



Via ODiSy

03 December 2008

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Re: *Revised* SEC Form 17-Q for
Quarter ended 30 September 2008

Gentlemen:

We submit with this letter a *revised* SEC Form No. 17-Q for the quarter ended 30 September 2008 (the "*revised* SEC Form No. 17-Q") of Banco De Oro Unibank, Inc. (BDO), duly filed with the Securities & Exchange Commission (SEC).

BDO filed this *revised* SEC Form No. 17-Q to comply with reclassification requirements of the SEC as provided in SEC Memorandum Circular No. 10, Series of 2008.

Specifically, as to the Balance Sheet, changes were introduced to the following accounts: (a) Due from Other Banks (reduced by Php706M due to a required reclassification of credit-linked transactions to "Unquoted Debt Securities") and on (b) the three categories of Investment Securities (increase of Php1.93B due to reclassification). On the Liabilities side, changes were made in the accounts: (a) Other Liabilities (a reduction of Php528M due to a change in value) and (b) Total Equity attributable to shareholders (increase of Php1.75B).



As to the Income Statement, adjustments were made on Interest Income on Investment Securities. Consequently, "Net Interest Income" and "Other Income", specifically Trading Gain net changed. Due to these changes, Net Income attributable to shareholders increased by Php500M from Php1.06B to Php1.56B.

For additional information regarding the revisions made, the Exchange and the investing public is encouraged to please refer to pages 12 to 18, inclusive, of the attached *revised* SEC Form No. 17-Q, which set forth the Checklist of Required Disclosure and the Management Discussion & Analysis.

These particular revisions of certain accounts are in accordance with the reclassifications prescribed by the SEC after BDO filed its original SEC Form No. 17-Q for the quarter ended 30 September 2008.

We trust you will find the attached in order.

Thank you.

Very truly yours,

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

ELMER B. SERRANO
Corporate Information Officer



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

SECRETARY'S CERTIFICATE

I, **MARIO D. RABANAL**, being the Assistant Corporate Secretary of **Banco De Oro Unibank, Inc.**, a universal bank organized and existing under and in accordance with the laws of the Republic of the Philippines, with principal office at 12 ADB Avenue, Ortigas Center, Mandaluyong City, do hereby certify that:

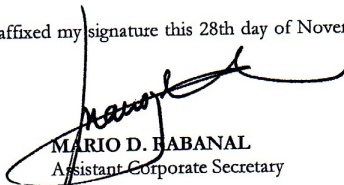
1. In my capacity as Assistant Corporate Secretary of Banco De Oro Unibank, Inc. ("BDO Unibank"), I have custody of the minutes book and the records of BDO Unibank which include the minutes of the meetings of the Board Audit Committee and the Board of Directors;
2. The Board Audit Committee is a committee created by the Board of Directors of BDO Unibank, all of the members of which are also members of the Board of Directors;
3. During a duly convened meeting of the Committee held on November 19, 2008, where a quorum was existing and acted throughout, the following resolution was unanimously passed and approved:

"RESOLVED, That the Board Audit Committee of Banco De Oro Unibank, Inc. (BDO Unibank) ratify, as it hereby ratifies, the approvals made by the Executive Committee on October 29, 2008 on the following reclassification of securities pursuant to Philippine Accounting Standard 39 – Financial Instruments: Recognition and Measurement and Philippine Financial Reporting Standard 7 – Financial Instruments: Disclosures:

- (a) Held for Trading (HFT) and Assets for Sale (AFS) securities reclassified to Hold to Maturity (HTM) in the total amount of U\$486.515 Million (notional) with August 7, 2008 as reference date, copy of which is attached to the Minutes as Annex "G"; and
- (b) Structured Products totaling U\$335 Million previously booked under AFS and reclassified to Unquoted Debt Securities Classified as Loans (UDSCL) with August 7, 2008 as reference date, copy of which is attached to the Minutes as Annex "G-1."

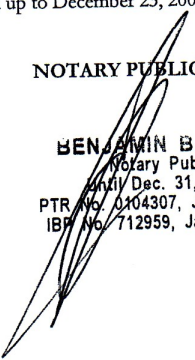
4. I am executing this certificate for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 28th day of November, 2008 at Makati City, Philippines.


MARIO D. RABANAL
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 28th day of November, 2008, at Makati City, Philippines, affiant exhibited to me his Social Security System No. 03-2394980-6 and Driver's License No. N06-68-026627 renewed on December 23, 2005 and valid up to December 23, 2008.

NOTARY PUBLIC


BENJAMIN B. MATA
Notary Public
Expiry Dec. 31, 2008
PTR No. 0104307, Jan. 2, 2008
IBP No. 712959, Jan. 3, 2008

Doc. No. 236
Page No. 49
Book No. XXXII
Series of 2008.

Banco De Oro
12 ADB Avenue, Ortigas Center
Mandaluyong City 1550, Metro Manila, Philippines
P.O. Box 132-80 Ortigas Post Office
Swift Code: BNORPHMM
Tel +63(2) 702 6000

www.bdo.com.ph

We find ways

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 9
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

14,276
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 September 30, 2008.
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

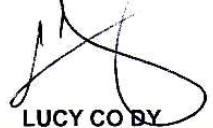
12. Indicate by check mark whether the registrant:
a. has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA 11 (a)-1 thereunder, and Section 26 and 141 of the Corporations Code of the Philippines, during the preceding twelve (12) 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
a/ **EVP/COMPTRROLLER**
me

Date..... **December 02, 2008**

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

Signature and Title..... 
EVP/COMPTRROLLER

Date..... **December 02, 2008**

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.

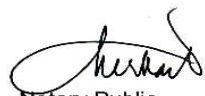

LUCY CO DY (EVP Comptroller)
Authorized Signatory
(PRINTED NAME & DESIGNATION)
me

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

SUBSCRIBED AND SWORN TO before me this DEC 02 2008 day of December,
2008, 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. 123
Page No. 26
Book No. 1
Series of 2008


Notary Public
Atty. MARIA LORETTA R. MARTIN
Notary Public until 31 December 2009
BDO Tower, Makati Ave. cor. H.V. dela Costa St., Makati City
Appointment No. M-330 / 18 April 2008 / Makati City
Roll No. 52141
PTR No. 1013370 / 17 January 2008 / Makati City
IBP No. 739964 / 18 January 2008 / Makati City

- * 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 <u>September 30, 2008</u>		Audited As of <u>Dec 31, 2007</u>
RESOURCES				
CASH AND OTHER CASH ITEMS	P	13,177,777	P	18,387,847
DUE FROM BANGKO SENTRAL NG PILIPINAS		76,325,399		49,461,276
DUE FROM OTHER BANKS		11,178,771		20,689,635
INVESTMENT SECURITIES				
At Fair Value Through Profit or Loss		13,618,488		20,951,513
Available-for-Sale – net		47,823,956		75,604,608
Held-to-Maturity – net		124,283,393		67,944,102
LOANS AND OTHER RECEIVABLES–net		405,938,690		311,674,939
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net		13,209,539		11,431,397
INVESTMENT PROPERTIES		15,833,298		18,150,715
EQUITY INVESTMENTS – net		1,710,210		1,694,721
DEFERRED TAX ASSETS		5,533,364		5,592,305
OTHER RESOURCES - net		<u>16,091,883</u>		<u>15,838,418</u>
TOTAL RESOURCES	P	<u>744,724,768</u>	P	<u>617,421,476</u>
LIABILITIES AND CAPITAL FUNDS				
DEPOSIT LIABILITIES				
Demand	P	22,933,982	P	25,164,584
Savings		275,651,929		318,669,697
Time		<u>278,474,953</u>		<u>101,562,619</u>
Total Deposit Liabilities		577,060,864		445,396,900
BILLS PAYABLE		48,393,814		52,483,249
SUBORDINATED NOTES PAYABLE		20,318,276		18,631,298
OTHER LIABILITIES		<u>41,172,404</u>		<u>40,369,401</u>
Total Liabilities		<u>686,945,358</u>		<u>556,880,848</u>
EQUITY				
Attributable to Shareholders of the Parent Company		57,115,981		59,840,386
Minority Interest		663,429		700,242
Total Equity		<u>57,779,410</u>		<u>60,540,628</u>
TOTAL LIABILITIES AND EQUITY	P	<u>744,724,768</u>	P	<u>617,421,476</u>
		0		
CONTINGENT				
Trust department accounts	P	319,600,769	P	274,108,205
Unused commercial letters of credit		19,310,101		25,253,893
Outstanding guarantees issued		4,569,036		1,409,499
Export L/Cs Confirmed		134,044		75,131
Bills for collection		10,068,120		9,064,716
Late deposits/payment received		6,059,310		1,941,799
Spot Exchange Bought		8,541,677		3,260,919
Spot Exchange Sold		5,838,360		1,864,901
Forward Exchange Bought		89,632,690		62,964,257
Forward Exchange Sold		116,956,330		90,875,358
Interest Rate Swap Receivable		15,307,301		6,207,146
Interest Rate Swap Payable		16,425,528		7,065,007
Committed Credit Card Lines		54,583,681		39,872,685
Others		<u>33,502,719</u>		<u>11,142,676</u>
TOTAL CONTINGENT ACCOUNTS	P	<u>700,529,666</u>	P	<u>535,106,192</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 nine-month Period ended Sep 30, 2008	For the nine-month Period ended Sep 30, 2007	For the Quarter ending Sep 30, 2008	For the Quarter ending Sep 30, 2007
INTEREST INCOME ON				
Loans and Receivables	P 18,991,491	P 16,391,039	P 6,845,377	P 5,745,595
Investment Securities	8,787,245	8,807,057	3,229,911	3,031,360
Due from Other Banks	1,707,181	2,096,585	655,343	715,805
Others	<u>626,776</u>	<u>998,475</u>	<u>278,260</u>	<u>72,496</u>
Total Interest Income	<u>30,112,693</u>	<u>28,293,156</u>	<u>11,008,891</u>	<u>9,565,256</u>
INTEREST EXPENSE ON				
Deposit liabilities	9,828,902	9,330,235	3,871,969	2,952,380
Bills Payable and Others	<u>3,283,950</u>	<u>2,745,045</u>	<u>1,034,364</u>	<u>967,622</u>
Total Interest Expense	<u>13,112,852</u>	<u>12,075,280</u>	<u>4,906,333</u>	<u>3,920,002</u>
NET INTEREST INCOME	16,999,841	16,217,876	6,102,558	5,645,254
IMPAIRMENT LOSSES	<u>4,276,949</u>	<u>3,557,861</u>	<u>2,728,922</u>	501,429
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>12,722,892</u>	<u>12,660,015</u>	<u>3,373,636</u>	<u>5,143,825</u>
OTHER INCOME				
Service Charges, Fees and Commissions	4,939,641	6,284,175	1,418,180	2,132,164
Trading Gain – net	-1,920,779	3,015,564	-1,049,124	419,200
Trust Fees	899,704	561,004	412,210	211,861
Foreign Exchange Gain/(Loss) – net	3,519,381	634,715	1,342,137	164,986
Miscellaneous – net	<u>2,704,404</u>	<u>2,288,386</u>	<u>995,047</u>	<u>284,257</u>
Total Other Income	<u>10,142,351</u>	<u>12,783,844</u>	<u>3,118,450</u>	<u>3,212,468</u>
OTHER EXPENSES				
Employee Benefits	6,986,253	5,741,382	2,297,874	2,044,285
Occupancy	2,455,449	2,479,090	820,082	798,778
Taxes and licenses	1,864,470	1,856,938	651,609	468,842
Security, Clerical, Messengerial and Janitorial	1,125,930	764,289	406,896	291,454
Insurance	755,185	775,379	260,803	268,699
Advertising	688,765	466,163	320,840	142,490
Litigation/Assets Acquired	362,807	431,482	125,839	131,390
Miscellaneous	<u>5,788,986</u>	<u>5,984,604</u>	<u>2,066,883</u>	<u>1,758,936</u>
Total Other Expenses	<u>20,027,845</u>	<u>18,499,327</u>	<u>6,950,826</u>	<u>5,904,874</u>
INCOME BEFORE TAX	2,837,398	6,944,532	-458,740	2,451,419
TAX EXPENSE (INCOME)	1,236,189	1,998,173	345,874	741,201
NET INCOME AFTER TAX	<u>P 1,601,209</u>	<u>P 4,946,359</u>	<u>P -804,614</u>	<u>P 1,710,218</u>
ATTRIBUTABLE TO:				
Equitable holders of the parent	P 1,560,333	P 4,876,833	P -819,748	P 1,700,800
Minority Interest	<u>40,876</u>	<u>69,526</u>	<u>15,134</u>	<u>9,418</u>
	<u>P 1,601,209</u>	<u>P 4,946,359</u>	<u>P -804,614</u>	<u>P 1,710,218</u>
AVERAGE COMMON STOCK	2,302,032	2,274,194	2,302,032	2,274,194
INCOME PER SHARE (See annex A)				
Basic	0.68	2.14	-0.35	0.74
Diluted	0.68	2.14	-0.35	0.76

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 SEPTEMBER 30, 2008 AND 2007
(Amounts in Thousands of Pesos)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	P 2,837,398	P 6,944,532
Adjustments for:		
Interest income	-28,405,512	-17,347,120
Interest expense	13,112,852	8,155,277
Provision for impairment losses	4,250,703	3,557,861
Depreciation and amortization	1,846,880	1,980,613
Fair value loss (gain)	-329,437	-149,906
Amortization of deferred charges	142	86,096
Operating loss before changes in operating resources and liabilities	-6,686,974	3,227,353
Decrease (increase) in financial assets at fair value through profit or loss	8,107,015	9,917,894
Increase in loans and other receivables	-97,594,203	-3,404,431
Increase in investment properties	1,836,469	1,372,391
Decrease (increase) in other resources	5,413,027	2,122,414
Increase (decrease) in deposit liabilities	133,486,530	-26,285,133
Increase in other liabilities	-2,954,794	4,845,490
Cash generated from (used in) operations	41,607,070	-8,204,022
Interest received	18,553,561	28,360,074
Interest paid	-11,651,468	-11,442,938
Cash paid for income tax	-1,171,049	-3,766,429
Net Cash From (Used in) Operating Activities	47,338,114	4,946,685
CASH FLOWS FROM INVESTING ACTIVITIES		
Net acquisitions of bank premises, furniture, fixtures and equipment	-3,144,074	-1,664,892
Net decrease (increase) in equity investment	-15,489	-5,406
Net decrease (increase) in held-to-maturity investments	23,878,214	19,490,445
Increase in available-for-sale financial assets	-50,236,574	-13,909,157
Dividends received		
Trust account deposit under escrow		
Net Cash From (Used in) Investing Activities	-29,517,923	3,910,990
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	0	0
Net proceeds from (payments of) bills payable	-5,677,002	-1,324,873
Sale (acquisition) of treasury stock	0	1,428,265
Dividends paid	0	0
Net Cash From (Used in) Financing Activities	-5,677,002	103,392
NET INCREASE IN CASH AND CASH EQUIVALENTS (Carried Forward)	12,143,189	8,961,067
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	18,387,847	17,905,035
Due from Bangko Sentral ng Pilipinas	49,461,276	42,236,370
Due from other banks	20,689,635	12,834,782
	88,538,758	72,976,187
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	13,177,777	11,378,118
Due from Bangko Sentral ng Pilipinas	76,325,399	60,575,425
Due from other banks	11,178,771	9,983,711
	100,681,947	81,937,254

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

STATEMENT OF CHANGES IN EQUITY
COMPARATIVE PERIODS ENDED September 30, 2008 AND 2007
(Amounts in Thousands of Pesos)

		<u>Sep 30, 2008</u>	<u>Sep 30, 2007</u>
CAPITAL STOCK			
Balance Beginning	P	23,020,328	P 22,706,293
Issuance of Preferred Shares (500M @ P10)		5,000,000	
Issuance of Common Shares			314,035
Balance End of Qtr. September	P	<u>28,020,328</u>	<u>23,020,328</u>
COMMON STOCK OPTION			
Balance end of Qtr. September	P	<u>76,280</u>	P <u>28,914</u>
Treasury Shares – At Cost			
Balance end of Qtr. September	P	<u>0</u>	P <u>0</u>
ADDITIONAL PAID IN CAPITAL			
Balance beginning	P	15,936,419	P 15,694,692
Additional Paid in Capital on Common Stock issued during the year			-57,010
Merger of EDCI and PCI Automation		2,800	
Merger of BDOI and EIBI		74,956	
Auditor's adjusting entries		-126,133	-713,118
Balance end of Qtr. September	P	<u>15,888,042</u>	P <u>14,924,564</u>
SURPLUS RESERVES			
Balance beginning	P	1,051,041	P 830,119
Auditor's adjusting entries		-24,924	104,753
Transfer from Surplus Free		32,000	36,000
Balance end of Qtr. September	P	<u>1,058,117</u>	P <u>970,872</u>
SURPLUS FREE			
Balance beginning	P	15,774,884	P 10,729,117
Net Income		1,601,209	4,946,359
Transfer to Surplus Reserves		-32,000	-36,000
Declaration of Cash Dividends		-3,683,252	-769,618
Auditor's adjusting entries		87,236	578,888
Balance end of Qtr. September	P	<u>13,748,077</u>	P <u>15,448,746</u>
FAIR VALUE GAIN/(LOSS) ON AVAILABLE-FOR-SALE SECURITIES			
Balance end of Qtr. September	P	<u>-3,033,538</u>	P <u>2,387,307</u>
ACCUMULATED TRANSLATION ADJUSTMENT			
Balance end of Qtr. September	P	<u>-4,397</u>	P <u>-4,668</u>
APPRAISAL INCREMENT RESERVES			
Balance end of Qtr. September	P	<u>1,363,072</u>	P <u>1,363,072</u>
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY			
	P	<u>57,115,981</u>	P <u>58,139,135</u>
MINORITY INTEREST			
	P	<u>663,429</u>	P <u>708,527</u>
TOTAL EQUITY			
	P	<u><u>57,779,410</u></u>	P <u><u>58,847,662</u></u>

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

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of September 30,2008
(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 21,761,770 P	0 P	0 P	0 P	0 P	21,761,770
Interbank Call Loan Receivable-Local Banks	4,026,545					4,026,545
Interbank Call Loan Receivable-Fx. Regular	424,926					424,926
Interbank Call Loan Receivable Fcdu(Fx Banks-Abroad)	17,310,299					17,310,299
B. LOANS AND RECEIVABLES	P 378,369,986 P	6,070,854 P	2,614,006 P	12,951,146 P	2,034,310 P	402,040,302
Loans & Discounts	247,310,804	3,346,646	838,170	3,958,212	1,729,679	257,183,511
Agra-Agri Loans	30,568,406	123,494	133,648	1,116,920	91,667	32,034,135
Development Incentive Loans	335,134	8,457	17,850	14,369	17,062	392,872
Bills Purchases	13,240,925	38,717	0	16,371	1,817	13,297,830
Customers Liability on draft under LC/TR	35,431,804	429,572	159,389	2,845,017	65,714	38,931,496
Customers Liability for this bank's acceptances	3,897,397	0	0	0	0	3,897,397
Credit Card Receivables	11,862,722	1,018,554	1,165,145	658,312		14,704,733
Restructured Loans	468,432	1,091,228	285,674	4,016,156	113,082	5,974,572
Other Loan & Receivables	4,467,070	14,186	14,130	325,789	15,289	4,836,464
Reverse Repurchase Agreement	30,787,292	0	0	0	0	30,787,292
C. ACCOUNTS RECEIVABLE	P 5,365,214 P	19,888 P	5,323 P	280,754 P	P	5,671,179
TOTAL	P 405,496,970 P	6,090,742 P	2,619,329 P	13,231,900 P	2,034,310 P	429,473,251

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 September	Balance of Common Shares	Average Number of Common Shares
January 2007	2,270,628	
February 2007	2,270,628	
March 2007	2,270,628	
April 2007	2,270,628	
May 2007	2,270,628	
June 2007	2,270,628	
July 2007	2,270,628	2,012,791
August 2007	2,302,032	
September 2007	2,302,032	261,403
Weighted Average		<u>2,274,194</u>
Basic Earnings per share		
Consolidated Net Income		4,876,832
Divided by the weighted average number of outstanding common shares		<u>2,274,194</u>
Basic Earnings per share		<u>2.14</u>
Diluted Earnings Per Share		<u>2.14</u>
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	
July 2008	2,302,032	
August 2008	2,302,032	
September 2008	2,302,032	2,302,032
Weighted Average		<u>2,302,032</u>
Basic Earnings per share		
Consolidated Net Income for the nine-months period ending September 2008		1,560,333
Divided by the weighted average number of outstanding common shares		<u>2,302,032</u>
Basic Earnings per share		<u>0.68</u>
Diluted Earnings Per Share		
Consolidated Net Income for the nine-months period ending September 2008		1,560,333
Total Consolidated net income for DEPS computation		1,560,333
Weighted Average number of outstanding common shares	2,302,032	2,302,032
Add: Amount of Grant Stock Grant	52,200	
Average amount of grant	<u>26,100</u>	
Average market price of BDO Shares (P98.50/2)	49.25	530
Stock Options		
Stock Grant	529.95	
X	<u>10.00</u>	5,300
Total number of share to be issued		<u>5,830</u>
Treasury Shares (5,300x29/49.25)	3,121	<u>-3,121</u>
Potential Common Shares from assumed conversion of stock option plan		<u>2,709</u>
Total weighted average Common Shares after conversion		<u>2,304,741</u>
Diluted Earnings Per Share		<u>0.68</u>

CHECKLIST OF REQUIRED DISCLOSURES
BANCO DE ORO UNIBANK, INC.
For the nine months ended: September 30, 2008

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.

- 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.

- The Bank issued and repaid several debt securities during the period. The details are disclosed in Section 7.e of this report.
- The Bank booked one-time gains on the sale of its Visa and Mastercard shares.
- The Bank also booked additional provisions for its investment securities portfolio.

- 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.

- In February 2008, the Bank settled \$100M 3-year Senior Debt issued by EPCI in 2005.
- On May 30, 2008, the Bank issued P10.0B in unsecured subordinated debt eligible as Lower Tier 2 Capital. This issue supported BDO's business expansion and refinanced the Bank's existing dollar denominated Lower Tier 2 debt.
- On June 30, 2008, the Bank settled its \$200M Lower Tier 2 Unsecured Subordinated Notes.
- On September 30, 2008, the Bank issued P5.0 billion worth of perpetual, voting, non-cumulative, convertible, non-participating Preferred Shares.

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

- On April 8, 2008, the Bank paid cash dividends of P0.80 per common share.
- On September 11, 2008, the Bank paid another P0.80 per common share cash dividends.

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).

Remarks: NONE. The Bank does not yet report quarterly revenues and expenses by business segment.

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.

- On October 15, 2008, the Bank settled its \$114M Senior Notes.
- In October 2008, both the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission approved the 4-way merger between Banco de Oro Unibank, Inc. and its subsidiaries Equitable Savings Bank, BDO Elite Savings Bank and PCI Capital Corporation.
- The Bangko Sentral ng Pilipinas issued Circular No. 626, which will allow the reclassification of financial assets between categories. These may result in adjustments to the income statement and capital accounts, should BDO decide to avail of the privilege.

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, 2007.

- Total Contingent Accounts increased by 31% to P700.530B owing to the following:
 - Trust Department Accounts grew 17% to P319.601B on account of higher levels of funds managed.
 - Outstanding Guarantees Issued and Export L/Cs Confirmed expanded by 224% and 78% reaching P4.569B and P134M, respectively, from higher volume of trade transactions.
 - Bills for Collection went up 11% to P10.068B due to increased levels of bills, drafts and checks sent for collection.
 - Late Deposit / Payments Received climbed 212% to P6.059B as more transactions were received from clients after clearing cut-off time.
 - Owing to increased treasury activities:
 - Spot Exchange Bought grew 162% to P8.542 B
 - Spot Exchange Sold rose 213% to P5.838 B
 - Forward Exchange Bought increased 42% to P89.633 B
 - Forward Exchange Sold climbed 29% to P116.956 B
 - Interest Rate Swap Receivable went up 147% to P15.307 B
 - Interest Rate Swap Payable rose 132% to P16.426 B

- Committed Credit Card Lines expanded by 37% to P54.584 B in preparation for growth in credit card receivables owing to sustained marketing efforts.
- Other Contingent Accounts went up by 201% to P33.503 B primarily from ROP warrants that the Bank obtained during the first semester of the year.
- Unused L/Cs declined 24% to P19.310B from a lower level of unutilized balances of letters of credit as of the cut-off date.

MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – September 2008 vs. December 2007

- Total Resources grew 21% to P744.725B from an expansion in liquid assets and customer receivables.
- Cash and Other Cash Items declined 28% to P13.178B to maximize earnings on reserve assets. Year-end 2007 level was also unusually high due to cash deposits by clients, from sales generated during the Christmas season.
- Due from BSP account accordingly went up by 54% to P76.325B, coming from the Bank's cash account as well as additional reserves from a higher level of deposits.
- Due from Other Banks dropped by 46% to P11.179B due to lower levels of foreign currency denominated placements and working balances with correspondent banks.
- Investment Securities increased by 13% to P185.726B as Held-to-Maturity Securities (HTM) rose by 83%. Financial Assets at Fair Value Through Profit or Loss (FVTPL) and Available for Sale Securities (AFS), on the other hand, declined by 35% and 37%, respectively, from a reclassification of the Bank's securities portfolio.
- Net Loans and Other Receivables climbed 30% to P405.939B from a 23% expansion in gross customer receivables as the Bank continued to grow its corporate and consumer loan portfolios. Interbank Loans and Securities Purchased Under Reverse Repurchase Agreements likewise increased by 30% and 244%, respectively, as these instruments served as outlets for the Bank's excess liquidity.
- Bank Premises went up by 16% to P13.210B from expenditures related to head office renovations, the conversion of former EPCI branches into BDO outlets, and investments in new equipment to support growth in business volumes.
- Investment Properties dropped by 13% to P15.833B, owing to the Bank's ROPA disposal programs.
- Total Deposit Liabilities expanded 30% to P577.061B owing to aggressive deposit marketing efforts. Savings Deposits dropped 13% as funds shifted to Time Deposits, which accordingly increased by 174%.
- Bills Payable decreased by 8% to P48.394B as the Bank reduced its reliance on high-cost borrowings following the growth in deposits.
- Subordinated Notes Payable went up 9% to P20.318B as the Bank issued P10.0B worth of Lower Tier 2 Capital and redeemed a previous \$200M Lower Tier 2 issue.
- Capital Funds went down 5% to P57.779B owing to the payment of cash dividends in April and September as well as unrealized losses on AFS Securities vis-à-vis unrealized gains as of year-end 2007.

II. Balance Sheet – September 2008 vs. September 2007

- Total Resources climbed 23% from an expansion in the Bank's investment securities and loan portfolios.

- Cash and Other Cash Items as well as Due from BSP went up by 16% and 26%, respectively, on account of higher deposit levels.
- Due from Other Banks increased by 12%, due to higher levels of placements and working balances with correspondent banks.
- Investment Securities went up by 10% from an 84% growth in HTM. On the other hand, FVTPL and AFS declined by 38% and 39%, respectively.
- Net Loans and Other Receivables surged by 38% as gross customer receivables expanded by 35% from continued loan marketing efforts, and Securities Purchased Under Reverse Repurchase Agreements (SPURRA) increased by 132%.
- Bank Premises went up by 14% owing to investments related to head office renovations, EPCI branch conversions and investments in new equipment.
- Investment Properties dropped 5% from effective ROPA disposal programs.
- Other Resources declined by 38% primarily owing to the sale of the Bank's special purpose subsidiary, Onshore Strategic Assets, Inc.
- Total Deposit Liabilities expanded 32% from sustained deposit marketing efforts. Savings Deposits went down by 7% as funds moved to Time Deposits, which consequently increased by 133%.
- Bills Payable dropped 19% as the Bank reduced its reliance on high-cost borrowings as a result mainly of deposit growth.
- Subordinated Notes Payable doubled from the two issues of Lower Tier 2 Notes totaling P20.0B and the redemption of the Bank's \$200M Lower Tier 2 Debt.
- Capital Funds declined 5% primarily owing to the payment of cash dividends and unrealized losses on AFS Securities vis-à-vis unrealized gains as of September 2007.

III. Income Statement – September 2008 vs. September 2007

- Net Income attributable to Equity holders of the Parent Company went down to P1.56B due to unfavorable revaluation of the Bank's trading and investment portfolios as well as additional provisions booked for the Bank's investment securities portfolio.
- Net Interest Income (NII) grew by 5% to P17.0B primarily owing to an expansion in the Bank's loan portfolio as well as an improvement in its funding mix.
- Provision for Impairment Loss was 20% higher after booking additional provisions for the Bank's securities portfolio.
- Other Income dropped 21% to P10.142B due to the following:
 - Trading Loss registered at P1.921B versus a gain of P3.016B for the same period last year. This is owing to market volatility resulting in unfavorable revaluation of the Bank's trading and investment portfolios.
 - Service Charges and Fees went down by 21% to P4.940B primarily owing to sizeable investment banking fees in 2007.
 - Trust Fees grew 60% to P900M on a larger portfolio of assets managed.
 - Foreign Exchange Gain surged 454% to P3.519B due to treasury trading activities, and higher volumes of interbank swaps, trade transactions and OFW remittances.
 - Miscellaneous Income went up by 18% to P2.704B on account of one-time gains on the Bank's sale of its Visa and Mastercard shares.
- Operating Expenses increased by 8% to P20.028B owing to the following:
 - Employee Benefits grew 22% from a higher manpower count brought about by business expansion.

- Security, Clerical, Messengerial & Janitorial expenditures increased by 47% primarily owing to business expansion and growth in fixed assets.
- Advertising expanded 48% due to rebranding and new advertising campaigns.
- Litigation/Assets Acquired expenses dropped by 16% after considerable NPA-related expenditures in 2007.
- Tax Expense went down by 38% to P1.236B owing to higher tax-deductible expenses.

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.

	3Q2008	3Q2007	Inc/(Dec)
1.) Return on Average Equity (Annualized)			
Net Income / Average Total Capital Account			
1,560,333 / 56,160,019	3.52%		
4,876,833 / 55,634,373		11.69%	(8.17%)
2.) Return on Average Assets (Annualized)			
Net Income / Average Total Assets			
1,560,333 / 681,073,122	0.31%		
4,876,833 / 617,798,534		1.05%	(0.74%)
3.) Net Interest Margin (Annualized)			
Net Interest Income / Average Earning Assets			
16,999,841 / 599,694,624	3.78%		
16,217,877 / 532,316,022		4.06%	(0.28%)
4.) Capital Adequacy Ratio (covering credit, market and operational risk)			
Total Qualifying Capital / Total Risk Weighted Assets			
71,848,040 / 525,090,585	13.68%		
57,603,085 / 449,163,064		12.83%	0.85%
5.) Basic Earnings per Share			
Net Income / Average Common Shares			
1,560,333 / 2,302,032	0.68		
4,876,833 / 2,274,194		2.14	(1.46)

2. 1.) Annualized return on average equity (ROE) dropped 8.17% from lower bottomline profits and a broader average capital base.
- 2.) Annualized return on average assets (ROA) went down 0.74% owing to lower Net Income and a larger asset base.
- 3.) Annualized Net Interest Margin slightly declined 0.28% due to the lag effect of loan repricing vis-à-vis movement in market rates.
- 4.) Capital Adequacy Ratio (CAR) rose 0.85% owing to the issuance of the Preferred Shares in September.
- 5.) Basic Earnings per Share was down by P1.46 to due to the lower bottomline profits.

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.

The Bank expects to continue to incur capital expenditures related to head office renovations, branch conversions and upgrading of IT systems. Funding will be sourced internally.

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.

The Bank booked one-time gains on the sale of its Visa and Mastercard shares, and additional provisions for its investment securities portfolio.

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 – September 2008 vs. December 2007

- AFS went down to 6.4% of Total Assets from 12.2% from a reclassification of the Bank's securities portfolio. Accordingly, HTM went up to 16.7% of Total Assets from 11.0%
- Savings Deposits to Total Deposits dropped to 47.8% from 71.5% as the Bank gradually converted its high-cost savings deposits into Time Deposits, which consequently increased to 48.3% of Total Deposits from 22.8%.

II. Balance Sheet – September 2008 vs. September 2007

- AFS to Total Assets declined from 13.0% owing to a reclassification of securities, which in turn increased HTM from 11.1%
- Net Loans and Other Receivables went up to 54.6% of Total Assets, from 48.6%, owing to growth in customer receivables and SPURRA.
- Savings Deposits as a percentage of Total Deposits declined from 67.7% as the Bank converted its high-cost savings deposits into Time Deposits, which increased from 27.3% of Total Deposits.

III. Income Statement – September 2008 vs. September 2007

- Interest Income on Loans and Other Receivable as a percentage of Total Interest Income grew to 63.1% from 57.9%, on account of significant loan portfolio expansion.
- Trading gain dropped to –18.9% of Other Income from 23.6%, due to unfavorable revaluation of the Bank's trading and investment portfolios.
- FX Gain to Other Income surged to 34.7% from 5.0% owing to increased volume of treasury trading activities, interbank swaps, trade transactions and OFW remittances.
- Miscellaneous Income increased to 26.7% of Other Income from 17.9%, due to one-time gains on the Bank's sale of its Visa and Mastercard shares.
- Tax Expense as a percentage of Income Before Tax rose to 43.6% from 28.8%, following the lower income base and de-recognition of a portion of the Bank's tax assets, which may not be realized in the future.

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

Remarks: NONE

4. Below are the changes in the Financial Statements arising from the Bank's reclassification of selected financial instruments:

	Impact on Financial Statements	Remarks
Due from Other Banks	- P706M	reclassification of credit-linked transactions to Unquoted Debt Securities
Investment Securities	+ P1.937B	reclassification of FVTPL and AFS to HTM and reversal of corresponding MTM losses
Other Liabilities	- P528M	change in value of embedded derivatives
Total Equity	+ P1.759B	change in value of AFS Securities
Net Income	+ P500M	overall improvement in net income from reclassification