SEC Number 5223
File Number _____

EQUITABLE PCI BANK
(Company's Full Name)

Equitable PCI Bank Tower I, Makati Ave. cor. H.V. de la Costa St., Makati City
(Company's Address)

(632) 840-7000
(Telephone No.)

March 31, 2005
(Quarter Ending)
(month & day)

SEC FORM 17-Q (QUARTERLY REPORT)
(Form Type)

____
Amendment Designation (If applicable)

MARCH 31, 2005
(Period Ended Date)

____
(Secondary License Type and File Number)

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 March 31, 2005

2. Commission identification number 5223 3. BIR Tax Identification No. 000-453-086

EQUITABLE PCI BANK, INC.

4. Exact name of registrant as specified in its charter:

5. Philippines

Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code [ ] (Sec Use Only)

7. Makati Office: Makati Avenue cor. H.V. dela Costa St.

Address of issuer's principal office Postal Code

8. (632) 840-7000

Issuer'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 Section 8 and 12 of the Codel, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock, P10 par value	727,003,345

11. Are any or all of these securities listed on the Stock Exchange?

YES [X] NO [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Common Shares

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 twelve (12) months (or for such shorter period the registrant was required to file such reports)

YES [X] NO [ ]

(b) has been subject to such filing requirements for the past 90 days

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See attached.

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

See attached.

PART II – OTHER INFORMATION

none

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.

(Original signed)	(Original signed)
RICARDO V. MARTIN **EVP & CHIEF FINANCIAL OFFICER**	**RENE J. BUENAVENTURA** **PRESIDENT & CEO**

Republic of the Philippines) s.s.
City of Makati

Subscribed and sworn to before me this _____06____ day of ____May____ 2005, affiant exhibiting to me his /her /their residence certificate no. CCI 14646159, issued at Makati City on January 12, 2005 and residence certificate no. CCI 02177321 issued at Makati City on January 13, 2005.

	(Original signed)
Doc. No. 150	**BENJAMIN B. MATA**
Page No. 31	Notary Public
Book No. LIII	Until Dec. 31, 2005
Series of 2005	PTR O.R.NO.M 0535187
	Dtd. 03 JANUARY 2005

Equitable PCI BANK

CONSOLIDATED STATEMENTS OF CONDITION
MARCH 31, 2005 and MARCH 31, 2004
(In Thousand Pesos)

		UNAUDITED MARCH 31, 2005		UNAUDITED MARCH 31, 2004
RESOURCES				
Cash and Other Cash Items	P	7,006,537	P	4,668,360
Due from Bangko Sentral ng Pilipinas		6,625,426		5,313,691
Due from Other Banks		5,309.866		7,884,147
Interbank Loans Receivable		21,244,117		19,164,233
Trading Account Securities, net		13,142,714		4,892,942
Available-for-Sale Securities		22,854,896		15,848
Investment in Bonds and Other Debt Instruments, net		33,666,167		49,170,090
Receivable from Customers, net		136,125,372		125,724,741
Bank Premises, Furniture, Fixtures & Equipment, net		13,120,699		13,463,740
Equity Investments, net		1,556,999		2,959,788
Other Resources		62,468,765		59,364,305
TOTAL RESOURCES	**P**	**323,121,558**	**P**	**292,621,885**
LIABILITIES AND CAPITAL FUNDS				
Deposit Liabilities				
Demand Deposits	P	11,675,911	P	10,585,205
Savings Deposits		135,264,746		115,997,714
Time Deposits		53,035,317		55,794,772
Sub-total		199,975,974		182,377,691
Bills, Bonds and Acceptances Payable		35,861,022		29,036,352
Due to Bangko Sentral ng Pilipinas		167,461		142,903
Manager' s Checks		1,066,902		1,461,890
Accrued Taxes, Interests and Other Expenses		2,390,457		1,565,379
Deferred Credits and Other Liabilities		29,875,108		23,457,925
TOTAL LIABILITIES		**269,336,924**		**238,042,140**
Subordinated Debt *		**10,927,021**		**11,214,359**
Minority Interest in Subsidiaries		**858,628**		**830,555**
CAPITAL FUNDS		**41,998,985**		**42,534,831**
	P	**323,121,558**	**P**	**292,621,885**
CONTINGENT ACCOUNTS				
Unused Commercial Letters of Credit	P	12,696,104	P	12,963,091
Trust Department Accounts		100,435,250		85,633,466
Other Contingent Accounts		55,654,803		42,530,361
	P	**168,786,157**	**P**	**141,126,918**

**USD200 million*

Equitable PCI BANK

CONSOLIDATED STATEMENTS OF CONDITION
MARCH 31, 2005 and DECEMBER 31, 2004
(In Thousand Pesos)

		UNAUDITED MARCH 31, 2005		AUDITED DECEMBER 31, 2004
RESOURCES				
Cash and Other Cash Items	P	7,006,537	P	7,545,361
Due from Bangko Sentral ng Pilipinas		6,625,426		2,316,093
Due from Other Banks		5,309.866		7,701,330
Interbank Loans Receivable		21,244,117		17,364,767
Trading Account Securities, net		13,142,714		2,982,531
Available-for-Sale Securities		22,854,896		5,564,330
Investment in Bonds and Other Debt Instruments, net		33,666,167		52,058,189
Receivable from Customers, net		136,125,372		137,825,503
Bank Premises, Furniture, Fixtures & Equipment, net		13,120,699		13,363,973
Equity Investments, net		1,556,999		2,281,688
Other Resources		62,468,765		60,970,323
TOTAL RESOURCES	**P**	**323,121,558**	**P**	**309,974,088**
LIABILITIES AND CAPITAL FUNDS				
Deposit Liabilities				
Demand Deposits	P	11,675,911	P	10,783,280
Savings Deposits		135,264,746		128,852,508
Time Deposits		53,035,317		53,884,551
Sub-total		199,975,974		193,520,339
Bills and Acceptances Payable		35,861,022		31,602,172
Due to Bangko Sentral ng Pilipinas		167,461		131,400
Manager' s Checks		1,066,902		882,145
Accrued Taxes, Interests and Other Expenses		2,390,457		1,967,217
Deferred Credits and Other Liabilities		29,875,108		28,284,519
TOTAL LIABILITIES		**269,336,924**		**256,387,792**
Subordinated Debt *		**10,927,021**		**11,243,700**
Minority Interest in Subsidiaries		**858,628**		**984,374**
CAPITAL FUNDS		**41,998,985**		**41,358,222**
	P	**323,121,558**	**P**	**309,974,088**
CONTINGENT ACCOUNTS				
Unused Commercial Letters of Credit	P	12,696,104	P	11,544,496
Trust Department Accounts		100,435,250		103,507,352
Other Contingent Accounts		55,654,803		37,199,813
	P	**168,786,157**	**P**	**152,251,661**

** USD200 million*

STATEMENTS OF CHANGES IN CAPITAL FUNDS
(Amount in Thousands)

		(UNAUDITED) MARCH 2005		(UNAUDITED) MARCH 2004
COMMON STOCK – P10 Par Value	P	7,270,033	P	7,270,033
CAPITAL PAID IN EXCESS OF PAR VALUE		37,395,672		37,395,672
SURPLUS RESERVE		510,356		451,977
SURPLUS				
Balance at beginning of year		2,374,702		2,720,837
Net Income		566,553		270,318
Balance at end of year		2,941,255		2,991,155
PARENT COMPANY SHARES HELD BY A SUBSIDIARY		(7,466,950)		(7,467,336)
NET UNREALIZED LOSS ON AVAILABLE-FOR-SALE SECURITIES		71,936		(943)
EQUITY IN NET UNREALIZED LOSS ON AVAILABLE-FOR-SALE SECURITIES OF A SUBSIDIARY		(52,286)		(64,248)
EQUITY IN REVALUATION INCREMENT ON LAND OF A SUBSIDIARY		17,914		15,663
REVALUATION INCREMENT ON PROPERTY		1,311,055		1,942,858
	P	**41,998,985**	P	**42,534,831**

STATEMENTS OF CHANGES IN CAPITAL FUNDS
(Amount in Thousands)

		(UNAUDITED) MARCH 2005		(AUDITED) DECEMBER 2004
COMMON STOCK - P10 par value	P	7,270,033	P	7,270,033
CAPITAL PAID IN EXCESS OF PAR VALUE		37,395,672		37,395,672
SURPLUS SERVE				
Balance at beginning of year		510,356		451,977
Transfer from surplus				58,379
Balance at end of year		510,356		510,356
SURPLUS				
Balance at beginning of year		2,374,702		2,720,837
Effect of change in accounting for:				
Leases				(206,558)
Income Taxes				(1,907,898)
Balance at beginning of year		2,374,702		606,381
Net income		566,553		1,810,446
Transfer from revaluation increment				11,053
Deferred tax liability on revaluation increment				5,201
Transfer to surplus reserves				(58,379)
Balance at end of year		2,941,255		2,374,702
PARENT COMPANY SHARES HELD BY A SUBSIDIARY		(7,466,950)		(7,466,950)
NET UNREALIZED LOSS ON AVAILABLE-FOR-SALE SECURITIES		71,936		(5,979)
EQUITY IN NET UNREALIZED LOSS ON AVAILABLE-FOR-SALE SECURITIES OF A SUBSIDIARY		(52,286)		(48,581)
EQUITY IN REVALUATION INCREMENT ON LAND OF A SUBSIDIARY				
Balance at beginning of year		17,914		19,779
Effect of change in accounting for income taxes				(6,329)
Balance at beginning of year		17,914		13,450
Additional revaluation increment				4,464
Balance at end of year		17,914		17,914
REVALUATION INCREMENT ON PROPERTY				
Balance at beginning of year		1,311,055		1,942,858
Effect of change in accounting for income taxes				(621,715)
Balance at beginning of year		1,311,055		1,321,143
Additional revaluation increment on land				965
Transfer to surplus				(11,053)
Balance at end of year		1,311,055		1,311,055
	P	**41,998,985**	P	**41,358,222**

CONSOLIDATED STATEMENTS OF INCOME
(In Thousand Pesos)

	(Unaudited) QUARTER ENDING MARCH 31, 2005	(Unaudited) QUARTER ENDING MARCH 31, 2004
INTEREST INCOME		
Interest on:		
Receivables from customers	P 2,939,120	P 2,431,320
Investment securities, interbank loans, deposits with banks and others	1,713,040	1,322,726
	4,652,160	3,754,046
INTEREST EXPENSE		
Interest on deposit liabilities, interbank loans, bills payable and others	2,063,204	1,967,459
NET INTEREST INCOME	2,588,956	1,786,587
PROVISION FOR PROBABLE LOSSES	315,727	411,039
NET INTEREST INCOME AFTER PROVISION FOR PROBABLE LOSSES	2,273,229	1,375,548
OTHER INCOME		
Service charges, fees and commissions	1,093,221	942,891
Trading gains and exchange profits	388,691	219,668
Miscellaneous	326,651	565,752
	1,808,563	1,728,311
OTHER EXPENSES		
Compensation and fringe benefits	930,528	799,107
Occupancy and equipment expenses	740,170	688,377
Taxes and licenses	356,065	212,677
Miscellaneous	974,531	894.478
	3,001,294	2,594,639
INCOME BEFORE INCOME TAX	1,080,498	509,220
PROVISION FOR (BENEFIT FROM) INCOME TAX	513,734	222,116
INCOME BEFORE MINORITY INTEREST IN NET INCOME	566,764	287,104
MINORITY INTEREST IN NET INCOME OF CONSOLIDATED SUBSIDIARIES	211	16,786
NET INCOME / (LOSS)	**P 566,553**	**P 270,318**
EARNINGS PER SHARE:		
Earnings per share amounts were computed as follows:		
Net Income	P 566,553	P 270,318
Weighted average number of outstanding common shares	648,196	648,192
Earnings Per Share	**P 3.54**	**P 1.68**

STATEMENT OF CHANGES IN FINANCIAL POSITION

FUNDS WERE PROVIDED FROM:	Quarter Ending March 31, 2005		Quarter Ending March 31, 2004	
OPERATIONS				
Net Income for the Quarter		P 566,553,000		P 270,318,000
Items not involving the Use of Funds During the Quarter:				
Depreciation and Amortization Expenses	P 337,124,416		P 422,394,222	
Bad Debts Expense	348,644		0	
Provision for Probable Losses	326,285,309	663,758,369	411,110,018	833,504,240
		P 1,230,311,369		P 1,103,822,240
DECREASE IN				
Cash and Other Cash Items	538,824,000		2,844,248,000	
Due from Other Banks	2,391,464,000		707,874,000	
Interbank Loans Receivables	0		3,814,704,000	
Available-for-Sale Securities	0		866,000	
Investment in Bonds & Other Debt Instruments-Net	18,392,022,000		0	
Receivables from Customers - Net	1,463,866,379		0	
Real and Other Properties Owned or Acquired	257,517,000		141,218,000	
Equity Investments - Net	724,689,000	23,768,382,379	0	7,508,910,000
INCREASE IN				
Deposit Liabilities	6,455,635,000		0	
Bills Payable	10,095,339,000		0	
Due to Bangko Sentral ng Pilipinas	36,061,000		28,713,000	
Manager's Checks	184,757,000		518,591,000	
Marginal Deposits	125,824,000		0	
Accrued Taxes, Interest & other expenses	423,240,000		0	
Other Liabilities	1,464,765,000		4,152,099,000	
Subordinated Debt	0		127,002,000	
Capital Accounts	74,210,000	18,859,831,000	2,738,384,000	7,564,789,000
TOTAL FUNDS PROVIDED		P 43,858,524,748		P 16,177,521,240
FUNDS WERE APPLIED TO :				
ADDITIONS TO BANK PREMISES, FURNITURES, FIXTURES & EQUIPMENT		P 60,970,781		P 177,924,084
INCREASE IN				
Due from Bangko Sentral ng Pilipinas	4,309,333,000		7,948,000	
Interbank Loans Receivables	3,879,350,000		0	
Trading Account Securities	10,160,183,000		1,607,283,000	
Available-for-Sale Securities	17,290,566,000		0	
Investment in Bonds & Other Debt Instruments-Net	0		2,134,668,000	
Receivables from Customers-Net	0		5,065,387,287	
Equity Investments - Net	0		446,631,000	
Other Resources	1,879,207,967	37,518,639,967	773,125,869	10,035,043,156
DECREASE IN				
Deposit Liabilities	0		3,666,511,000	
Bills Payable	0		1,499,392,000	
Marginal Deposits	0		25,878,000	
Outstanding Acceptances	5,836,489,000		207,424,000	
Accrued Taxes, Interest & Other Expenses	0		538,669,000	
Minority Interest in Consolidated Subsidiary	125,746,000		25,843,000	
Subordinated Debt	316,679,000		0	
Capital Accounts	0	6,278,914,000	837,000	5,964,554,000
TOTAL FUNDS APPLIED		P 43,858,524,748		P 16,177,521,240

EQUITABLE PCI BANK
Aging of Accounts Receivable (Parent only)
As of March 31, 2005
(In thousand pesos)

Below 30 days	P	966.9
Over 30 days		2,113.3
TOTAL	**P**	**3,080.2**

FINANCIAL INFORMATION

Securities and Exchange Commission
SEC Building EDSA, Greenhills,
Mandaluyong, Metro Manila

The financial statements for the period ended March 31, 2005 have been prepared in conformity with the generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgement of Management with an appropriate consideration to materiality. The Bank maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. In addition, Management represents that:

a. No changes were made on accounting policies and methods of computation and estimates compared with the 2004 audited financial statements except for the following revised standards which were already adopted as of March 2005.

   i. Philippine Accounting Standard (PAS) No. 19, Employees Benefits, provides for the accounting for long-term and other employee benefits. The standard requires the projected unit credit method in determining the retirement benefits of the employees and a change in the manner of computing benefit expense relating to past service cost and actuarial gains and losses. It requires the group to determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the statement of condition date.

      The effect in adopting PAS No. 19 resulted to an increase of P37.84 million on Bank's Contribution to Retirement/Provident Fund for the quarter on account of a higher annual contribution from P205 million to 424 million per actuarial report as of December 2005.

   ii. Philippine Financial Reporting Standards (PFRS) No. 3, Business Combination, which will result in the cessation of the amortization of goodwill and a requirement for an annual test for goodwill impairment. Any resulting negative goodwill after performing reassessment will be credited to income. Moreover, pooling of interests in accounting for business combination will no longer be permitted. The effect of adopting this standard will not result in retroactive adjustment of prior years' consolidated financial statements but will affect prospective consolidated financial statements as a result of nonamortization of goodwill.

iii. Philippine Accounting Standard (PAS) No. 38, Intangible Assets, requires discontinuance of amortization of intangible asset with an indefinite useful life. The effect of adopting this standard will not result in retroactive adjustment of prior years' financial statements but will effect prospective financial statements as a result of nonamortization of goodwill.

The effect of adopting PFRS No. 3 and PAS No. 38 resulted to a decrease of P109.9 million on expenses in the absence of goodwill amortization. On an annual basis, reduction in expense will amount to P439.6 million.

b. Seasonality or cyclicality of business condition during interim operations does not apply.

c. There are no unusual items as to nature, size or incidents affecting assets, liabilities, equity net income or cash flows.

d. There are no changes in accounting estimates effected in this interim period reported on.

e. No material issuances, repurchases and repayments of debt and equity securities compared with the most recent 2004 annual financial statement.

f. On January 18, 2005, the bank's BOD approved the declaration of cash dividend at the rate of sixty centavos (P0.60) per share or P436.20 million. Such declaration was approved by BSP on April 1, 2005.

g. There are no material events subsequent to the end of the interim period.

h. There are no material changes in the composition of the issuer during the interim period including business combinations, acquisitions and disposals of long-term investments, restructuring and discontinuing operations.

i. No material change in the contingent liabilities or assets since last annual balance sheet date.

j. There are no contingencies and any other events or transactions that are material to an understanding of the current interim period.

SEC FORM 17-Q

MANAGEMENT'S DISCUSSION AND ANALYSIS (MDA) OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

I. KEY PERFORMANCE INDICATORS

The Bank's vision is to become the client's Bank of Choice. Its strategy is to be the dominant bank in the middle market and retail segments while serving the corporate market. It aims to continue shoring up deposits and financial strength. After successfully ensuring a stronger balance sheet and completely restoring its top-tier standing in the industry, the Bank will undertake initiatives that will result in greater growth in profitability.

The Bank plans to continue placing a strong drive on deposit growth and improving leverage especially on low-cost deposits by emphasizing quality of service delivery and by continuing a more focused approach towards customers, products, and channels. The Bank will also launch a marketing and communications program and implement product level advertising and sales promotion programs for the major products distributed by its retail banking segment. Automation projects will also be pursued to support a seamless or end-to-end processing in remittance, consumer finance, and branches and expand or update the retail customer database to support customer segmentation initiatives. In line with this, the Bank will continue instituting an effective sales management process in the branches.

The Bank will increase its consumer loan portfolio and intensify cross-selling initiatives by leveraging on its wide branch network and good banking relationships with clients. Offering of incentive programs for consumer loans will also be continued. Strong control will be exercised over the current level of asset quality through early recognition and continued tight monitoring of problem accounts. As a major part of its priorities, the Bank is aggressively undertaking its own sale of real estate assets even after selling an aggregate P15.8 billion NPAs.

The Bank specifically plans to increase its funds based revenues and improve its net interest margin by growing its low-cost deposit base and growing a larger proportion of high-yielding consumer loans. Cash management and electronic banking capabilities will be used as tools to grow deposits from corporates as well as from individual clients.

For the fee-based business, trust banking, remittance and bancassurance are expected to be the main growth areas for the Bank. In terms of remittance, the Bank plans to strengthen its current tie-ups as well as develop new ones to further improve market reach and enhance service delivery. The Bank's joint venture with Philamlife will enable it to become a major player in the field of bancassurance, consistent with its thrust of offering customers an expanded range of financial products and being responsive to their needs.

The Bank, likewise, intend to further enhance fee income through its investment banking arm --- where its intends to be an active participant in the recently established fixed income exchange.

II. FINANCIAL CONDITION

Balance Sheet – March 2005 vs. December 2004

Equitable PCI Bank's total resources grew to P323.1 billion as of March 31, 2005, P13.1 billion or 4% more than the end-2004 level of P310 billion. The rise in assets is seen mainly in the growth of investment securities, as the Bank took advantage of market opportunities to beef up its portfolio. The total investment portfolio went up by P9.1 billion or 15% to P69.7 billion from December. At the same time, Interbank Loans Receivable rose 22% to P21.2 billion.

Cash and Other Cash Items amounted to P7 billion as of March 31, 2005, down by P539 million or 7% from the December 2004 figure mainly due to the seasonal nature of the demand for cash. Due from the Bangko Sentral ng Pilipinas rose by 186% to P6.6 billion from the December 2004 level of P2.3 billion, while Due from Other Banks declined by 31% to P5.3 billion from the end-December figure of P7.7 billion.

Net Receivable from Customers dipped slightly to P136.1 billion as of end-March 2005, 1% less than the December 2004 level of P137.8 billion as trade-related lending usually posts a decline in the first quarter from the peak fourth quarter period. Marketing efforts focused instead on loans to consumers and to select companies in the middle market sector where demand for credit remained robust.

On the liability side of the balance sheet, deposits held by the Bank amounted to P200 billion at end-March, 3% or P6.5 billion higher than the December 2004 level. The deposit liabilities consisted of P11.7 billion in demand deposits, P135.3 billion in savings deposits and P53 billion in time deposits, which showed year-to-date growth rates of 8%, 5% and –2%, respectively. As a percentage to total deposit liabilities, demand deposits accounted for 6%, savings deposits comprised 68% and time deposits made up 26%.

Bills, Bonds and Acceptances Payable reached P35.9 billion as of March 31, 2005. This is 13% higher than the end-2004 level primarily from the proceeds of the Bank's $100 million senior debt issued in February 2005.

Capital funds stood at P42 billion at the end of March 2005. This shows a growth of 2% or P641 million from the December 2004 level, with the growth mainly coming from the Bank's earnings.

Contingent Accounts reached P168.8 billion as of end-March 2005, 11% higher than the P152.3 billion in December 2004. The growth was accounted for mainly by the 50% growth in Other Contingent Accounts to P55.6 billion. Unused Commercial Letters of Credit rose 10% to P12.7 billion, but Trust Department accounts dipped 3% to P100.4 billion.

Balance Sheet – March 2005 vs. March 2004

Compared to year-ago levels, Equitable PCI Bank's total resources as of end-March 2005 was also higher by 10% or P30.5 billion from the P292.6 billion a year ago.

The 29% growth in the investment securities portfolio contributed to the healthy growth in the Bank's asset base. TAS grew by P8.2 billion or 169% to P13.1 billion from P4.9 billion in 2003. ASS, meanwhile grew by P22.8 billion to P22.9 billion from P16 million. IBODI, however, contracted by P15.5 billion or 32% to P33.7 billion.

Cash and Cash Items rose by 50% year-on-year, while Due from BSP went up by P1.3 billion or 25%. However, Due from Other Banks declined by 33% or P2.6 billion to P5.3 billion from P7.9 billion as of end-March 2004. Interbank Loans Receivable rose 11% to P21.2 billion from P19.2 billion a year-ago as the Bank took advantage of market opportunities and lent out excess liquid assets in the interbank market.

Net Receivable from Customers amounted to P136.1 billion as of end-March 2005, 8% or P10.4 billion more than the March 2004 level of P125.7 billion. Steady extension of credit to middle market accounts and considerable gains in consumer lending were registered, with the Bank capitalizing on its branch network to cross sell consumer loans.

Deposits held by the Bank of P200 billion were higher by 10% or P17.6 billion from the year-ago levels. Demand deposits went up by 10%, while savings deposits increased by 17%. Time deposits, meanwhile, dipped by 5% or P2.8 billion.

Contingent Accounts reached P168.8 billion as of end-March this year, 20% higher than the P141.1 billion in March last year. The growth was accounted for mainly by the 17% year-on-year growth in Trust Department Accounts to P100.4 billion and the 31% increment in Other Contingent Accounts. These offset the 2% reduction in Unused Commercial Letters of Credit.

III. RESULTS OF OPERATION

For the Quarters ended March 31, 2005 and 2004

Equitable PCI Bank had profits of P567 million during the first three months of 2005, more than double the P270 million earned in the same period last year, due to higher interest and fee-based income.

Interest Revenues for the quarter were up by 24% or P898 million to reach P4.7 billion due to the higher asset yields and a bigger portfolio base. Interest Income from Customer Loans were 21% higher at P2.9 billion, while interest income from Investment Securities, Interbank loans, Deposits and Others, were up 30% to P1.7 billion.

At the same time, interest expenses were higher by only 5% or P96 million at P2.1 billion as the Bank held down funding costs with a greater reliance on low-cost funding sources. Because the increase in total interest income was much bigger than the growth in total interest expense, net interest income expanded to P2.6 billion, an increment of P802 million or 45%.

The Bank continued to set aside provision for probable losses amounting to P316 million for the quarter, despite a significant improvement in asset quality following the sale of about P10.5 billion worth of non-performing assets (NPA) in the fourth quarter of last year. Asset quality is expected to improve further with the additional sale of P5.3 billion of NPAs announced last April 1, 2005.

The Bank's total non-interest revenues grew 5% to P1.8 billion. Service, Charges, Fees, and Commissions, which continued to be a major contributor to the Bank's profits, were 16% higher year-on-year at P1.1 billion with a bigger transaction count and increased service charges. Trading Gains and Exchange Profits of P389 million were also posted during the quarter as the Bank benefited from larger trading volume as well as renewed volatility in interest and foreign exchange rates. However, Miscellaneous Income was 42% lover at P327 million.

The Bank's operating expenses reached P3 billion for the first quarter of 2005, 16% or P407 million higher than the P2.6 billion level a year ago. Compensation and Fringe Benefits grew by 16% to P930 million, largely due to the effects of the collective bargaining agreement (CBA) with the Bank's employees union concluded in mid-2004. Occupancy Expenses rose 8% to P740 million, while Miscellaneous Expenses grew by 9% to P974 million.

Taxes and License, meanwhile, increased by 67% to P356 million. This is due primarily to the impact of the imposition of documentary stamp tax (DST) for Special Savings Accounts this year as well as larger payments of gross receipts tax (GRT) due to the increase in GRT-based income.

Overall, the Bank's performance continued to show much improvement from last year and reflected gains from the Bank's efforts to strengthen its balance sheet, increase margins, improve efficiencies and concentrate on profitable market segments.

Aside from the above discussions:

a. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

b. There are no events that will trigger direct or material contingent financial obligation, including any default or acceleration of an obligation.

c. There are no material off-balance sheet transactions, arrangements, obligations including contingent obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

d. There are no material commitments for capital expenditures, or the general purpose of such commitments and the expected sources of funds for such expenditures.

e. There are no 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.

f. There are no significant elements of income or loss that did not arise from the issuer's continuing operations.

g. There are no causes for any material changes from period to period in one or more line items of the issuer's financial statements.

h. There are no seasonal aspects that had a material effect on the financial condition or results of operations.