



Via ODiSy

09 August 2010

PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Ms. Janet A. Encarnacion
Head

Ms. Sheena Paula H. Pedrieta
Analyst

Re: Quarterly Report as of 30 June 2010

Gentlemen:

We transmit with this letter the quarterly report (SEC Form 17-Q) of Banco De Oro Unibank, Inc. as of 30 June 2010.

Thank you.

Very truly yours,

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

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)

B D O C O R P O R A T E C E N T E R , 7 8 9 9

M A K A T I A V E N U E , M A K A T I 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

Every last Friday of the month of May

Annual Meeting

Secondary License type, if applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

14,056
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

SIGNATURES

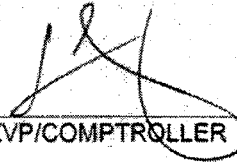
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

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

Signature and Title..... 
LUCY CODY
EVP/COMPTROLLER *MC* *JM*

Date..... August 05, 2010

Principal Financial /Accounting
Officer/Comptroller..... LUCY CODY

Signature and Title..... 
EVP/COMPTROLLER

Date..... August 05, 2010

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.

[Signature]
LUCY CO DY (EVP Comptroller)
Authorized Signatory
(PRINTED NAME & DESIGNATION)

[Signature]
M.A.C.

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

SUBSCRIBED AND SWORN TO before me this AUG 09 2010 day of August,

2010, 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. 300
 Page No. 62
 Book No. V
 Series of 2010

Notary Public
BENJAMIN B. MATA
 Notary Public
 Until Dec. 31, 2010
 PTR No. 0676047, Jan. 4, 2010
 IBP No. 802731, Dec. 14, 2009
 Roll No. 11106

- * 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
BDO Corporate Center, 7899 Makati Avenue, Makati City

CONDENSED STATEMENT OF FINANCIAL POSITION
(Amounts in Millions of Pesos)

		As of <u>June 30, 2010</u>		Audited As of <u>Dec 31, 2009</u>
<u>RESOURCES</u>				
CASH AND OTHER CASH ITEMS	P	18,378	P	30,544
DUE FROM BANGKO SENTRAL NG PILIPINAS		90,288		64,833
DUE FROM OTHER BANKS		11,679		16,732
INVESTMENT SECURITIES				
At Fair Value Through Profit or Loss		9,256		8,502
Available-for-Sale – net		62,590		47,033
Held-to-Maturity – net		108,415		116,177
LOANS AND OTHER RECEIVABLES—net		522,776		524,901
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net		14,569		14,732
INVESTMENT PROPERTIES		13,106		13,834
EQUITY INVESTMENTS – net		1,720		1,710
DEFERRED TAX ASSETS		5,657		5,686
OTHER RESOURCES - net		<u>14,701</u>		<u>17,365</u>
TOTAL RESOURCES	P	<u>873,135</u>	P	<u>862,049</u>
<u>LIABILITIES AND CAPITAL FUNDS</u>				
DEPOSIT LIABILITIES	P		P	
Demand		35,449		42,692
Savings		375,138		354,407
Time		<u>282,678</u>		<u>297,579</u>
Total Deposit Liabilities		693,265		694,678
BILLS PAYABLE		35,499		31,415
SUBORDINATED NOTES PAYABLE		23,152		23,152
OTHER LIABILITIES		<u>38,192</u>		<u>44,917</u>
Total Liabilities		<u>790,108</u>		<u>794,162</u>
<u>EQUITY</u>				
Attributable to Shareholders of the Parent Company		82,363		67,252
Minority Interest		<u>664</u>		<u>635</u>
Total Equity		<u>83,027</u>		<u>67,887</u>
TOTAL LIABILITIES AND EQUITY	P	<u>873,135</u>	P	<u>862,049</u>
<u>CONTINGENT</u>				
Trust department accounts	P	520,309	P	457,028
Unused commercial letters of credit		29,526		26,492
Outstanding guarantees issued		1,333		1,248
Export L/Cs Confirmed		1		44
Bills for collection		6,128		4,209
Late deposits/payment received		1,724		1,655
Spot Exchange Bought		10,270		3,410
Spot Exchange Sold		9,836		4,037
Forward Exchange Bought		175,729		132,504
Forward Exchange Sold		210,931		165,030
Interest Rate Swap Receivable		24,203		24,986
Interest Rate Swap Payable		24,176		25,016
Commitment Credit Card Lines		84,507		71,273
Others		<u>25,718</u>		<u>25,346</u>
TOTAL CONTINGENT ACCOUNTS	P	<u>1,124,391</u>	P	<u>942,278</u>

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

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BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

CONDENSED STATEMENT OF INCOME
(Amounts in Millions of Pesos Except Per Share Data)

	For the six-month Period ended <u>June 30, 2010</u>	For the six-month Period ended <u>June 30, 2009</u>	For the Quarter ending <u>June 30, 2010</u>	For the Quarter ending <u>June 30, 2009</u>
INTEREST INCOME ON				
Loans and Receivables	P 17,736	P 17,227	P 8,832	P 8,413
Investment Securities	4,960	5,054	2,509	2,470
Due from Other Banks	1,308	1,290	680	590
Others	<u>652</u>	<u>671</u>	<u>314</u>	<u>377</u>
Total Interest Income	<u>24,656</u>	<u>24,242</u>	<u>12,335</u>	<u>11,850</u>
INTEREST EXPENSE ON				
Deposit liabilities	6,393	8,128	3,135	3,615
Bills Payable and Others	<u>1,559</u>	<u>1,838</u>	<u>778</u>	<u>904</u>
Total Interest Expense	<u>7,952</u>	<u>9,966</u>	<u>3,913</u>	<u>4,519</u>
NET INTEREST INCOME	<u>16,704</u>	<u>14,276</u>	<u>8,422</u>	<u>7,331</u>
IMPAIRMENT LOSSES	<u>3,257</u>	<u>2,618</u>	<u>1,628</u>	<u>1,600</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>13,447</u>	<u>11,658</u>	<u>6,794</u>	<u>5,731</u>
OTHER INCOME				
Service Charges, Fees and Commissions	4,447	3,934	2,233	2,005
Trading Gain – net	1,553	1,056	-159	676
Trust Fees	720	581	362	302
Foreign Exchange Gain/(Loss) – net	1,024	856	1,474	265
Miscellaneous – net	<u>780</u>	<u>662</u>	<u>361</u>	<u>302</u>
Total Other Income	<u>8,524</u>	<u>7,089</u>	<u>4,271</u>	<u>3,550</u>
OTHER EXPENSES				
Employee Benefits	6,173	5,637	3,516	3,308
Occupancy	2,170	2,141	1,093	1,080
Taxes and licenses	1,615	1,800	749	831
Security, Clerical, Messengerial and Janitorial	925	887	457	427
Insurance	742	684	367	319
Advertising	920	478	503	269
Litigation/Assets Acquired	299	270	148	145
Miscellaneous	<u>4,186</u>	<u>3,948</u>	<u>1,735</u>	<u>1,428</u>
Total Other Expenses	<u>17,030</u>	<u>15,845</u>	<u>8,568</u>	<u>7,807</u>
INCOME BEFORE TAX	4,941	2,902	2,497	1,474
TAX EXPENSE (INCOME)	770	746	391	341
NET INCOME AFTER TAX	P <u>4,171</u>	P <u>2,156</u>	P <u>2,106</u>	P <u>1,133</u>
ATTRIBUTABLE TO:				
Equity holders of the parent	P 4,142	P 2,132	P 2,087	P 1,123
Minority Interest	<u>29</u>	<u>24</u>	<u>19</u>	<u>10</u>
	P <u>4,171</u>	P <u>2,156</u>	P <u>2,106</u>	P <u>1,133</u>
AVERAGE COMMON STOCK	2,440	2,302	2,607	2,302
INCOME PER SHARE (See annex A)				
Basic	1.56	0.89	0.86	0.49
Diluted	1.66	0.90	0.84	0.47

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

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
 BDO Corporate Center, 7899 Makati Avenue, Makati City

STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions of Pesos)

	For the six-month period June 30, 2010	For the six-month period June 30, 2009
NET PROFIT	4,171	2,156
OTHER COMPREHENSIVE INCOME(LOSS)		
Net unrealized fair value gains(losses) on available-for-sale securities	258	1,588
Translation adjustment related to foreign operations	(4)	1
Other Comprehensive Income, net of tax	254	1,589
TOTAL COMPREHENSIVE INCOME(LOSS)	<u>4,425</u>	<u>3,745</u>
Attributable To:		
Shareholders of the Parent Bank	4,396	3,721
Non-controlling Interest	29	24
	<u>4,425</u>	<u>3,745</u>

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

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
 BDO Corporate Center, 7899 Makati Avenue, Makati City
 STATEMENT OF CHANGES IN EQUITY
 COMPARATIVE PERIODS ENDED June 30, 2010 AND 2009
 (Amounts in Millions of Pesos)

	Common Stock	Preferred Stock	Common Stock Options	Treasury Shares at Cost	Additional Paid-in Capital	Surplus Reserves	Surplus Free	Net Unrealized Fair Value Gain(Losses) on Available-for-sale Securities	Revaluation Increment	Accumulated Translation Adjustment	Total Attributable to Shareholders of the Parent Bank	Non-Controlling Interest	Total Equity
Balance at January, 2010	P23,397	P5,000	P7	P-	P16,858	P1,532	P19,377	(P92)	P1,179	(P6)	P67,252	P635	P67,887
Transactions with owners													
Issuance of additional shares	2,677										2,677		2,677
Contribution to stock options, net of recognition			(7)								(7)		(7)
Premium on issuance of new shares, net of listing fees					8,330						8,330		8,330
Cash Dividends							(345)				(345)		(345)
Audit Adjustments							74				74		74
Total transactions with owners	2,677	0	(7)	0	8,330	0	(271)	0	0	0	10,729	0	10,729
Total comprehensive income							4,142	258		(4)	4,396	29	4,425
Transfer to/(from) Surplus Free													
Additional appropriation						105	(105)						0
Trust reserve													0
Revaluation increment on land and building sold									(14)				0
	0	0	0	0	0	105	(105)	0	(14)	0	(14)	0	(14)
Balance at June 30, 2010	P26,074	P5,000	P-	P-	P25,188	P1,637	P23,143	P166	P1,165	(P10)	P82,363	P664	P83,027
Balance at January, 2009	P23,020	P5,000	P76	P-	P15,937	P1,329	P14,049	(P3,505)	P1,311	(P5)	P57,212	P562	P57,774
Transactions with owners													
Issuance of additional shares											0		0
Contribution to stock options, net of recognition			(69)								(69)		(69)
Premium on issuance of new shares, net of listing fees											0		0
Cash Dividends											0		0
Audit Adjustments							11				11		11
Total transactions with owners	0	0	(69)	0	0	0	11	0	0	0	(58)	0	(58)
Total comprehensive income							2,132	1,588		1	3,721	24	3,745
Transfer to/(from) Surplus Free													
Additional appropriation						104	(104)						0
Trust reserve													0
Revaluation increment on land and building sold									(6)				0
	0	0	0	0	0	104	(104)	0	(6)	0	(6)	0	(6)
Balance at June 30, 2009	P23,020	P5,000	P7	P-	P15,937	P1,433	P16,088	(P1,917)	P1,305	(P4)	P60,869	P586	P61,455

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
 CASH FLOW STATEMENTS
 FOR THE PERIODS ENDED JUNE 30, 2010 AND 2009
 (Amounts in Millions of Pesos)

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,941	2,902
Adjustments for:		
Interest income	(24,656)	(24,242)
Interest received	24,487	23,640
Interest expense	7,952	9,966
Interest paid	(8,287)	(8,783)
Impairment losses	3,257	2,618
Depreciation and amortization	2,672	2,821
Fair value loss (gain)	<u>340</u>	<u>237</u>
Operating loss before changes in operating resources and liabilities	10,706	9,159
Decrease (increase) in financial assets at fair value through profit or loss	(1,050)	(392)
Decrease (increase) in loans and other receivables	(6,164)	(1,821)
Decrease (increase) in investment properties	(686)	(756)
Decrease (increase) in other resources	14,269	634
Increase (decrease) in deposit liabilities	481	(9,029)
Increase (decrease) in other liabilities	<u>(7,523)</u>	<u>1,299</u>
Cash generated from (used in) operations	10,033	(906)
Cash paid for income tax	<u>(868)</u>	<u>(804)</u>
Net Cash From (Used in) Operating Activities	<u>9,165</u>	<u>(1,710)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net acquisitions of bank premises, furniture, fixtures and equipment	(1,170)	(1,813)
Net decrease (increase) in equity investment	(10)	0
Net decrease (increase) in held-to-maturity investments	11,423	6,368
Net decrease (increase) in available-for-sale financial assets	<u>(14,241)</u>	<u>(1,779)</u>
Net Cash From (Used in) Investing Activities	<u>(3,998)</u>	<u>2,776</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from (payments of) bills payable	3,414	(9,199)
Dividends paid	<u>(345)</u>	<u>0</u>
Net Cash From (Used in) Financing Activities	<u>3,069</u>	<u>(9,199)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>8,236</u>	<u>(8,133)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	30,544	21,770
Due from Bangko Sentral ng Pilipinas	64,833	62,669
Due from other banks	<u>16,732</u>	<u>17,102</u>
	<u>112,109</u>	<u>101,541</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	18,378	16,994
Due from Bangko Sentral ng Pilipinas	90,288	64,301
Due from other banks	<u>11,679</u>	<u>12,113</u>
	<u>120,345</u>	<u>93,408</u>

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
BDO Corporate Center, 7899 Makati Avenue, Makati City

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of June 30, 2010
(Amounts in Millions of Pesos)

TYPE OF ACCOUNTS	CURRENT	61 – 180 DAYS	181 - 360 DAYS	OVER 360 DAYS	ITEMS IN LITIGATION	TOTAL
A. INTERBANK TERM LOANS RECEIVABLES	P 27,830	P	P	P	P	P 27,830
B. LOANS AND RECEIVABLES	P 493,054	P 5,811	P 3,812	P 13,760	P 4,103	P 520,540
Loans & Discounts	359,660	3,505	1,427	3,863	3,196	371,651
Agra-Agri Loans	44,353	321	529	512	95	45,810
Development Incentive Loans	483	7	1	9	2	502
Bills Purchases	12,028			30	2	12,060
Customers Liability on draft under LC/TR	31,537	41	13	2,513	190	34,294
Customers Liability for this bank's acceptances	1,085					1,085
Credit Card Receivables	18,103	1,293	808	3,556	102	23,862
Restructured Loans	141	512	927	2,920	454	4,954
Other Loan & Receivables	5,607	132	107	357	62	6,265
Reverse Repurchase Agreement	4,111					4,111
Unquoted Debt Securities Classified as Loans	15,946					15,946
C. ACCOUNTS RECEIVABLE	P 1,013	P 905	P 488	P 3,639	P 4	P 6,049
TOTAL	P 521,897	P 6,716	P 4,300	P 17,399	P 4,107	P 554,419

BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
7899, BDO Corporate Center, Makati Avenue, Makati City

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

NO. OF SHARES – COMMON As of June	2010		2009	
	Outstanding Balance of Common Shares	Average Number of Common Shares	Outstanding Balance of Common Shares	Average Number of Common Shares
January	2,340		2,302	
February	2,340		2,302	
March	2,340	1,448	2,302	
April	2,607	113	2,302	
May	2,607	447	2,302	
June	2,607	432	2,302	2,302
Weighted Average		<u>2,440</u>		<u>2,302</u>
Basic Earnings per share				
Net profit attributable to shareholders of the Parent Bank		4,142		2,132
Dividends on preferred shares		-330		-84
Net profit available to common shares		<u>3,812</u>		<u>2,048</u>
Divided by the weighted average number of outstanding common shares		<u>2,440</u>		<u>2,302</u>
Basic Earnings per share		<u>1.56</u>		<u>0.89</u>
Diluted Earnings Per Share				
Net profit attributable to shareholders of the Parent Bank		4,142		2,132
Divided by the weighted average number of outstanding common shares:				
Outstanding common shares		2,440		2,302
Potential common shares from assumed conversion of preferred shares		52		79
Potential common shares from assumed conversion of stock option plan		3		1
Total weighted average number of common shares after assumed conversion of convertible preferred shares		<u>2,495</u>		<u>2,382</u>
Diluted Earnings Per Share		<u>1.66</u>		<u>0.90</u>

CHECKLIST OF REQUIRED DISCLOSURES
BANCO DE ORO UNIBANK, INC.
For the six months ended: June 30, 2010

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 the Financial Reporting Standards in the Philippines (FRSP) for banks. FRSP and Philippine Financial Reporting Standards (PFRS) are similar 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: Please see 7.e below.

- 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 April 26, 2010, the Bank completed a US\$250 million capital raising program covering the issuance of 267,669,397 common shares through private placement. The IFC (International Finance Corporation) and the IFC Capitalization (Equity) Fund, L.P. subscribed to US\$150 million worth of shares, while foreign institutional investors took up

the balance through a top-up offering. Each subscription share was issued at an offer price of P41.50 per share, for an aggregate amount of over P11.1 billion. BDO is using the P11.1 billion of new capital to support its medium-term growth objectives and further reinforce its position in the Philippine banking industry.

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

On May 28, 2010, the Bank's Board of Directors declared a cash dividend of P0.80 per common share. The cash dividend declaration was subsequently approved by the BSP on July 1, 2010. Record and payment dates were set on August 17 and 27, 2010, respectively.

On January 9, 2010, the Board of Directors approved the declaration of annual dividends on peso denominated preferred shares at the rate of 6.5% per annum for a total dividend of P330 million payable within 60 banking days from the dividend declaration date. The declaration was approved by the BSP on February 19, 2010, and paid on March 19, 2010.

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.

Remarks: NONE

7.i 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.

The operations of GE Money Bank Phils. Inc. have been transferred to the parent bank, BDO, as part of its business consolidation and branching strategy.

7.j Changes in contingent liabilities or contingent assets from December 31, 2009.

Total Contingent Accounts increased 19% to P1.1 trillion

Trust Department Accounts went up by 14% to P520.3 billion due to a higher volume of funds managed from new and existing accounts.

Unused L/Cs and Outstanding Guarantees Issued grew 11% and 7% to P29.5 billion and P1.3 billion, respectively. Meanwhile, Export L/Cs Confirmed declined 98% to P1 million on account of reduced volume of unutilized export L/Cs as of the cut-off date.

Due to increased Treasury activities, spot and forward exchange volumes went up. Spot Exchange Bought climbed 201% to P10.3 billion, while Spot Exchange Sold rose 144% to P9.8 billion. Forward Exchange Sold grew 28% to P210.9 billion, while Forward Exchange Bought went up 33% to P175.7 billion

Committed Credit Card Lines increased 19% to P84.5 billion from an expansion of the Bank's credit cardholder base.

Bills for Collection increased by 46% to P6.1 billion from higher levels of bills, drafts and checks sent for collection.

MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – June 2010 vs. December 2009

Cash and Other Cash Items declined by 40% to P18.4 billion as the Bank normalized its liquidity levels. The year-end 2009 level was particularly high because of the holiday season.

Due from BSP account went up by 39% to P90.3 billion with funds coming from the Bank's cash account, while Due from Other Banks decreased by 30% to P11.7 billion from lower levels of placements and working balances with correspondent banks.

The aggregate Investment Securities grew by 5% to P180.3 billion mainly from a 33% increase in Available for Sale Securities (ASS) to P62.6 billion. Financial Assets at Fair Value through Profit or Loss (FVTPL) went up 9% to P9.3 billion, while Held-to-Maturity (HTM) securities declined 7% to P108.4 billion.

Net Loans and Other Receivables dipped 0.4% to P522.8 billion as Securities Purchased Under Reverse Repurchase Agreements (SPURRA) and Interbank Loans declined 64% and 16%, respectively. Unquoted Debt Securities Classified as Loans (UDSCL), and Other Receivables-net also both declined by 22%. Gross customer loans were 4% higher from end-2009.

Other Resources declined by 15% to P14.7 billion on account of lower levels of clearing items, inter-office accounts and miscellaneous assets.

The volume of Deposits was nearly unchanged at P693.3 billion from end-2009. Savings deposits grew 6% to P375.1 billion, offsetting the decline in demand and time deposit levels of 17% and 5%, respectively.

Bills Payable increased 13% to P35.5 billion on account of higher volume of deposit substitutes.

Other Liabilities decreased 15% to P38.2 billion on lower volume of accounts payables and miscellaneous liabilities.

Total Equity went up 22% to P83 billion as a result of the recent capital raising and net income from operations. The Bank raised additional capital of \$250 million equivalent to P11.1 billion in April.

II. Balance Sheet – June 2010 vs. June 2009

Total Resources increased by 11% to P873.1 billion mainly from the continued expansion in the Bank's loan portfolio.

Cash and Other Cash Items rose 8% to P18.4 billion from higher deposit levels.

Due from BSP went up 40% to P90.3 billion from growth in deposit levels, while Due from Other Banks dipped 4% to P11.7 billion on account of lower levels of placements and deposits with correspondent banks.

The total Investment Securities portfolio grew by 14% to P180.3 billion mainly from a 59% growth in AFS and a 31% increase in FVTPL. HTM securities were 3% lower YoY.

Net Loans and Other Receivables grew 7% to P522.8 billion mainly from a 19% growth in gross customer loans. Inter-bank loans and SPURRA declined 25% and 85%, respectively, while UDSC were 24% lower.

Investment Properties went down by 10% to P13.1 billion from the continued ROPA disposal programs of the Bank.

Total Deposit Liabilities climbed 11% from the Bank's deposit marketing efforts and increased market coverage with the redeployment of existing branch licenses. Demand and Savings Deposits rose by 9% and 28%, respectively, partially replacing the more expensive Time Deposits which declined by 6%.

Bills Payable went down 18% due to a reduction in short-term borrowings as deposit growth and the additional equity raised by the Bank provided the funding requirements.

Other Liabilities increased 9% primarily due to a higher volume of derivative liabilities and increased Bills Purchased availments from branches.

Total Equity increased by 35% from profitable operations, improvement in market value of Available-for-Sale securities and the issuance of additional shares. The Bank raised additional capital of \$250 million equivalent to P11.1 billion in April.

III. Income Statement – YTD June 2010 vs. YTD June 2009

Net Income attributable to Equity holders of the Parent Company increased 94% to P4.1 billion, from higher net interest income, fee-based income as well as trading and foreign exchange gains.

Net Interest Income grew 17% to P16.7 billion from the expansion in the Bank's loan portfolio, and the improvement in the Bank's funding mix, which resulted in lower interest expense.

Provision for Impairment Loss was 24% higher at P3.3 billion as the Bank continued its prudent approach on asset provisioning.

Total Other Income rose by 20% to P8.5 billion from higher trading and fee income. Fee-based income totaled P5.2 billion, 14% higher YoY. Service Charges and Fees grew 13% YoY to P4.4 billion owing to higher business volume from the Bank's major business lines, while Trust fees rose by 24% to P720 million on higher levels of funds managed.

The combined Trading and Foreign Exchange Gains rose 35% to P2.6 billion for the first six months of 2010 from P1.9 billion in the same period last year as the Bank was able to capitalize on market opportunities. Foreign Exchange Gains were 20% higher at P1 billion, while Trading Gains increased 47% to P1.6 billion.

Miscellaneous income posted an 18% increase to P780 million from gains on ROPA sales and recoveries on charged off accounts.

Meanwhile, Operating Expenses increased by 7% to P17 billion. Employee Benefits increased 10% from higher compensation and retirement fund contribution. Advertising expenses went up by 92% from continued marketing and advertising campaigns. Taxes and Licenses declined 10% from the same period in 2009 largely due to lower documentary stamp taxes on time deposits. Litigation/Assets Acquired expenses rose 11% due to ROPA-related maintenance and disposal expenditures.

IV. Comprehensive Income – YTD June 2010 vs. YTD June 2009

Total Comprehensive Income for the first six months of 2010 reached P4.4 billion, 18% or P680 million more than the P3.7 billion in the same period last year. The improvement was mainly due to the P2 billion or 93% increase in the Net Income After Tax to P4.2 billion.

Other Comprehensive Income was P1.3 billion or 84% lower at P254 million due to the drop in Unrealized Gain on AFS to P258 million from P1.6 billion in the first six months of 2009 attributed to mark-to-market valuation of the Bank's AFS inventory. Translation Adjustments Related to Foreign Operations were also P5 million lower than last year due to the strengthening of the peso against major foreign currencies in the first half of the year.

1. Key performance indicators

Indicator	1H10	1H09	Inc/(Dec.)
Return on Average Equity	11.06%	7.23%	383 bps
Return on Average Assets	0.96%	0.54%	42 bps
Net Interest Margin	4.25%	3.97%	28 bps
Capital Adequacy Ratio	14.29%	12.76%	153 bps
Basic Earnings per Share	P1.56	P0.89	P0.67

2. Discussion of the company's 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.

Annualized return on average equity (ROE), net income divided by average equity, increased by 383 bps to 11.06% from higher net income for the first half of 2010

Annualized return on average assets (ROA), net income divided by average assets, also improved by 42 bps to 0.96% as the growth in net income outpaced the increase in asset base.

Annualized Net Interest Margin, net interest income divided by average interest bearing assets, went up by 28 bps to 4.25% from continued growth in the loan portfolio and reduced funding cost.

Capital Adequacy Ratio (CAR), total qualifying capital divided by total risk-weighted assets, rose by 153 bps to 14.29% from 12.76% a year ago due to additional capital raised during the semester and improved operating results.

Basic Earnings per Share, net income available to common shares divided by average number of outstanding common shares, was higher by P0.67 at P1.56 due to the higher 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 2010 vs. December 2009

None to report

II. Balance Sheet – June 2010 vs. June 2009

The ratio of Savings Deposits to Total Deposits increased from 47% to 54%. On the other hand, Time Deposits dipped to 41% from 48% of Total Deposits.

III. Income Statement – June 2010 vs. June 2009.

The income tax rate dropped from 26% to 16% despite bigger profits as a bigger portion of revenue was accounted for by FCDU operations.

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 de-recognition, the carrying amounts and fair values of all financial assets reclassified in the current reporting period.

The reclassified accounts have the following balances as of June 30, 2010:

in US\$ mil	Carrying Amount	Fair Value
HTM	542.9	593.4
UDSCL	335.5	360.0
Total	878.4	953.4

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.

in US\$ mil	Conso Impact
HTM	8.8
UDSCL	(0.9)
Total	7.9

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. & Subsidiaries
Balances by Segment
As of June 30, 2010
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	22,954	11	662	1,029	24,656	0	24,656
Inter-Segment	1	6	0	8	15	(15)	0
	<u>22,955</u>	<u>17</u>	<u>662</u>	<u>1,037</u>	<u>24,671</u>	<u>(15)</u>	<u>24,656</u>
Total Interest Expense							
External	7,566	0	248	138	7,952	0	7,952
Inter-Segment	14	1	0	0	15	(15)	0
	<u>7,580</u>	<u>1</u>	<u>248</u>	<u>138</u>	<u>7,967</u>	<u>(15)</u>	<u>7,952</u>
Net Interest Income	<u>15,375</u>	<u>16</u>	<u>414</u>	<u>899</u>	<u>16,704</u>	<u>0</u>	<u>16,704</u>
Other Operating Income							
Investment Banking Fees	0	217	0	0	217	0	217
Others	7,553	42	314	526	8,435	(128)	8,307
	<u>7,553</u>	<u>259</u>	<u>314</u>	<u>526</u>	<u>8,652</u>	<u>(128)</u>	<u>8,524</u>
Other Operating Expenses							
Depreciation and Amortization	787	2	10	532	1,331	0	1,331
Impairment Losses	3,089	0	39	170	3,298	(42)	3,256
Others	14,801	111	307	507	15,726	(26)	15,700
	<u>18,677</u>	<u>113</u>	<u>356</u>	<u>1,209</u>	<u>20,355</u>	<u>(68)</u>	<u>20,287</u>
Profit before Tax	<u>4,251</u>	<u>162</u>	<u>372</u>	<u>216</u>	<u>5,001</u>	<u>(60)</u>	<u>4,941</u>
Tax Expense	608	45	36	81	770	0	770
Net Profit	<u>3,643</u>	<u>117</u>	<u>336</u>	<u>135</u>	<u>4,231</u>	<u>(60)</u>	<u>4,171</u>
Statements of Financial Position							
Total Resources							
Segment Assets	833,743	1,734	23,443	22,016	880,936	(14,489)	866,447
Intangible Assets	1,016	10	4	0	1,030	0	1,030
Deferred Tax Assets	5,722	(19)	27	(72)	5,658	0	5,658
	<u>840,481</u>	<u>1,725</u>	<u>23,474</u>	<u>21,944</u>	<u>887,624</u>	<u>(14,489)</u>	<u>873,135</u>
Total Liabilities	<u>761,897</u>	<u>304</u>	<u>19,301</u>	<u>15,516</u>	<u>797,018</u>	<u>(6,910)</u>	<u>790,108</u>
Other Segment Information							
Capital expenditures	1,469	1	6	7	1,483	0	1,483
Investment in associate under equity method	2,179	68	0	0	2,247	0	2,247
Share in the Profit of associates	10	0	0	0	10	0	10

Banco De Oro Unibank, Inc. & Subsidiaries
Balances by Segment
As of June 30, 2009
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	22,453	11	818	960	24,242	0	24,242
Inter-Segment	4	5		35	44	(44)	0
	<u>22,457</u>	<u>16</u>	<u>818</u>	<u>995</u>	<u>24,286</u>	<u>(44)</u>	<u>24,242</u>
Total Interest Expense							
External	9,335	0	515	116	9,966	0	9,966
Inter-Segment	40	1	0	3	44	(44)	0
	<u>9,375</u>	<u>1</u>	<u>515</u>	<u>119</u>	<u>10,010</u>	<u>(44)</u>	<u>9,966</u>
Net Interest Income	<u>13,082</u>	<u>15</u>	<u>303</u>	<u>876</u>	<u>14,276</u>	<u>0</u>	<u>14,276</u>
Other Operating Income							
Investment Banking Fees	0	164	0	0	164	0	164
Others	6,135	17	291	517	6,960	(35)	6,925
	<u>6,135</u>	<u>181</u>	<u>291</u>	<u>517</u>	<u>7,124</u>	<u>(35)</u>	<u>7,089</u>
Other Operating Expenses							
Depreciation and Amortization	849	2	9	519	1,379	(9)	1,370
Impairment Losses	2,504	0	84	30	2,618	0	2,618
Others	13,563	93	312	533	14,501	(26)	14,475
	<u>16,916</u>	<u>95</u>	<u>405</u>	<u>1,082</u>	<u>18,498</u>	<u>(35)</u>	<u>18,463</u>
Profit before Tax	<u>2,301</u>	<u>101</u>	<u>189</u>	<u>311</u>	<u>2,902</u>	<u>0</u>	<u>2,902</u>
Tax Expense	<u>598</u>	<u>27</u>	<u>47</u>	<u>74</u>	<u>746</u>	<u>0</u>	<u>746</u>
Net Profit	<u>1,703</u>	<u>74</u>	<u>142</u>	<u>237</u>	<u>2,156</u>	<u>0</u>	<u>2,156</u>
Statements of Financial Position							
Total Resources							
Segment Assets	748,428	1,393	30,045	18,484	798,350	(14,844)	783,506
Intangible Assets	731	10	0	0	741	0	741
Deferred Tax Assets	5,745	12	25	(51)	5,731	0	5,731
	<u>754,904</u>	<u>1,415</u>	<u>30,070</u>	<u>18,433</u>	<u>804,822</u>	<u>(14,844)</u>	<u>789,978</u>
Total Liabilities	<u>699,266</u>	<u>151</u>	<u>26,367</u>	<u>11,332</u>	<u>737,116</u>	<u>(8,593)</u>	<u>728,523</u>
Other Segment Information							
Capital expenditures	871	0	3	6	880	0	880
Investment in associate under equity method	1,648	68	0	0	1,716	0	1,716
Share in the Profit of associates	15	0	0	0	15	0	15