



Via ODiSy

16 June 2011

**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

Dear Ladies:

Banco De Oro Unibank, Inc. will release to the press the attached statement on its results of operations for the first half of 2011.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Elmer B. Serrano'.

**ELMER B. SERRANO**  
Corporate Information Officer



**1 August 2011**

## **BDO 1H 2011 earnings up 20% to P5.0 billion**

Banco De Oro Unibank, Inc. (BDO) sustained its growth momentum by registering an unaudited net income of P5.0 billion in the first half of 2011. This represents a 20 percent growth over the P4.2 billion earned in the same period last year.

The Bank continued to leverage on its strong business franchise to post above-industry growth and create a more diversified and sustainable revenue stream. BDO also continued to enhance its operating efficiency and strengthen its balance sheet. These resulted in improved shareholder returns and set the foundation for sustainable growth going forward.

Net interest income increased to P17.1 billion, driven by the faster-than-industry loan growth and an improved funding mix. Gross customer loans expanded by 24 percent to P610.1 billion, with growth experienced in all customer segments. Total deposits grew 16 percent to P802.5 billion, supported by low-cost deposits generated from an extended branch network.

Non-interest income rose 22 percent to P10.4 billion due to the healthy growth in fee-based service income and favorable treasury gains. Service charges and trust fees combined were up 14 percent to P5.9 billion on increased volume from the asset and wealth management, payments and electronic banking, insurance and capital markets businesses. Trading and foreign exchange gains also grew 38 percent to P3.6 billion despite challenging market conditions.

Operating expenses increased moderately by 6 percent to P18 billion with ongoing initiatives to enhance operational efficiency.

Gross non-performing loan (NPL) ratio declined further to 4 percent from the prior quarter's 4.7 percent, even as NPL coverage ratio inched up to 104 percent from 100 percent in the prior quarter. Despite better asset quality, the Bank continued to be conservative by hiking provisions 9 percent to P3.5 billion as part of its cyclical provisioning, to serve as buffer during the next economic downturn.



Annualized Return on average Common Equity reached 11.6 percent in the first half of 2011, while Capital Adequacy Ratio (CAR) rose to 14.8 percent following a successful P8.5 billion Tier 2 issue in June and increased profits.

With the interim results, BDO is in line to meet its full-year 2011 guidance of P10.5 billion.

### **About BDO**

BDO is a full-service universal bank that provides a complete array of industry-leading products and services to the retail and corporate markets including Lending (corporate, middle market, SME, and consumer), Deposit-taking, Foreign Exchange, Brokering, Trust and Investments, Credit Cards, Corporate Cash Management, and Remittances. Through its subsidiaries, the Bank offers Leasing and Financing, Investment Banking, Private Banking, Bancassurance, Insurance Brokerage, and Stock Brokerage services.

BDO has one of the largest distribution networks, with over 730 operating branches and more than 1,400 ATMs, nationwide. As of 31 March 2011, BDO maintained its position as the country's largest bank in terms of total resources, customer loans and total deposits, and had the second largest assets under management, based on published statements of condition. For more information, please visit [www.bdo.com.ph](http://www.bdo.com.ph).