)	(920,513)	12,834	(907,678)
Total Comprehensive Income for the year	-	-	-	12,801,817	(920,513)	11,881,305	4,147	11,885,452
Transactions with owners								
Proceeds from the stock rights offering	3,707,690	21,022,850				24,730,541		24,730,541
Executive Stock Option Plan amortization			9,623			9,623		9,623
Cash Dividends				(3,538,496)		(3,538,496)		(3,538,496)
Transfer from Surplus to Reserves			397,560	(397,560)		-		-
Others	-	-	-	154		154		154
Other changes in non-controlling interest							(120,155)	(120,155)
Total transactions with owners	3,707,690	21,022,850	407,183	(3,935,902)	-	21,201,822	(120,155)	21,081,667
Balance, September 30, 2014	39,271,252	29,338,607	2,086,243	71,002,600	(4,081,496)	137,617,206	1,156,602	138,773,808

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014
(In Thousands of Pesos)

	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	6,027,550	6,142,303
Adjustments for:		
Impairment losses	1,186,256	879,007
Depreciation and amortization	846,949	860,415
Equity in net income of associates	(187,890)	(70,636)
Share based compensation	8,979	9,623
Dividend income	(13,642)	(9,420)
Interest income	(13,669,931)	(12,054,972)
Interest expense	3,463,783	2,810,656
Operating income before changes in operating assets and liabilities	(2,337,945)	(1,433,025)
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	(4,664,102)	632,780
Trading securities	(14,196,132)	2,079,466
Loans and advances	(18,360,150)	(5,310,616)
Assets held for sale	93,535	458,205
Assets attributable to insurance operations	(344,697)	(1,118,596)
Other resources	(764,325)	(2,018,560)
Increase (decrease) in:		
Deposit liabilities	(14,114,286)	(27,677,709)
Due to Bangko Sentral ng Pilipinas and other banks	123,051	284,576
Manager's checks demand drafts outstanding	(1,431,837)	(894,925)
Accrued taxes, interest and other expenses	775,734	907,343
Liabilities attributable to insurance operations	1,133,945	1,017,502
Derivative financial instrument	(164,196)	117,984
Deferred credits and other liabilities	(1,595,332)	(11,354)
Net cash from (used in) operations	(55,846,738)	(32,966,930)
Income taxes paid	(1,834,135)	(1,266,231)
Interest paid	(3,818,293)	(3,118,120)
Interest received	14,468,353	12,874,647
Net cash from (used in) operating activities	(47,030,813)	(24,476,633)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Available for sale securities	(8,941,651)	(3,676,474)
Held-to-maturity securities	(5,824,238)	(4,350,048)
Bank, premises, furniture, fixtures and equipment	(749,081)	(1,075,054)
Equity investments	(1,505,569)	116,746
Assets attributable to insurance operations	162,614	(228,832)
Investment property	(254)	(35,081)
Proceeds from sale of investments	0	0
Dividends received	13,642	9,420
Net cash from (used in) investing activities	(16,844,538)	(9,239,323)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Dividends	(3,538,998)	(3,536,368)
Collection on stock subscriptions	24,492	10,852
Increase (decrease) in bills payable	(1,481,215)	6,115,205
Net cash from (used in) financing activities	(4,995,721)	2,589,689
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,871,072)	(31,126,266)
CASH AND CASH EQUIVALENTS		
June 30	325,980,425	265,963,592
September 30	257,109,354	234,837,325

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014
(In Thousands of Pesos)

	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	17,922,100	16,326,344
Adjustments for:		
Impairment losses	3,289,994	2,658,384
Depreciation and amortization	2,659,989	2,643,143
Share in net income of associates	(403,886)	(232,637)
Share based compensation	25,612	9,623
Dividend income	(43,593)	(21,161)
Interest income	(39,948,342)	(34,890,086)
Interest expense	9,963,257	8,029,174
Operating income before changes in operating assets and liabilities	(6,534,869)	(5,477,216)
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	(3,741,903)	(3,331,666)
Trading securities	(9,397,799)	(16,944,952)
Loans and advances	17,039,319	(68,941,642)
Assets held for sale	706,430	885,110
Assets attributable to insurance operations	558,686	(773,591)
Other resources	2,910,811	(1,616,042)
Increase (decrease) in:		
Deposit liabilities	7,140,458	55,520,681
Due to Bangko Sentral ng Pilipinas and other banks	47,786	(1,446,532)
Manager's checks demand drafts outstanding	(374,933)	16,335
Accrued taxes, interest and other expenses	205,619	417,352
Liabilities attributable to insurance operations	478,750	775,110
Derivative financial instrument	116,761	148,702
Deferred credits and other liabilities	(4,703,976)	(35,471)
Net cash from (used in) operations	4,451,140	(40,803,823)
Income taxes paid	(4,739,526)	(3,303,915)
Interest paid	(10,216,638)	(8,466,936)
Interest received	41,122,206	35,243,870
Net cash from (used in) operating activities	30,617,182	(17,330,803)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Available for sale securities	13,561,223	54,009,989
Held-to-maturity securities	(32,119,889)	(113,335,759)
Bank, premises, furniture, fixtures and equipment	(2,098,268)	(2,485,935)
Investment in subsidiaries and associates, net	(1,935,721)	(36,892)
Assets attributable to insurance operations	192,376	(1,151,010)
Investment property, net	(14,418)	(60,048)
Proceeds from sale of investments	0	0
Dividends received	43,593	21,161
Net cash from (used in) investing activities	(22,371,104)	(63,038,493)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Dividends	(7,077,991)	(6,739,216)
Collection on stock subscriptions	86,348	24,730,541
Increase (decrease) in bills payable	(17,702,683)	(2,556,526)
Net cash from (used in) financing activities	(24,694,327)	15,434,798
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,448,248)	(64,934,498)
CASH AND CASH EQUIVALENTS		
January 1	273,557,602	299,771,823
September 30	257,109,354	234,837,325

BANK OF THE PHILIPPINE ISLANDS
Financial Indicators
As at September 30, 2015 and 2014

	2015	2014
a) Liquidity Ratio *	57.6 %	63.8 %
b) Debt to Equity Ratio **	10.2 %	17.2 %
c) Asset to Equity Ratio	937.3 %	942.0 %
d) Interest Rate Coverage Ratio ***	306.6 %	336.3 %
e) Net Interest Margin on Average Earning Assets	3.0 %	3.1 %
f) Return on Average Equity	12.6 %	13.3 %
g) Return on Average Assets	1.3 %	1.4 %
h) Cost to Income Ratio	51.9 %	53.1 %
i) Cost to Assets Ratio	2.2 %	2.3 %
j) Capital to Assets Ratio	10.7 %	10.6 %

* 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
SEPTEMBER 30, 2015

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, 2014 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 because of their nature, size, or incidents 	<ul style="list-style-type: none"> Nothing to report
<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 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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

SEC REQUIREMENT	DISCLOSURE
<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 March 17, 2015, total cash dividends paid to Common Stockholders of record as of February 24, 2015 amounted to P3.5 B. • On May 20, 2015, the Board of Directors declared a regular cash dividend of P0.90 per share for the first semester of 2015 on the total outstanding Common shares of the capital stock of BPI payable to all Common stockholders of record as of August 10, 2015 and payable on September 2, 2015. Total dividends declared and paid amounted to P3.5B.
<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"> • On August 2015, BPI, with Globe Telecom Inc. and Ayala Corporation have signed an agreement to turn over full ownership of BPI Globe BankKO (BankKO) to BPI. It is expected that BPI will assume full ownership of BankKO by yearend, subject to BSP approval.
<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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

SEC REQUIREMENT	DISCLOSURE
<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 investments in bonds, currencies, financial derivatives and structured investment products, and other operating activities. 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 underwriting 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, as possible. 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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

SEC REQUIREMENT	DISCLOSURE
	<p>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.</p> <ul style="list-style-type: none"> • For the third quarter of 2015, the Bank witnessed generally stable levels in total loan portfolio, with the level of credit risk following the modest growth in loans. Credit risk ratings and portfolio profile were still generally maintained and overall asset quality have been preserved with adequate loan provisions. • 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 2015 third quarter price stress test results revealed that the Bank's CAR is well above the minimum regulatory requirement, despite rate shocks in local interest rates applied to the trading book. 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 particularly in China, Europe and the U.S.. As a prudent measure to protect the Bank's earnings from interest rate volatility, the average sensitivity of the Bank's positions for every 1 basis point movement in interest rates has been reduced significantly compared to the previous period last year.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> • 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 third quarter of 2015 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 third quarter of 2015, 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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

SEC REQUIREMENT	DISCLOSURE												
<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, 2014. 												
<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. The table below summarizes the carrying amount and fair value of Held To Maturities Securities, net <table data-bbox="901 1297 1502 1570" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Carrying amount</th> <th style="text-align: center;">Fair value</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">(In Million Pesos)</th> </tr> </thead> <tbody> <tr> <td>Sept 30, 2015 (unaudited)</td> <td style="text-align: right;">240,874</td> <td style="text-align: right;">246,315</td> </tr> <tr> <td>Dec 31, 2014 (audited)</td> <td style="text-align: right;">209,409</td> <td style="text-align: right;">220,292</td> </tr> </tbody> </table> 		Carrying amount	Fair value		(In Million Pesos)		Sept 30, 2015 (unaudited)	240,874	246,315	Dec 31, 2014 (audited)	209,409	220,292
	Carrying amount	Fair value											
	(In Million Pesos)												
Sept 30, 2015 (unaudited)	240,874	246,315											
Dec 31, 2014 (audited)	209,409	220,292											

BANK OF THE PHILIPPINE ISLANDS SEGMENT REPORT For the Three Months Ended September 30, 2015					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	5,922	1,426	2,547	(132)	9,763
Impairment charge	1,276	(240)	0	150	1,186
Net interest income after impairment charge	4,646	1,666	2,547	(282)	8,577
Fees and commission	1,391	160	213	(38)	1,726
Other income	2,603	398	605	272	3,877
GRT	(266)	(18)	(91)	(10)	(384)
Other Income, net	3,727	540	726	224	5,218
Compensation and fringe benefits	2,231	283	227	341	3,081
Occupancy and equipment- related expenses	1,090	292	21	848	2,250
Other operating expenses	2,756	281	306	(908)	2,436
Total operating expenses	6,077	856	554	280	7,767
Operating profit	2,296	1,350	2,719	(338)	6,028
Share in net income of associates					169
Provision for Income Tax					1,492
Total Assets	461,888	556,911	365,215	26,066	1,410,080
Total Liabilities	1,207,724	13,418	20,042	15,951	1,257,135

BANK OF THE PHILIPPINE ISLANDS					
SEGMENT REPORT					
For the Nine Months Ended September 30, 2015					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	16,914	4,011	7,979	(246)	28,658
Impairment charge	2,424	716	(0)	150	3,290
Net interest income after impairment charge	14,490	3,295	7,979	(396)	25,368
Fees and commission	4,278	490	593	(145)	5,216
Other income	4,997	1,237	4,166	909	11,309
GRT	(602)	(47)	(386)	(43)	(1,078)
Other Income, net	8,673	1,680	4,373	721	15,447
Compensation and fringe benefits	6,569	839	690	1,234	9,332
Occupancy and equipment- related expenses	3,177	880	60	2,531	6,648
Other operating expenses	6,426	1,923	904	(2,341)	6,912
Total operating expenses	16,172	3,642	1,654	1,424	22,892
Operating profit	6,992	1,332	10,699	(1,100)	17,923
Share in net income of associates					412
Provision for Income Tax					3,902
Total Assets	461,888	556,911	365,215	26,066	1,410,080
Total Liabilities	1,207,724	13,418	20,042	15,951	1,257,135

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

Financial Condition as of September 30, 2015 versus as of December 31, 2014

Total resources decreased P40.1 billion, or 2.8%, to P1.41 trillion, from P1.45 trillion.

Assets

- **Derivative Financial Assets** at P4.6 billion, declined P31.3 billion, or 87.1%, on account of the lower positive fair value of certain derivative positions such as interest rate swaps, forwards, and non-deliverable swaps (NDS).
- **Loans and Advances** at P780.1 billion, declined P20.1 billion, or 2.5%, on lower loan demand from multinationals and local conglomerates.
- **Cash and Other Cash Items** at P21.3 billion, declined P17.1 billion, or 44.5%, on account of lower cash requirement this period as compared to year end 2014.
- **Available-for-Sale Securities, net** at P37.1 billion, declined P14.2 billion, or 27.6%, owing to the reduced position taking in local holdings.
- **Other Resources, net** at P9.7 billion, was down by P3.8 billion, or 28.4%, on account of the decline in miscellaneous assets, deferred charges, and accounts receivables.
- **Assets Held for Sale, net** at P4.4 billion, declined by P645.8 million, or 12.9%, on the continued sell down of foreclosed assets.
- **Investment Properties, net** at P752 million, declined by P55.6 million or 6.9% on higher depreciation of bank premises.
- **Held to Maturity Securities, net** at P240.9 billion, increased P31.5 billion, or 15.0%, due to accumulation of local and foreign bonds.
- **Interbank Loans Receivable and Securities Purchased under Agreements to Resell** at P17.5 billion, increased P11.7 billion or 202.4%, due to higher volume of placements in Reverse Repurchase Agreements (RRP).
- **Trading Securities** at P25.3 billion, increased P9.4 billion, or 59.3%, due to higher holdings of local bonds intended for trading.
- **Investment in Subsidiaries and Associates, net** at P6.6 billion, rose P1.8 billion, or 37.6%, largely due to an investment made by the Bank in Global Payments Asia Pacific.
- **Deferred Income Tax Assets, net** at P6.6 billion, increased P837.4 million, or 14.6%, due to higher allowance for probable loss.

Liabilities

- **Derivative Financial Liabilities** at P3.6 billion, declined P31.2 billion, or 89.6%, due to lower negative fair value of certain derivative positions such as interest rate swaps, forwards, and non-deliverable swaps (NDS).
- **Bills Payable** at P15.3 billion, declined P17.7 billion, or 53.7%, due to reduced external borrowings.
- **Deferred Credits and Other Liabilities** at P26.6 billion, dropped P4.7 billion, or 15.0% due to lower bills purchased contra account.

- **Total Deposits** at P1.2 trillion, increased P7.1 billion, or 0.6%, due to savings and demand deposit balances growth of P39.2 billion, or 6.4%, and P2.3 billion, or 1.1%, respectively; offset by drop in time deposits by P34.4 billion or 9.5%.
- **Due to Bangko Sentral ng Pilipinas and Other Banks** at P734.9 million, increased P47.8 million, or 6.9% due to higher deposit balance of foreign banks partly offset by lower BIR tax collection this year versus year-end.

Total Capital Funds at P150.4 billion, grew P6.4 billion, or 4.4% from year-end 2014 owing to the P6.5 billion increase on surplus as a result of accumulated profits net of cash dividend payments. **Reserves** at P2.4 billion, increased P311.8 million, or 14.9%, on higher provision for trust business. **Accumulated Other Comprehensive Loss** at P3.8 billion was higher by P499 million or 15.5% as the market value of securities holdings of the Bank declined.

Non-Controlling Interests at P2.5 billion, declined P107.9 million, or 4.1%, largely due to the lower retained earnings incurred by the Bank's non-life insurance subsidiary.

RESULTS OF OPERATIONS

For the Quarters ended September 30, 2015 and 2014

Net income for the third quarter of 2015 was P4.5 billion, an amount P278.9 million, or 5.8%, lower than the profit earned in the third quarter of 2014. The decline in net income was due to the increases in **other expenses** by P375.7 million, or 5.1%, **impairment losses** by P307.2 million, or 34.9%, and **income taxes** by P108.9 million, or 7.9%. Impact of these higher costs was partially offset by the increase in **revenues** by 568.2 million, or 3.9%.

Net interest income at P9.8 billion, increased P940.0 million, or 10.6% on the account of P123.2 billion, or 9.7%, expansion in average asset base.

Interest income stood at P13.2 billion, up P1.6 billion, or 13.7%, and this was affected by the following movements:

- Increases in interest income **on loans and advances** at P10.6 billion, up P1.3 billion, or 13.9%, and **on deposits with BSP and other banks** at P519.8 million, up P209.1 million, or 67.3%, as a result of higher volume and yield.
- Increase in interest income **on held-to-maturity securities** at P2.2 billion, up P126.3 million, or 5.9%, largely on higher volume partly offset by lower yield.
- Decrease in interest income on **trading securities** at P83.9 million, down P15.6 million, or 15.7% as a result of decline in volume and yield.
- Increase in **Gross receipt tax** at P443.1 million, up P21.8 million, or 5.2%, owing to higher interest income.

Interest expense at P3.5 billion, increased P653.1 million, or 23.2%, and this was impacted by the upward movement in both volume and interest rates of the following:

- **On deposits** at P3.4 billion, up P641.7 million, or 23.5%;
- **On bills payable and other borrowings** at P89.3 million, up P11.4 million, or 14.6%.

Other income at P5.2 billion was P371.8 million, or 6.6% lower than the P5.6 billion earned in the third quarter of 2014.

- **Trading loss on securities** at P456.8 million, increased P415.7 million as the Bank decided to cut losses on certain positions.
- **Income from foreign exchange trading** at P179.7 million, declined P379.2 million, or 67.8% from losses on proprietary position.
- **Fees and commissions** at P1.7 billion, decreased P98.3 million, or 5.4%, on lower underwriting fees and bank commissions.
- **Other operating income** at P3.9 billion, increased P399.1 million, or 11.5% on higher profit from assets sold.
- **Income attributable to insurance operations** at P290.9 million, increased P107.5 million, or 58.6%, due to higher premiums earned by the non-life insurance subsidiary and the bancassurance affiliate. This improvement was further supported by lower claims and actuarial reserves of the bancassurance affiliate.
- **Gross Receipts Tax** at P383.0 million, P14.7 million lower, or 3.7%, as a result of lower net interest income.

Impairment losses at P1.2 billion, increased P307.2 million, or 34.9%, on higher loan loss provisioning.

Other expenses at P7.8 billion, increased P375.7 million, or 5.1% from P7.4 billion.

- **Other operating expenses** at P2.4 billion, increased P171.7 million, or 7.6%, largely due to higher regulatory, marketing and litigation expenses.
- **Compensation and fringe benefits** at P3.1 billion, increased by P168.6 million, or 5.8% on increased headcount.

Provision for income tax at P1.5 billion, increased P108.9 million, or 7.9%, from P1.4 billion.

- **Current income tax** at P1.8 billion was P375.0 million, or 26.1% higher, attributable to the increased taxable income.
- **Deferred income tax** at (P321.2) million, was (P266.1) million higher, from last year's (P55.1) million, due to lower write-offs this quarter versus same period last year and higher loss provisions set-up.

Income attributable to non-controlling interest at P42.9 million, increased P55.3 million, due to this year's initial income recognition of the Bank's leasing affiliate and income from the Bank's non-life insurance subsidiary.

Total comprehensive income at P4.3 billion, declined P856.4 million, or 16.7%. **Total other comprehensive income, net of tax effect** dropped by P594.0 million or 172.0%. **Net income before minority interest** also went down by P223.6 million, or 4.7%.

- **Net change in fair value reserve on available-for-sale securities, net of tax effect** at (P62.6) million, declined P346.4 million, on account of lower market valuation of the Bank's investment securities.
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at (P181.8) million, declined P245.3 million as a result of lower market valuation of the insurance subsidiaries' investment funds.
- **Share in other comprehensive income of associates** at (P50.4) million, declined P47.0 million, due to the downward market valuation of the investments of the bancassurance affiliate.
- **Currency translation differences** at P46.1 million, was P40.8 million higher, heightened by the general weakening of the Philippine Peso against the US Dollar and the upward movement of capital of a certain subsidiary.
- **Actuarial gains on defined benefit plan, net of tax effect**, was 100% higher. No movement have been recorded so far on the Bank's defined benefit plan for the quarter this year, while last year same period, there was a downward movement of P3.7 billion.
- **Income attributable to non-controlling interest** at P26.2 million, increased P38.8 million, mainly due to the initial recognition of income from the leasing affiliate.

For the Nine Months ended September 30, 2015 and 2014

Net income for the first three quarters of 2015 amounted to P13.8 billion, P1.0 billion, or 8.1% higher than same period 2014's P12.8 billion. The increase in net income was brought about by the P3.7 billion, or 9.1%, improvement in **total revenues**. This growth, however, was partially offset by the increases in **operating expenses, impairment losses, and provision for income tax** by P1.4 billion, P631.6 million, and P368.9 million, respectively.

Net interest income at P28.7 billion, grew by P3.0 billion, or 11.6%, due to a P164.2 billion, or 13.4%, expansion in average assets.

Interest income at P38.6 billion, increased P4.9 billion, or 14.6%, on account of the following:

- Improvement in interest income **on loans and advances, and on deposit with BSP and other banks**, increased P4.2 billion, or 15.9%, and P293.0 million, or 20.9%, respectively, as a result of higher average volume and yield.
- Increases in interest income **on held-to-maturity securities and on available-for-sale securities**, up by P575.9 million or 9.7%, and P46.9 million or 8.4%, respectively, on higher volume partly offset by decline in yields.
- Decline in interest income **on trading securities**, down P90.8 million, or 31.6%, due to lower volume and yield;
- Increase in **Gross receipt tax** at P1.3 billion, up P140.4 million, or 11.8%, as a result of higher interest income.

Interest expense at P10.0 billion, increased P1.9 billion, or 24.1%, largely due to higher interest expense **on deposits**, up P1.9 billion, or 24.9%, owing to higher volume and interest rate.

Other income at P15.4 billion, grew P682.8 million, or 4.6%, from P14.8 billion in 2014.

- **Trading gain (loss) on securities** at P1.2 billion, was up P456.1 million, or 60.1% as the Bank took profits on winning positions when rates declined in January and May.
- **Income attributable to insurance operations** at P1.0 billion, increased P267.3 million, or 35.2%, owing growth in gross premiums of the Bank's non-life insurance subsidiary, and lower claims on the Bank's bancassurance affiliate.
- **Income from foreign exchange trading** at P1.0 billion, declined by P437.3 million, or 29.7%, from losses on proprietary position.
- **Gross Receipts tax** at P1.1 billion, was up by P70.7 million or 7.0% on increased interest income.

Impairment losses at P3.3 billion, up P631.6 million, or 23.8%, due to higher loan loss provisioning.

Other expenses at P22.9 billion, increased by P1.4 billion, or 6.7%, from the P21.4 billion spent for the same period in 2014.

- **Other operating expenses** at P6.9 billion, increased P746.0 million, or P12.1% due to higher regulatory costs, management and professional fees, and litigation expenses.
- **Compensation and fringe benefits** at P9.3 billion, increase by P401.3 million or 4.5% on increased headcount.
- **Occupancy and equipment-related expenses** at P6.6 billion, rose P291.8 million, or 4.6%, attributed to contractual services, depreciation, rent and, security services.

Provision for income tax at P3.9 billion, was up P368.9 million, or 10.4% from P3.5 billion.

- **Current income tax** at P4.7 billion, increased P674.8 million, or 16.6%, due to higher income subject to regular corporate income tax and final tax.
- **Deferred income tax** at (P829.6) million, higher by (P305.9) million, or 58.4%, due to higher loss provisions set-up and lower write-offs.

Income attributable to non-controlling interest at P180.4 million, grew P189.1 million, owing to initial income recognition of the leasing affiliate and the improved income coming from insurance subsidiaries and microfinance affiliate.

Total comprehensive income at P13.3 billion, was P1.5 billion, or 12.3% higher than same period last year of P11.9 billion. This is due to the combined effect of P1.2 billion, or 9.6% improvement in **net income before minority interest** and P356.0 million, or 39.2% improvement 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 a loss of P244.6 million, recovered from a loss of P1.2 billion, to improve by P904.1 million, or 78.7%, as a result of higher marked to market gain from the Bank's investment securities.
- **Currency translation differences** at P82.2 million, increased P74.6 million, generally due to the weakening of the Peso against the US Dollar and the upward movement of capital of a certain subsidiary.

- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at (P280.2) million declined P450.2 million, over reduced market valuation of the investment funds of the insurance subsidiaries.
- **Share in other comprehensive income of associates** at (P110.1) million declined by P170.0 million or 283.9% due to the downward market valuation of the investments of the bancassurance affiliate.
- **Actuarial gains on defined benefit plan, net of tax effect**, at P961.0 million, was P2.5 million, or 72.0%, lower as last year's same period level reflected higher movement on defined benefit of a certain subsidiary.
- **Income attributable to non-controlling interest** at P127.8 million, increased P123.7 million, through initial income recognition of the leasing affiliate this year and the increased income contribution from both the Bank's non-life insurance subsidiary and microfinance affiliate.

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:

	September 30, 2015	September 30, 2014
Return on Equity (%)	12.6	13.3
Return on Assets (%)	1.3	1.4
Net Interest Margin (%)	3.0	3.1
Operating Efficiency Ratio (%)	51.9	53.1
Capital Adequacy Ratio (%) - Basel III	14.9	15.7

Return on equity (ROE), net income divided by average equity, and **return on assets (ROA)**, net income divided by average assets, were both lower than same period last year at 12.6% and 1.3%, respectively. The growth in average equity and average assets outpaced the increase in net income. ROE and ROA measure the Bank's efficiency in utilizing its capital and resources, respectively, to generate profits.

Net interest margin (NIM), net interest income divided by average interest bearing assets, at 3.0% was lower by 6 basis points than the same period last year on the combined impact of the increase in interest bearing assets and increase in cost of deposits.

Operating efficiency ratio (cost to income), operating expenses divided by total revenues, declined from 53.1% to 51.9% as increase in revenues outpaced that of the operating expense. 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 14.9% 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 14.0%, was 88 bps lower than same period last year, but still above the minimum regulatory requirement.

Material Events and Uncertainties

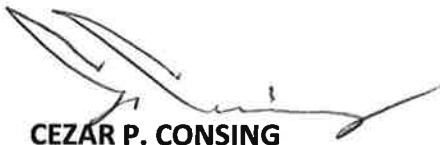
The Bank has nothing to report on the following:

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: November 10, 2015



JOSEPH ALBERT L. GOTUACO
Executive Vice President
Chief Financial Officer

Date: November 10, 2015

BPI UNIBANK
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
September 30, 2015

No. of Days Outstanding	Amount (In Thousands)
0-90	P 905,325
91-180	83,866
181-360	90,166
Over 360	1,088,304
Total	2,167,662
Less : Allow. For Probable Losses	1,265,857
Net of Allowance	P 901,805