



Via ODiSy

04 August 2009

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Ms. Janet A. Encarnacion
Head

Ms. Sheena Paula H. Pedrieta
Analyst
Disclosure Department

Gentlemen:

We submit herewith the SEC Form 17Q of Banco De Oro Unibank, Inc. as of 30 June 2009 duly filed with the Securities & Exchange Commission.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Elmer B. Serrano', written over a light blue horizontal line.

ELMER B. SERRANO
Corporate Information Officer

COVER SHEET

3 4 0 0 1

S.E.C. Registration Number

B A N C O D E O R O U N I B A N K , I N C .

(COMPANY'S FULL NAME)

1 2 A D B A V E N U E O R T I G A S C E N T E R

M A N D A L U Y O N G C I T Y

(BUSINESS ADDRESS: NO. STREET CITY/TOWN/PROVINCE)

ALBERTO D. REYES/RUBY A. CRUZ

Contact Person

856-7434/840-7000 loc 4575

Company Telephone Number

0 6

Month

3 0

Day

S E C 1 7 - Q

Form Type

0 5

Month

2 6

Day

Annual Meeting

Secondary License type, if applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

14,246

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Stamps

Remarks: Pls. Use black ink of scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND BRC RULES 17 (2) (b) THEREUNDER

1. For the quarter ended June 30, 2009.
2. Commission identification number 34001 3. BIR Tax Identification No. 000-708-174-000

BANCO DE ORO UNIBANK, INC.

4. Exact name of issuer as specified in its charter

Mandaluyong City, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code (For SEC Use Only)

12 ADB Ave. Ortigas Center, Mandaluyong City

7. Address of issuer's principal office Postal Code

856-7434/840-7000 LOC 4575

8. Issuer's Telephone number, including area code

NA

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the Code of Section 4 and 8 of the RSA

Title of each class	Number of shares of common stock outstanding	Amount of Debt Outstanding
Common stock	2,302,032,661	

11. Are any or all of the securities listed on a stock exchange?

Yes No.

If yes, state the name of such stock exchange and the class/es of securities listed therein: Philippine Stock Exchange -Common Stock

12. Indicate by check mark whether the registrant:

a. has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA 11 (a)-1 thereunder, and Section 26 and 141 of the Corporations Code of the Philippines, during the preceding twelve (12) months or such shorter period the registrant was required to file such reports.

Yes No.

b. has been subject to such filing requirements for the last ninety (90) days

Yes No.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer..... **BANCO DE ORO UNIBANK, INC.**

Signature and Title..... **LUCY CO DY**
EVP/COMPTROLLER
d *me* *for* *W*

Date..... **August 04, 2009**

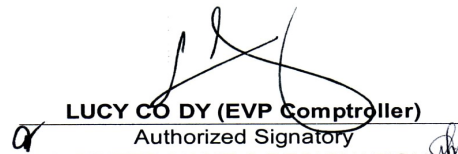
Principal Financial /Accounting Officer/Comptroller..... **LUCY CO DY**

Signature and Title..... **LUCY CO DY**
EVP/COMPTROLLER

Date..... **August 04, 2009**

SEC FORM 17-Q

I hereby certify that all the information set forth in the above report are true and correct
of my own knowledge.


LUCY CO DY (EVP Comptroller)
Authorized Signatory
(PRINTED NAME & DESIGNATION)
me

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

SUBSCRIBED AND SWORN TO before me this AUG 04 2009 day of August,
2009, the above affiant exhibiting to me his/her described Competent Evidence of Identity ("CEI"):

Name	CEI	Date & Place Issued
Lucy Co Dy	Passport – TT0770339	09.07.2006/Manila

Doc. No. 290
Page No. 59
Book No. X
Series of 2009

Notary Public
BENJAMIN B. MATA
Notary Public
Until Dec. 31, 2009
PTR No. 0374713, Jan. 5, 2009
IBF No. 787788, Jan. 5, 2009
Roll No. 11108

* To be signed by any of the following officers pursuant to a Board Resolution filed with the Commission

1. Chief Operating Officer
2. Chief Financial Officer
3. Comptroller or Treasurer

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
12 ADB Ave Ortigas Center, Mandaluyong City

CONDENSED STATEMENT OF CONDITION
(Amounts in Thousands of Pesos)

		As of June 30, 2009		Audited As of Dec 31, 2008
RESOURCES				
CASH AND OTHER CASH ITEMS	P	16,993,872	P	21,770,401
DUE FROM BANGKO SENTRAL NG PILIPINAS		64,301,370		62,668,428
DUE FROM OTHER BANKS		12,113,468		17,101,434
INVESTMENT SECURITIES				
At Fair Value Through Profit or Loss		7,089,574		6,848,931
Available-for-Sale – net		44,152,729		35,173,343
Held-to-Maturity – net		111,557,849		114,128,667
LOANS AND OTHER RECEIVABLES–net		481,710,157		491,986,431
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net		15,119,118		14,676,390
INVESTMENT PROPERTIES		14,521,044		15,234,361
EQUITY INVESTMENTS – net		1,696,965		1,697,189
DEFERRED TAX ASSETS		5,848,921		5,779,921
OTHER RESOURCES - net		14,880,242		14,966,578
TOTAL RESOURCES	P	<u>789,985,309</u>	P	<u>802,032,074</u>
LIABILITIES AND CAPITAL FUNDS				
DEPOSIT LIABILITIES	P		P	
Demand		32,507,856		36,321,331
Savings		294,227,352		263,247,504
Time		300,335,456		337,184,731
Total Deposit Liabilities		<u>627,070,664</u>		<u>636,753,566</u>
BILLS PAYABLE		43,235,526		51,435,638
SUBORDINATED NOTES PAYABLE		23,161,088		20,145,977
OTHER LIABILITIES		35,062,533		35,922,673
Total Liabilities		<u>728,529,811</u>		<u>744,257,854</u>
EQUITY				
Attributable to Shareholders of the Parent Company		60,735,519		57,056,534
Minority Interest		719,979		717,686
Total Equity		<u>61,455,498</u>		<u>57,774,220</u>
TOTAL LIABILITIES AND EQUITY	P	<u>789,985,309</u>	P	<u>802,032,074</u>
CONTINGENT				
Trust department accounts	P	414,990,196	P	338,173,471
Unused commercial letters of credit		24,226,117		17,998,121
Outstanding guarantees issued		1,004,775		724,094
Export L/Cs Confirmed		2,022		48,708
Bills for collection		4,298,603		10,641,072
Late deposits/payment received		1,359,743		5,341,041
Spot Exchange Bought		9,324,583		6,644,832
Spot Exchange Sold		9,397,576		3,325,926
Forward Exchange Bought		113,365,883		67,647,414
Forward Exchange Sold		138,428,224		91,710,780
Interest Rate Swap Receivable		15,080,902		14,752,995
Interest Rate Swap Payable		16,173,550		15,837,774
Committed Credit Card Lines		58,725,163		56,119,196
Others		21,395,471		22,588,803
TOTAL CONTINGENT ACCOUNTS	P	<u>827,772,808</u>	P	<u>651,554,227</u>

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

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
12 ADB Ave. Ortigas Center, Mandaluyong City

CONDENSED STATEMENT OF INCOME & EXPENSES
(Amounts in Thousands of Pesos Except Per Share Data)

	For the six-month Period ended <u>June 30,2009</u>	For the six-month Period ended <u>June 30,2008</u>	For the Quarter ending <u>June 30,2009</u>	For the Quarter ending <u>June 30,2008</u>
INTEREST INCOME ON				
Loans and Receivables	P 16,699,333	P 12,236,785	P 8,104,381	P 6,278,730
Investment Securities	5,581,584	5,454,824	2,778,701	2,754,969
Due from Other Banks	1,345,766	1,051,838	620,288	515,927
Others	<u>670,861</u>	<u>355,708</u>	<u>376,253</u>	<u>141,845</u>
Total Interest Income	<u>24,297,544</u>	<u>19,099,155</u>	<u>11,879,623</u>	<u>9,691,471</u>
INTEREST EXPENSE ON				
Deposit liabilities	8,127,939	5,955,692	3,614,500	3,001,248
Bills Payable and Others	<u>1,837,847</u>	<u>2,246,180</u>	<u>904,254</u>	<u>1,207,271</u>
Total Interest Expense	<u>9,965,786</u>	<u>8,201,872</u>	<u>4,518,754</u>	<u>4,208,519</u>
NET INTEREST INCOME	14,331,758	10,897,283	7,360,869	5,482,952
IMPAIRMENT LOSSES	<u>2,534,311</u>	<u>1,548,027</u>	<u>1,515,875</u>	<u>678,450</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>11,797,447</u>	<u>9,349,256</u>	<u>5,844,994</u>	<u>4,804,502</u>
OTHER INCOME				
Service Charges, Fees and Commissions	3,878,038	3,527,833	1,974,636	1,753,034
Trading Gain – net	1,056,052	-864,182	676,277	-624,980
Trust Fees	580,974	478,514	301,922	216,194
Foreign Exchange Gain/(Loss) – net	856,428	2,177,244	265,419	1,188,713
Miscellaneous – net	<u>662,187</u>	<u>1,704,492</u>	<u>301,885</u>	<u>735,861</u>
Total Other Income	<u>7,033,679</u>	<u>7,023,901</u>	<u>3,520,139</u>	<u>3,268,822</u>
OTHER EXPENSES				
Employee Benefits	5,636,538	4,687,697	3,307,491	2,727,434
Occupancy	2,141,040	1,635,367	1,080,352	830,040
Taxes and licenses	1,336,317	1,212,861	610,859	672,483
Security, Clerical, Messengerial and Janitorial	884,460	719,034	425,300	379,025
Insurance	683,763	494,382	318,957	249,335
Advertising	517,652	367,925	290,322	179,055
Litigation/Assets Acquired	270,446	236,968	145,095	117,665
Miscellaneous	<u>4,376,475</u>	<u>3,722,785</u>	<u>1,629,383</u>	<u>1,621,787</u>
Total Other Expenses	<u>15,846,691</u>	<u>13,077,019</u>	<u>7,807,759</u>	<u>6,776,824</u>
INCOME BEFORE TAX	2,984,435	3,296,138	1,557,374	1,296,500
TAX EXPENSE (INCOME)	828,050	890,315	423,683	247,504
NET INCOME AFTER TAX	<u>P 2,156,385</u>	<u>P 2,405,823</u>	<u>P 1,133,691</u>	<u>P 1,048,996</u>
ATTRIBUTABLE TO:				
Equitable holders of the parent	P 2,132,679	P 2,380,081	P 1,123,501	P 1,034,633
Minority Interest	<u>23,706</u>	<u>25,742</u>	<u>10,190</u>	<u>14,363</u>
	<u>P 2,156,385</u>	<u>P 2,405,823</u>	<u>P 1,133,691</u>	<u>P 1,048,996</u>
AVERAGE COMMON STOCK	2,302,032	2,302,032	2,302,032	2,302,032
INCOME PER SHARE (See annex A)				
Basic	0.86	1.03	0.45	0.45
Diluted	0.80	1.03	0.42	0.45

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

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2009 AND 2008
(Amounts in Thousands of Pesos)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	P 2,984,435	P 3,296,138
Adjustments for:		
Interest income	-22,951,778	-18,047,316
Interest expense	9,965,786	8,201,873
Provision for impairment losses	2,534,311	1,548,027
Depreciation and amortization	1,882,324	1,382,571
Fair value loss (gain)	237,066	-1,755,546
Amortization of deferred charges	113	96
Operating loss before changes in operating resources and liabilities	-5,347,743	-5,374,157
Decrease (increase) in financial assets at fair value through profit or loss	-391,663	8,344,368
Increase in loans and other receivables	849,474	-37,300,667
Increase in investment properties	201,223	1,100,161
Decrease (increase) in other resources	693,963	974,814
Increase (decrease) in deposit liabilities	-9,304,713	54,877,175
Increase in other liabilities	2,141,764	238,571
Cash generated from (used in) operations	-11,157,695	22,860,265
Interest received	23,690,439	18,405,548
Interest paid	-8,506,128	-7,384,689
Cash paid for income tax	-885,665	-917,840
Net Cash From (Used in) Operating Activities	3,140,951	32,963,284
CASH FLOWS FROM INVESTING ACTIVITIES		
Net acquisitions of bank premises, furniture, fixtures and equipment	-1,812,958	-2,276,091
Net decrease (increase) in equity investment	224	-5,805
Net decrease (increase) in held-to-maturity investments	6,746,895	561,073
Increase in available-for-sale financial assets	-6,170,083	-23,216,642
Dividends received		
Trust account deposit under escrow		
Net Cash From (Used in) Investing Activities	-1,235,922	-24,937,465
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares		
Net proceeds from (payments of) bills payable	-10,036,582	7,489,872
Sale (acquisition) of treasury stock		
Dividends paid		
Net Cash From (Used in) Financing Activities	-10,036,582	7,489,872
NET INCREASE IN CASH AND CASH EQUIVALENTS (Carried Forward)	-8,131,553	15,515,691
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	21,770,401	18,387,847
Due from Bangko Sentral ng Pilipinas	62,668,428	49,461,276
Due from other banks	17,101,434	20,689,635
	101,540,263	88,538,758
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	16,993,872	13,990,775
Due from Bangko Sentral ng Pilipinas	64,301,370	76,975,529
Due from other banks	12,113,468	13,088,145
	93,408,710	104,054,449

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
12 ADB Ave. Ortigas Center, Mandaluyong City

STATEMENT OF CHANGES IN EQUITY
COMPARATIVE PERIODS ENDED June 30, 2009 AND 2008
(Amounts in Thousands of Pesos)

	<u>June 30,2009</u>	<u>June 30,2008</u>
CAPITAL STOCK		
Balance End of Qtr. June	P <u>28,020,327</u>	P <u>23,020,327</u>
COMMON STOCK OPTION		
Beginning Balance	P 76,280	P 76,280
Contribution to the BDO employees stock grant/option	P <u>-69,445</u>	
Balance End of Qtr. June	P <u>6,835</u>	P <u>76,280</u>
Treasury Shares – At Cost		
Balance End of Qtr. June	P <u>0</u>	P <u>0</u>
ADDITIONAL PAID IN CAPITAL		
Balance beginning	P 15,936,419	P 15,936,419
Auditor's Adjusting Entries	P <u>-19,258</u>	P <u>-19,258</u>
Balance End of Qtr. June	P <u>15,917,161</u>	P <u>15,917,161</u>
SURPLUS RESERVES		
Balance beginning	P 1,329,476	P 1,051,041
Transfer from Surplus Free	100,000	24,000
Auditor's Adjusting Entries	3,140	-140,216
Balance End of Qtr. June	P <u>1,432,616</u>	P <u>934,825</u>
SURPLUS FREE		
Balance beginning	P 13,892,906	P 15,600,437
Net Income	2,156,385	2,405,823
Transfer to Surplus Reserves	-100,000	-24,000
Declaration of Cash Dividends	5,000	-1,841,626
Auditor's Adjusting Entries	19,989	319,518
Balance End of Qtr. June	P <u>15,974,280</u>	P <u>16,460,152</u>
FAIR VALUE GAIN/(LOSS) ON AVAILABLE-FOR-SALE SECURITIES		
Balance End of Qtr. June	P <u>-1,916,650</u>	P <u>-3,884,970</u>
ACCUMULATED TRANSLATION ADJUSTMENT		
Balance End of Qtr. June	P <u>-4,118</u>	P <u>-4,999</u>
APPRAISAL INCREMENT RESERVES		
Balance End of Qtr. June	P <u>1,305,068</u>	P <u>1,363,072</u>
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		
	P <u>60,735,519</u>	P <u>53,881,848</u>
MINORITY INTEREST		
	P <u>719,979</u>	P <u>665,331</u>
TOTAL EQUITY		
	P <u><u>61,455,498</u></u>	P <u><u>54,547,179</u></u>

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
12 ABD Ave. Ortigas Center, Mandaluyong City

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of June 30, 2009
(Amounts in Thousands of Pesos)

TYPE OF ACCOUNTS	CURRENT	61 – 180 DAYS	181 - 360 DAYS	OVER 360 DAYS	ITEMS IN LITIGATION	TOTAL
A. INTERBANK CALL LOANS RECEIVABLES	P 36,650,958	P 0	P 0	P 0	P 0	P 36,650,958
Interbank Call Loan Receivable-Local Banks	1,716,685					1,716,685
Interbank Call Loan Receivable-Fx. Regular	932,016					932,016
Interbank Call Loan Receivable Fcdu(Fx Banks-Abroad)	34,002,257					34,002,257
B. LOANS AND RECEIVABLES	P 440,006,836	P 4,424,037	P 2,183,738	P 13,766,980	P 3,158,651	P 463,540,242
Loans & Discounts	305,290,756	2,302,005	1,190,167	4,133,399	2,846,448	315,762,775
Agra-Agri Loans	36,468,730	348,422	12,538	1,097,462	83,156	38,010,308
Development Incentive Loans	354,051	6,335	2,944	13,923	17,062	394,315
Bills Purchases	11,643,400			30,278	1,817	11,675,495
Customers Liability on draft under LC/TR	22,131,338	191,005	122,051	2,842,757	154,117	25,441,268
Customers Liability for this bank's acceptances	1,371,953					1,371,953
Credit Card Receivables	13,464,569	1,148,430	823,896	2,042,705		17,479,600
Restructured Loans	715,817	427,840	32,142	3,606,456	56,051	4,838,306
Other Loan & Receivables	5,893,980					5,893,980
Reverse Repurchase Agreement	26,770,528					26,770,528
Unquoted Debt Securities Classified as Loans	15,901,714					15,901,714
C. ACCOUNTS RECEIVABLE	P 1,754,449	P 683,941	P 1,452,299	P 2,165,476	P	P 6,056,165
TOTAL	P 478,412,243	P 5,107,978	P 3,636,037	P 15,932,456	P 3,158,651	P 506,247,365

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
12 ABD Ave. Ortigas Center, Mandaluyong City

COMPUTATION OF WEIGHTED NUMBER OF COMMON SHARES
(Amounts in Thousands of Pesos Except Per Share Data)

NO. OF SHARES – COMMON As of June	Balance of Common Shares	Average Number of Common Shares
January 2008	2,302,032	
February 2008	2,302,032	
March 2008	2,302,032	
April 2008	2,302,032	
May 2008	2,302,032	
June 2008	2,302,032	2,302,032
Weighted Average		<u>2,302,032</u>
Basic Earnings per share		
Consolidated Net Income		2,380,081
Divided by the weighted average number of outstanding common shares		<u>2,302,032</u>
Basic Earnings per share		<u>1.03</u>
Diluted Earnings Per Share		<u>1.03</u>
January 2009	2,302,032	
February 2009	2,302,032	
March 2009	2,302,032	
April 2009	2,302,032	
May 2009	2,302,032	
June 2009	2,302,032	2,302,032
Weighted Average		<u>2,302,032</u>
Basic Earnings per share		
Consolidated Net Income for the six-months period ending June 2009		2,132,679
Dividends in Arrears		<u>-163,403</u>
Total Basic Net Income		1,969,276
Divided by the weighted average number of outstanding common shares		<u>2,302,032</u>
Basic Earnings per share		<u>0.86</u>
Diluted Earnings Per Share		
Consolidated Net Income for the six-months period ending June 2009		2,132,679
Total Consolidated net income for DEPS computation		2,132,679
Weighted Average number of outstanding common shares	2,302,032	2,302,032
Potential common shares from assumed conversion of preferred shares		375,000
Add: Amount of Grant	52,200	
Stock Grant		
Average amount of grant	<u>26,100</u>	
Average market price of BDO Shares (P55.50/2)	27.75	941
Stock Options		
Stock Grant	940.54	
	X 10	9,405
Total number of share to be issued		<u>10,346</u>
Treasury Shares (9,405x29/27.75)	9,829	<u>-9,829</u>
Potential Common Shares from assumed conversion of stock option plan		<u>517</u>
Total weighted average Common Shares after conversion		<u>2,677,549</u>
Diluted Earnings Per Share		<u>0.80</u>

CHECKLIST OF REQUIRED DISCLOSURES

BANCO DE ORO UNIBANK, INC.

For the six months ended: June 30, 2009

FINANCIAL INFORMATION

6. Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles.

The Bank's interim financial statements are in compliance with Philippine Financial Reporting Standards except for the reclassification of certain financial assets, which was done in accordance with the guidelines set in Bangko Sentral ng Pilipinas' (BSP) Circular No. 626, Series of 2008. The full details of the reclassification are discussed in Section 4 of this report.

- 7.a A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change.

The Bank used the same accounting policies and methods of computation for the interim and latest annual financial statements.

- 7.b Explanatory comments about the seasonality or cyclicity of interim operations.

Remarks: There is no seasonality or cyclicity in the Bank's operations.

- 7.c The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

Remarks: NONE

- 7.d The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period.

Remarks: NONE

- 7.e Issuances, repurchases, and repayments of debt and equity securities.

On March 20, 2009, the Bank issued P3.0B unsecured subordinated notes eligible as Lower Tier 2 Capital. This issue was part of a capital program to support the Bank's business expansion.

- 7.f Dividends paid (aggregate or per share) separately for ordinary shares and other shares

On May 23, 2009, the Bank's Board of Directors declared a cash dividend of P0.28 per common share. Record and payment dates were set on August 11, 2009 and August 28, 2009, respectively.



- 7.g Segment revenue and segment result for business segments or geographical segments whichever is the issuer's primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements).

The Bank's comparative revenues and expenses by business segment are included as an attachment to this report.

- 7.h Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

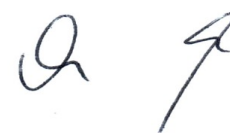
In May 2009, the Bank entered into an agreement with GE Capital for the transfer of GE Money Bank in the Philippines into BDO. The transaction is subject to closing conditions and is expected to be completed within the third quarter of 2009.

- 7.i The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

Remarks: NONE

- 7.j Changes in contingent liabilities or contingent assets from December 31,2008.

- Total Contingent Accounts grew 27% to P827.773B owing to the following:
 - Trust Department Accounts rose by 23% to P414.990B on an expanded portfolio of funds managed coming from new as well as existing accounts.
 - Unused L/Cs and Outstanding Guarantees Issued increased 35% and 39% to P24.226B and P1.005B, respectively, primarily from larger volume of trade transactions.
 - Owing to increased treasury activities:
 - Spot Exchange Bought went up 40% to P9.325B
 - Spot Exchange Sold climbed 183% to P9.398B
 - Forward Exchange Bought rose 68% to P113.366B
 - Forward Exchange Sold grew 51% to P138.428B
 - Committed Credit Card Lines increased 5% to P58.725B from an expansion of the Bank's credit cardholder customer base.
- Export L/Cs Confirmed fell 96% to P2M on account of reduced volume of unutilized balances of export L/Cs as of the cut-off date.
- Bills for Collection and Late Deposit / Payments declined by 60% and 75% to P4.299B and P1.360B, respectively, as year-end levels were unusually high from transactions during the holiday season.



MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – June 2009 vs. December 2008

- Cash and Other Cash Items decreased by 22% to P16.994B as the Bank maximized earnings on reserve assets. Year-end 2008 level was also particularly high owing to cash deposits by clients, from sales generated during the Christmas season.
- Due from Other Banks dropped by 29% to P12.113B owing to lower levels of placements and working balances with correspondent banks.
- Investment Securities slightly increased by 4% to P162.800B due to a 26% increase in Available-for-Sale Securities (AFS).
- Net Loans and Other Receivables slid slightly by 2% to P481.710B as Securities Purchased Under Reverse Repurchase Agreements (SPURRA) and Unquoted Debt Securities Classified as Loans (UDSCL) dropped 56% and 23%, respectively. On the other hand, gross customer receivables grew 6% on sustained loan demand.
- Investment Properties went down 5% to P14.521B from the continued ROPA disposal programs of the Bank.
- Deposit Liabilities slightly declined by 2% to P627.071B on account mainly of a reduction Time Deposits. This was as a result of the increase in low cost deposits. Savings Deposits, in particular, grew 12% due to effective deposit marketing efforts.
- Bills Payable slid 16% to P43.236B due to maturities of short-term borrowings.
- Subordinated Notes Payable increased 15% to P23.161B after the Bank issued P3.0 billion unsecured subordinated notes in March 2009.
- Total Equity went up 6% to P60.736B primarily from net profit for the first half operations.

II. Balance Sheet – June 2009 vs. June 2008

- Total Resources expanded 17% to P789.985B owing to expansion in customer loans funded by the growth in deposits.
- Cash and Other Cash Items and increased 21% following the growth in deposit levels.
- Due from BSP went down by 16% to P64.301B as the Bank reallocated excess liquidity to higher-yielding earning assets.
- Due from Other Banks declined 7%, as a result of lower levels of placements and deposits with correspondent banks.
- Investment Securities decreased by 9% due to reclassification of portions of Financial Assets at Fair Value Through Profit and Loss (FVPL) and AFS to Held-to-Maturity Securities (HTM) and UDSCL. The full details of the reclassification are discussed in Section 4 of this report.
- Net Loans and Other Receivables surged 41% as gross customer receivables climbed 28% due to sustained demand from both corporate and consumer segments. Interbank Loans and SPURRA likewise expanded by 57% and 258%, respectively.
- Bank Premises rose 18% to P15.119B owing to head office renovations and capital expenditures to support business expansion and redeployment of branch licenses.
- Investment Properties dropped 11% to P14.521B from effective ROPA disposal programs of the Bank.
- Deferred Tax Assets went up 8% to P5.849B attributable to the allowance for impairment losses booked by the Bank.
- Other Resources were reduced by 5% to P14.880B primarily due to dispositions of integration-related inter-office accounts.



- Deposit Liabilities expanded 26% owing to the Bank's aggressive deposit marketing efforts. Demand, Savings and Time Deposits grew by 34%, 5% and 54%, respectively.
- Bills Payable dropped 30% due to the maturity of the Bank's Senior Notes in October 2008 as well as a reduction in short-term borrowings as deposit growth provided for the Bank's funding requirement.
- Subordinated Notes Payable went up by 15% from the issuance of unsecured subordinated notes in March 2009 and the refinancing of a \$200M Lower Tier 2 issue with a P10.0B subordinated notes issuance in November 2008.
- Other Liabilities declined 14% primarily owing to lower domestic bills purchased level.
- Total Equity increased by 13% on account of profitable operations as well as the issuance of P5.0B Preferred Shares in September 2008.

III. Income Statement – June 2009 vs. June 2008

- Net Income attributable to Equity holders of the Parent Company for the first half of 2009 went down 10% to P2.133B, primarily due to one-time gains in the previous year. However, this represents a 62% improvement over the recurring income the Bank recorded for the same period last year.
- Net Interest Income surged 32% to P14.332B, on account of better spreads resulting from balance sheet expansion as well as an improvement in the Bank's funding mix.
- Provision for Impairment Loss was 64% higher at P2.534B following a more conservative approach on asset impairment provisioning.
- Other income was steadfast at P7.034B resulting from the following:
 - Trading Gain stood at P1.056B for the first half of the year compared to a trading loss of P864M for the same period last year as prices of securities recovered.
 - Service Charges and Fees increased 10% to P3.878B due to higher business volume from the Bank's major business lines.
 - Trust Fees also rose by 21% to P581M due to higher levels of funds managed.
 - Foreign Exchange Gain, on the other hand, declined 61% to P856M owing to reduced volume and more competitive spreads of foreign exchange transactions.
 - Miscellaneous Income likewise dropped 61% as the previous year's level included one-time gains.
- Operating Expenses went up by 21% to P15.847B due to the following:
 - Employee Benefits grew 20% owing to a higher manpower count to support business expansion.
 - Occupancy expenses increased 31% due to higher depreciation from head office renovations, branch conversions and other integration-related expenditures.
 - Taxes and Licenses rose by 10% owing to higher gross income resulting from growth in business volumes.
 - Insurance expenses surged 38% on account of deposit expansion.
 - Advertising expenses went up by 41% from continued marketing and advertising campaigns.
 - Litigation/Assets Acquired expenses grew 14% due to ROPA-related maintenance and disposal expenditures.
 - Security, Clerical, Messengerial & Janitorial as well as Miscellaneous expenses increased by 23% and 18%, respectively, owing to business volume expansion.
- Tax Expense declined 7% from a lower level of corresponding taxable income.

1. Discussion of the company's and its majority-owned subsidiaries' top five (5) key performance indicators. It shall include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.

	2Q2009	2Q2008	Inc/(Dec)
1.) Return on Average Equity (Annualized)			
Net Income / Average Total Capital Account			
2,132,679 / 59,614,859	7.15%		
2,380,081 / 57,437,619		8.29%	(1.14%)
2.) Return on Average Assets (Annualized)			
Net Income / Average Total Assets			
2,132,679 / 796,008,692	0.54%		
2,380,081 / 646,936,918		0.74%	(0.20%)
3.) Net Interest Margin (Annualized)			
Net Interest Income / Average Earning Assets			
14,331,758 / 711,957,279	4.03%		
10,897,282 / 567,511,980		3.84%	0.19%
4.) Capital Adequacy Ratio (covering credit, market and operations risk)			
Total Qualifying Capital / Total Risk Weighted Assets			
79,395,145 / 622,177,218	12.76%		
67,764,515 / 512,699,473		13.22%	(0.46%)
5.) Basic Earnings per Share			
Net Income Available to Common Shareholders / Average Common Stock			
1,969,276 / 2,302,032	0.86		
2,380,081 / 2,302,032		1.03	(0.17)

2.
 - 1.) Annualized return on average equity (ROE) went down by 1.14% from a lower net income.
 - 2.) Annualized return on average assets (ROA) declined by 0.20% as a result of lower bottomline profits and a larger asset base.
 - 3.) Annualized Net Interest Margin increased by 0.19% on account of better spreads coming from strong loan growth and an improvement in funding mix.
 - 4.) Capital Adequacy Ratio (CAR), covering credit market and operations risk, dropped 0.46% as the expansion in risk-weighted assets outpaced the growth in qualifying capital.
 - 5.) Basic Earnings per Share went down by P0.17 to due to the lower net income available to common shareholders.

3.a Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

Remarks: NONE

3.b Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Remarks: NONE

3.c Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Remarks: NONE

3.d Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

Remarks: NONE

3.e Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

Remarks: NONE

3.f Any significant elements of income or loss that did not arise from the issuer's continuing operations.

Remarks: NONE

3.g The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item;

The term "material" in this section shall refer to changes of items amounting to five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.

Vertical Analysis-Material Changes

I. Balance Sheet – June 2009 vs. December 2008

- Savings Deposits to Total Deposits increased to 46.9% from 41.3% owing to an improvement in deposit mix. Conversely, Time Deposits dropped to 47.9% from 53.0% of Total Deposits.

II. Balance Sheet – June 2009 vs. June 2008

- AFS as a percentage of Total Assets declined to 5.6% from 14.0% resulting from the reclassification of securities discussed in Section 4 of this report.



- Net Loans and Other Receivables grew to 61.0% from 50.4% of Total Assets due to expansion in customer loans as well as an increase in Interbank Loans and SPURRA.
- Savings Deposits dropped from 56.0% to 46.9% of Total Deposits as funds shifted to Time Deposits, which increased from 39.1% to 47.9% of Total Deposits.

III. Income Statement – June 2009 vs. June 2008

- Interest Income on Investment Securities, went down to 23.0% from 28.6% of Total Interest Income on a smaller portfolio of investment securities.
- Interest Expense on Deposit Liabilities as a percentage of Total Interest Expense rose by 8.9% to 81.6% of Total Interest Expense owing to expansion in deposit levels. Conversely, Interest Expense on Bills Payable went down to 18.4% of Total Interest Expense.
- Trading Gain registered at 15.0% of Other Income from –12.3% as unfavorable revaluation resulted in trading losses last year.
- FX Gain to Other Income dropped to 12.2% from 31.0% due to lower levels of swaps and other foreign exchange-related transactions.
- Miscellaneous Income dropped to 9.4% from 24.3% of Other Income, owing to the inclusion of one-time gains in the previous year.

3.h Any seasonal aspects that had a material effect on the financial condition or results of operations.

Remarks: NONE

4. The details of reclassification of financial assets are stated below:

a. The financial assets reclassified into and from each category

As of September 30, 2008, the Bank reclassified certain FVTPL, AFS and credit-linked transactions booked in Due from Other Banks to HTM and UDSCL.

b. For each reporting period until derecognition, the carrying amounts and fair values of all financial assets reclassified in the current reporting period and previous reporting periods.

in US\$ mil	Carrying Amount	Fair Value
HTM	609.1	604.3
UDSCL	420.8	419.5
Total	1,029.9	1,023.8

c. In the reporting period to which financial assets are reclassified, the fair value of the gains or losses of those assets as recognized either in profit or loss, or in equity (other comprehensive income) in that reporting period and previous reporting periods.

in US\$ mil	P&L Impact	Equity Impact
HTM	2.1	17.2
UDSCL	11.6	27.5
Adjustment of BV	(3.1)	(18.0)
Total	10.6	26.7

- d. For the remainder of the instruments' lives, the gains or losses that would have been recognized in profit or loss, or equity had they not been reclassified, together with the gains, losses, income and expenses now recognized.

<u>in US\$ mil</u>	<u>Impact</u>
HTM	38.3
UDSCL	6.8
<u>Total</u>	<u>45.1</u>

- e. As at that date of reclassification, the effective interest rates and estimated amounts of cash flows the company expects to recover.

The effective interest rates of the reclassified securities range from 3.82% to 12.54%. The Bank expects cashflows amounting to US\$1.5 billion from these financial assets.



Banco De Oro Unibank, Inc.
Balances by Segment
(in Php '000)

	Commercial Banking	Investment Banking	Private Banking	Others	Eliminations	Group
June 30, 2009						
Interest Income	22,512,429	21,849	817,757	989,048	(43,539)	24,297,544
Interest Expense	9,374,458	675	515,646	118,546	(43,539)	9,965,786
Net Interest Income	13,137,971	21,174	302,111	870,502	-	14,331,758
Other Income	6,079,711	184,666	291,553	512,420	(34,671)	7,033,679
Gross Income	19,217,682	205,840	593,664	1,382,922	(34,671)	21,365,437
Operating Expenses	14,412,413	98,808	321,238	1,048,949	(34,717)	15,846,691
Operating Income	4,805,269	107,032	272,426	333,973	46	5,518,746

Total Resources	754,904,764	2,015,825	30,069,628	17,839,567	(14,844,475)	789,985,309
Total Liabilities	699,265,804	169,675	26,367,396	11,320,298	(8,593,362)	728,529,811

June 30, 2008

Interest Income	17,827,504	18,937	708,814	571,573	(27,674)	19,099,154
Interest Expense	7,579,271	1,032	510,535	138,708	(27,674)	8,201,872
Net Interest Income	10,248,233	17,905	198,279	432,865	-	10,897,282
Other Income	6,496,429	46,000	(7,154)	614,738	(126,112)	7,023,901
Gross Income	16,744,662	63,905	191,125	1,047,603	(126,112)	17,921,183
Operating Expenses	12,279,502	73,433	207,007	565,707	(48,630)	13,077,019
Operating Income	4,465,160	(9,528)	(15,882)	481,896	(77,482)	4,844,164

Total Resources	642,969,925	2,091,034	28,478,670	17,075,896	(13,950,595)	676,664,930
Total Liabilities	593,023,431	746,388	25,215,532	10,947,800	(7,815,400)	622,117,751

Q *↑*