



Via ODiSy

10 May 2011

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 31 March 2011

Gentlemen:

We transmit with this letter the quarterly report (SEC Form 17-Q) of Banco De Oro Unibank, Inc. as of 31 March 2011.

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 3

Month

3 1

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

13,761

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 March 31, 2011.
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

Makati City, Philippines

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

6. Industry Classification Code (For SEC Use Only)

BDO Corporate Center, 7899 Makati Avenue, Makati 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	2,607,437,907	

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

Yes ☒ No. ☐

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

12. Indicate by check mark whether the registrant:

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

Yes ☒ No. ☐

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

Yes ☒ No. ☐

SIGNATURES

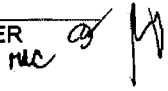
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

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

Signature and Title.....



LUCY CO DY
EVP/COMPTROLLER

rec 

Date.....

May 9, 2011

Principal Financial /Accounting
Officer/Comptroller.....

LUCY CO DY

Signature and Title.....



EVP/COMPTROLLER

Date.....

May 9, 2011

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)

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

SUBSCRIBED AND SWORN TO before me this MAY 10 2011 day of May,

2011, 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. 245
Page No. 30
Book No. XXXV
Series of 2011

Notary Public


BENJAMIN B. MATA

Notary Public

Until Dec. 31, 2011

PTR No. 0873783, Jan. 3, 2011

IBP No. 835323, Oct. 11, 2010

Roll No. 11186

* 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 Mar 31, 2011	Audited As of Dec 31, 2010
RESOURCES		
CASH AND OTHER CASH ITEMS	P 18,203	P 26,673
DUE FROM BANGKO SENTRAL NG PILIPINAS	106,415	138,482
DUE FROM OTHER BANKS	17,653	21,777
INVESTMENT SECURITIES		
At Fair Value Through Profit or Loss	5,854	7,372
Available-for-Sale – net	77,759	85,674
Held-to-Maturity – net	100,861	104,241
LOANS AND OTHER RECEIVABLES–net	578,366	566,021
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net	14,839	15,057
INVESTMENT PROPERTIES	11,614	11,979
EQUITY INVESTMENTS – net	3,294	3,387
DEFERRED TAX ASSETS	5,597	5,584
OTHER RESOURCES - net	14,914	14,622
TOTAL RESOURCES	P 955,369	P 1,000,869
LIABILITIES AND CAPITAL FUNDS		
DEPOSIT LIABILITIES	P	P
Demand	39,387	45,445
Savings	429,970	426,024
Time	276,891	311,166
Total Deposit Liabilities	746,248	782,635
BILLS PAYABLE	57,506	65,861
SUBORDINATED NOTES PAYABLE	23,324	23,152
OTHER LIABILITIES	40,350	40,489
Total Liabilities	867,428	912,137
EQUITY		
Attributable to Shareholders of the Parent Company	87,272	88,009
Minority Interest	669	723
Total Equity	87,941	88,732
TOTAL LIABILITIES AND EQUITY	P 955,369	P 1,000,869
CONTINGENT		
Trust department accounts	P 615,745	P 569,957
Unused commercial letters of credit	34,038	30,991
Outstanding guarantees issued	1,353	862
Export L/Cs Confirmed	447	130
Bills for collection	4,422	5,523
Late deposits/payment received	1,561	1,538
Spot Exchange Bought	5,902	3,617
Spot Exchange Sold	6,767	4,162
Forward Exchange Bought	221,710	143,723
Forward Exchange Sold	231,484	162,503
Interest Rate Swap Receivable	26,438	25,971
Interest Rate Swap Payable	26,437	25,923
Other Contingent Accounts	116,962	112,790
TOTAL CONTINGENT ACCOUNTS	P 1,293,266	P 1,087,690

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 three-month Period ended March 31, 2011	For the three-month Period ended March 31, 2010
INTEREST INCOME ON		
Loans and Receivables	P 8,783	P 8,904
Investment Securities	2,700	2,451
Due from Other Banks	642	628
Others	171	338
Total Interest Income	<u>12,296</u>	<u>12,321</u>
INTEREST EXPENSE ON		
Deposit liabilities	2,976	3,258
Bills Payable and Others	834	781
Total Interest Expense	<u>3,810</u>	<u>4,039</u>
NET INTEREST INCOME	8,486	8,282
IMPAIRMENT LOSSES	<u>2,068</u>	<u>1,629</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>6,418</u>	<u>6,653</u>
OTHER INCOME		
Service Charges, Fees and Commissions	2,605	2,214
Trading Gain – net	1,638	1,711
Trust Fees	415	358
Foreign Exchange Gain/(Loss) – net	201	-432
Miscellaneous – net	491	419
Total Other Income	<u>5,350</u>	<u>4,270</u>
OTHER EXPENSES		
Employee Benefits	2,615	2,657
Occupancy	1,048	1,076
Taxes and licenses	903	866
Security, Clerical, Messengerial and Janitorial	456	468
Insurance	411	375
Advertising	580	417
Litigation/Assets Acquired	177	151
Miscellaneous	2,649	2,452
Total Other Expenses	<u>8,839</u>	<u>8,462</u>
INCOME BEFORE TAX	2,929	2,461
TAX EXPENSE (INCOME)	469	379
NET INCOME AFTER TAX	<u>P 2,460</u>	<u>P 2,082</u>
ATTRIBUTABLE TO:		
Equity holders of the parent	P 2,444	P 2,072
Minority Interest	16	10
	<u>P 2,460</u>	<u>P 2,082</u>
AVERAGE COMMON STOCK	2,607	2,340
INCOME PER SHARE (See annex A)		
Basic	0.81	0.74
Diluted	0.81	0.74

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 three- month period March 31, 2011	For the three- month period March 31, 2010
NET PROFIT	2,460	2,082
OTHER COMPREHENSIVE INCOME(LOSS)		
Net unrealized fair value gains(losses) on available-for-sale securities	(2,911)	759
Translation adjustment related to foreign operations	(8)	(22)
Other Comprehensive Income, net of tax	(2,919)	737
TOTAL COMPREHENSIVE INCOME(LOSS)	(459)	2,819
Attributable To:		
Shareholders of the Parent Bank	(405)	2,808
Non-controlling Interest	(54)	11
	(459)	2,819

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 March 31, 2011 AND 2010
(Amounts in Thousands 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, 2011	P26,074	P5,000	P-	P-	P25,175	P1,550	P25,737	P3,664	P1,165	(P356)	P88,009	P723	P88,732
Transactions with owners													
Issuance of additional shares											0		0
Contribution to stock options, net of recognition			0								0		0
Premium on issuance of new shares, net of listing fees											0		0
Cash Dividends							(330)				(330)		(330)
Audit Adjustments							46				46		46
Total transactions with owners	0	0	0	0	0	0	(284)	0	0	0	(284)	0	(284)
Total comprehensive income							2,514	(2,911)		(8)	(405)	(54)	(459)
Transfer to/(from) Surplus Free													
Additional appropriation						(10)	10						0
Trust reserve													0
Revaluation increment on land and building sold									(47)				0
	0	0	0	0	0	(10)	10	0	(47)	0	(47)	0	(47)
Balance at March 31, 2011	P26,074	P5,000	P-	P-	P25,175	P1,540	P27,977	P753	P1,118	(P364)	P87,273	P669	P87,942
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											0		0
Contribution to stock options, net of recognition			(7)								(7)		(7)
Premium on issuance of new shares, net of listing fees											0		0
Cash Dividends							(331)				(331)		(331)
Audit Adjustments							26				26		26
Total transactions with owners	0	0	(7)	0	0	0	(305)	0	0	0	(312)	0	(312)
Total comprehensive income							2,071	759		(22)	2,808	11	2,819
Transfer to/(from) Surplus Free													
Additional appropriation													0
Trust reserve													0
Revaluation increment on land and building sold													0
	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance at March 31, 2010	P23,397	P5,000	P-	P-	P16,858	P1,532	P21,143	P667	P1,179	(P28)	P69,748	P646	P70,394

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BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2011 AND 2010
(Amounts in Millions of Pesos)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,930	2,461
Adjustments for:		
Interest income	(12,296)	(12,321)
Interest received	13,856	13,766
Interest expense	3,810	4,039
Interest paid	(4,216)	(4,634)
Impairment losses	2,068	1,629
Depreciation and amortization	1,947	2,269
Fair value loss (gain)	305	1,176
Operating loss before changes in operating resources and liabilities	8,404	8,385
Decrease (increase) in financial assets at fair value through profit or loss	1,238	(1,597)
Decrease (increase) in loans and other receivables	(18,749)	11,445
Decrease (increase) in investment properties	(1,109)	(1,413)
Decrease (increase) in other resources	(210)	2,854
Increase (decrease) in deposit liabilities	(35,147)	(13,444)
Increase (decrease) in other liabilities	(730)	(9,415)
Cash generated from (used in) operations	(46,303)	(3,185)
Cash paid for income tax	(280)	(243)
Net Cash From (Used in) Operating Activities	(46,583)	(3,428)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net acquisitions of bank premises, furniture, fixtures and equipment	(260)	(501)
Net decrease (increase) in equity investment	94	(7)
Net decrease (increase) in held-to-maturity investments	5,067	11,663
Net decrease (increase) in available-for-sale financial assets	5,966	(4,679)
Net Cash From (Used in) Investing Activities	10,867	6,476
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from (payments of) bills payable	(8,615)	6,397
Dividends paid	(330)	(331)
Net Cash From (Used in) Financing Activities	(8,945)	6,066
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(44,661)	9,114
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	26,673	30,544
Due from Bangko Sentral ng Pilipinas	138,482	64,833
Due from other banks	21,777	16,732
	186,932	112,109
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	18,203	18,376
Due from Bangko Sentral ng Pilipinas	106,415	88,060
Due from other banks	17,653	14,787
	142,271	121,223

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

AGING OF LOANS AND ACCOUNTS RECEIVABLE
As of March 31, 2011
(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 14,828 P	0 P	0 P	0 P	0 P	14,828
B. LOANS AND RECEIVABLES	P 568,864 P	3,609 P	3,044 P	13,491 P	3,823 P	592,831
Loans & Discounts	408,877	1,994	2,028	830	2,957	416,686
Agra-Agri Loans	53,336	12	10	1,041	75	54,474
Development Incentive Loans	517	2	3	8	2	532
Bills Purchases	9,730	0	0	30	2	9,762
Customers Liability on draft under LC/TR	28,851	1	0	2,041	350	31,243
Customers Liability for this bank's acceptances	1,450	0	0	0	0	1,450
Credit Card Receivables	20,499	1,396	779	4,472	151	27,297
Restructured Loans	211	135	100	4,020	230	4,696
Other Loan & Receivables	4,694	69	124	1,049	56	5,992
Reverse Repurchase Agreement	28,802	0	0	0	0	28,802
Unquoted Debt Securities Classified as Loans	11,897	0	0	0	0	11,897
C. ACCOUNTS RECEIVABLE	P 2,240 P	407 P	75 P	3,450 P	4 P	6,176
TOTAL	P 585,932 P	4,016 P	3,119 P	16,941 P	3,827 P	613,835

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 March	2011		2010	
	Outstanding Balance of Common Shares	Average Number of Common Shares	Outstanding Balance of Common Shares	Average Number of Common Shares
January	2,607		2,340	
February	2,607		2,340	
March	2,607	2,607	2,340	2,340
Weighted Average		<u>2,607</u>		<u>2,340</u>
Basic Earnings per share				
Net profit attributable to shareholders of the Parent Bank		2,444		2,072
Less: Dividends on preferred shares		<u>330</u>		<u>330</u>
Net profit available to common shares		<u>2,114</u>		<u>1,742</u>
Divided by the weighted average number of outstanding common shares		<u>2,607</u>		<u>2,340</u>
Basic Earnings per share		<u>0.81</u>		<u>0.74</u>
Diluted Earnings Per Share				
Net profit attributable to shareholders of the Parent Bank		2,114		1,742
Divided by the weighted average number of outstanding common shares:				
Weighted Average number of common shares		2,607		2,340
Potential common shares from assumed conversion of preferred shares		0		0
Potential common shares from assumed conversion of stock option plan		<u>0</u>		<u>0</u>
Total weighted average number of common shares after assumed conversion of convertible preferred shares		<u>2,607</u>		<u>2,340</u>
Diluted Earnings Per Share		<u>0.81</u>		<u>0.74</u>

Note:

**Net profit attributable to shareholders of the Parent Bank is reduced by dividends on preferred shares as these were not assumed to be converted. Potential common shares from assumed conversion of these preferred shares are anti-dilutive in 2011.*

CHECKLIST OF REQUIRED DISCLOSURES

BANCO DE ORO UNIBANK, INC.

For the three months ended: March 31, 2011

FINANCIAL INFORMATION

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

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

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

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

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

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

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

Remarks: NONE

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

Remarks: NONE

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

Remarks: NONE

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

On January 29, 2011, the Bank's Board of Directors approved the declaration of annual dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P330 million. The declaration was approved by BSP on March 3, 2011 and was paid on March 15, 2011.

- 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 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 31,2010.

- Total Contingent Accounts rose 19% to P1.3 trillion due to the following:
 - Trust Department Accounts went up by 8% to P615.7 billion from a larger portfolio of funds managed originating from new as well as existing accounts.
 - Unused L/Cs, Outstanding Guarantees Issued and Export L/Cs Confirmed grew 10%, 57% and 243% to P34 billion, P1.4 billion and P447 million, respectively, primarily from larger volume of trade transactions.
 - Owing to increased treasury activities:
 - Spot Exchange Bought went up 63% to P5.9 billion
 - Spot Exchange Sold climbed 63% to P6.8 billion
 - Forward Exchange Bought rose 54% to P221.7 billion
 - Forward Exchange Sold grew 42% to P231.5 billion
 - Committed Credit Card Lines rose 5% to P93.7 billion from an expansion of the Bank's credit cardholder customer base.
- Bills for Collection declined by 20% to P4.4 billion, as year-end levels were unusually high from transactions during the holiday season.

MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – March 2011 vs. December 2010

- Cash and Other Cash Items fell by 32% to P18.2 billion as excess liquidity was used to settle interbank borrowings. Year-end 2010 level was also particularly high owing to cash deposits by clients, from sales generated during the Christmas season.
- Due from BSP declined 23% to P106.4 billion as reserve asset levels declined given the decrease in deposits.
- Due from Other Banks dropped 19% to P17.7 billion due to lower levels of placements and working balances with foreign correspondent banks.
- Investment Securities went down by 6% to P184.5 billion owing to a 21% and 9% decline in Financial Assets at Fair Value Through Profit or Loss (FVPL) and Available for Sale Securities (AFS), respectively.
- Net Loans and Other Receivables slightly increased by 2% to P578.4 billion. Increases of 889% in Securities Purchased Under Reverse Repurchase Agreements (SPURRA) and 7% in Other Receivables were partially offset by a 43% and 11% slide in Interbank Loans and Unquoted Debt Securities Classified as Loans (UDSCL), respectively.
- Deposit Liabilities slightly declined by 5% to P746.2 billion on account mainly of a reduction in Demand and Time Deposits, the latter in an effort to improve the Bank's deposit mix.
- Bills Payable dropped 13% to P57.5 billion due to maturities of short-term borrowings.

II. Balance Sheet – March 2011 vs. March 2010

- Total Resources expanded 13% to P955.4 billion owing to an increase in customer loans primarily funded by growth in deposits.
- Due from BSP increased 21% billion consistent with an expansion in deposit liabilities.
- Due from Other Banks went up 19% as a result of higher levels of placements and deposits with correspondent banks year-on-year.
- Investment Securities grew by 10% on account of a 47% increase in AFS. On the other hand, FVPL and Held-to-Maturity Securities (HTM) dropped by 35% and 5%, respectively.
- Net Loans and Other Receivables went up by 14% on a 16% increase in customer receivables from sustained demand from both corporate and consumer segments. SPURRA and Other Receivables likewise expanded by 476% and 6%, respectively, while Interbank Loans declined by 54%.
- Equity Investments expanded 92% to P3.3 billion due to a minority investment in an infrastructure project as well as additional investments in the insurance business.
- Investment Properties slid 15% to P11.6 billion from effective ROPA disposal programs of the Bank.
- Deposit Liabilities increased 10% mainly owing to the Bank's aggressive marketing efforts for low-cost deposits. Demand and Savings Deposits expanded by 11% and 20%, respectively.
- Bills Payable surged 51% primarily due to a \$300 million Senior Note issuance in October 2010.
- Other Liabilities went up by 12% to P40.4 billion resulting from higher levels of outstanding manager's and gift checks as well as accounts and accrued expenses payables.

- Total Equity increased by 25% to P87.9 billion from profitable operations and an P11.1 billion common share issuance in April 2010.

III. Income Statement – March 2011 vs. March 2010

- Net Income attributable to Equity holders of the Parent Company for the first quarter of 2011 grew 18% to P2.4 billion, primarily due to higher non-interest income from the Bank's major business lines.
- Net Interest Income inched up 2% to P8.5 billion, on account of the expansion in the Bank's earning asset base.
- Provision for Impairment Loss was 27% higher at P2.1 billion in line with the Bank's conservative approach on asset provisioning.
- Other income surged 25% to P5.4 billion owing to the following:
 - Service Charges and Fees increased 18% to P2.6 billion due to higher business volume from the Bank's major business lines.
 - Trust Fees also rose by 16% to P415 million from higher levels of funds managed.
 - Foreign Exchange (FX) Gain improved to P201 million from a loss of P432 million for the same period last year, owing to higher levels of interbank swaps, trade transactions and OFW remittances as well as increased treasury foreign exchange activities.
 - Miscellaneous Income also went up by 17% to P491 million mainly due to income from equity investments.
- Operating Expenses was controlled at a 4% increase to P8.8 billion.
 - Insurance expenses went up 10% on account of deposit expansion.
 - Advertising expenses grew 39% from continued marketing and advertising campaigns.
 - Litigation/Assets Acquired expenses rose by 17% due to ROPA-related maintenance and disposal expenditures.
 - Miscellaneous expenses increased by 8% owing to business volume expansion.
- Tax Expense increased 24% from a higher level of corresponding taxable income.

IV. Comprehensive Income – March 2011 vs. March 2010

- From a Net Income from Operations of P2.5 billion, the Bank showed a Total Comprehensive Loss of P459 million for the first quarter of 2011 owing to a P2.9 billion decline in the market value of AFS Securities and a negative P8 million translation adjustment related to foreign operations.
- The Total Comprehensive Loss of P459 million was a deterioration from the P2.8 billion Total Comprehensive Income for the same period last year, which included a P759 million unrealized gain on AFS Securities and a negative P22 million translation adjustment related to foreign operations.

1. Key Performance Indicators

Indicator	3M11	3M10	Inc/(Dec)
Return on Average Equity	11.14%	12.05%	(0.91%)
Return on Average Assets	1.01%	0.97%	0.04%
Net Interest Margin	3.79%	4.31%	(0.52%)
Capital Adequacy Ratio	14.01%	12.84%	1.17%
Basic Earnings per Share	0.81	0.74	0.07

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) went down by 0.91%, despite profitable operations, owing to a larger equity base from profitable operations as well as the common share issuance in April 2010.
 - Annualized return on average assets (ROA) inched up 0.04% as the increase in bottomline profits outpaced the expansion in asset base.
 - Annualized Net Interest Margin slid by 0.52% due to competitive loan spreads coupled with a lower interest rate environment.
 - Capital Adequacy Ratio (CAR), covering credit, market and operations risk, went up by 1.17% from profitable operations and the common share issuance in April 2010.
 - Basic Earnings per Share grew by P0.07 due to higher net income.
- 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 – March 2011 vs. December 2010

Remarks: NONE

II. Balance Sheet – March 2011 vs. March 2010

- Savings Deposits increased from 52.6% to 57.6% of Total Deposits from aggressive marketing efforts for low-cost deposits. Conversely, Time Deposits, dropped from 42.1% to 37.1% of Total Deposits, improving the Bank's deposit mix.

III. Income Statement – March 2011 vs. March 2010

- Trading Gain registered at 30.6% of Other Income from 40.1% due to less favorable market conditions as compared to last year.
- FX Gain now represents 3.8% of Other Income from the –10.1% FX loss the previous year .

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

Remarks: NONE

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

a. The financial assets reclassified into and from each category

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

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

In US\$ mil	Carrying Amount	Fair Value
HTM	473.8	543.0
UDSCL	268.0	293.7
Total	741.8	836.7

- 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	Impact
HTM	9.4
UDSCL	(2.2)
Total	7.2

- 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 March 31, 2011
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	11,630	4	286	376	12,296	0	12,296
Inter-Segment	2	2	0	3	7	(7)	0
	11,632	6	286	379	12,303	(7)	12,296
Total Interest Expense							
External	3,627	0	108	75	3,810	0	3,810
Inter-Segment	5	0	0	2	7	(7)	0
	3,632	0	108	77	3,817	(7)	3,810
Net Interest Income	8,000	6	178	302	8,486	0	8,486
Other Operating Income							
Investment Banking Fees	0	186	0	0	186	0	186
Others	4,721	75	159	363	5,318	(154)	5,164
	4,721	261	159	363	5,504	(154)	5,350
Other Operating Expenses							
Depreciation and Amortization	471	1	4	107	583	0	583
Impairment Losses	2,014	0	11	43	2,068	0	2,068
Others	7,768	66	151	286	8,271	(15)	8,256
	10,253	67	166	436	10,922	(15)	10,907
Profit before Tax	2,468	200	171	229	3,068	(139)	2,929
Tax Expense	368	47	13	41	469	0	469
Net Profit	2,100	153	158	188	2,599	(139)	2,460
Statements of Financial Position							
Total Resources							
Segment Assets	917,575	1,736	22,901	23,637	965,849	(16,785)	949,064
Intangible Assets	697	10	1	0	708	0	708
Deferred Tax Assets	5,689	(27)	29	(94)	5,597	0	5,597
	923,961	1,719	22,931	23,543	972,154	(16,785)	955,369
Total Liabilities	840,631	408	18,326	17,133	876,498	(9,069)	867,429
Other Segment Information							
Capital expenditures	420	0	4	66	490	0	490
Investment in associate under equity method	3,764	68	0	0	3,832	0	3,832
Share in the Profit of associates	43	0	0	0	43	0	43

Banco De Oro Unibank, Inc. & Subsidiaries
Balances by Segment
As of March 31, 2010
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
Statement of Income							
Total Interest Income							
External	11,412	5	364	540	12,321	0	12,321
Inter-Segment	1	3	0	3	7	(7)	0
	<u>11,413</u>	<u>8</u>	<u>364</u>	<u>543</u>	<u>12,328</u>	<u>(7)</u>	<u>12,321</u>
Total Interest Expense							
External	3,840	0	133	66	4,039		4,039
Inter-Segment	7	0	0	0	7	(7)	0
	<u>3,847</u>	<u>0</u>	<u>133</u>	<u>66</u>	<u>4,046</u>	<u>(7)</u>	<u>4,039</u>
Net Interest Income	<u>7,566</u>	<u>8</u>	<u>231</u>	<u>477</u>	<u>8,282</u>	<u>0</u>	<u>8,282</u>
Other Operating Income							
Investment Banking Fees	0	136	0	0	136	(8)	128
Others	3,729	24	168	233	4,154	(12)	4,142
	<u>3,729</u>	<u>160</u>	<u>168</u>	<u>233</u>	<u>4,290</u>	<u>(20)</u>	<u>4,270</u>
Other Operating Expenses							
Depreciation and Amortization	391	1	4	274	670	0	670
Impairment Losses	1,501	0	29	99	1,629	0	1,629
Others	7,330	56	160	258	7,804	(12)	7,792
	<u>9,222</u>	<u>57</u>	<u>193</u>	<u>631</u>	<u>10,103</u>	<u>(12)</u>	<u>10,091</u>
Profit before Tax	<u>2,073</u>	<u>111</u>	<u>206</u>	<u>79</u>	<u>2,469</u>	<u>(8)</u>	<u>2,461</u>
Tax Expense	299	32	16	32	379	0	379
Net Profit	<u>1,774</u>	<u>79</u>	<u>190</u>	<u>47</u>	<u>2,090</u>	<u>(8)</u>	<u>2,082</u>
Statements of Financial Position							
Total Resources							
Segment Assets	809,544	1,592	23,138	20,665	854,939	(14,090)	840,849
Intangible Assets	1,096	10	3	0	1,109	0	1,109
Deferred Tax Assets	5,728	(20)	27	(51)	5,684	0	5,684
	<u>816,368</u>	<u>1,582</u>	<u>23,168</u>	<u>20,614</u>	<u>861,732</u>	<u>(14,090)</u>	<u>847,642</u>
Total Liabilities	<u>750,155</u>	<u>198</u>	<u>19,138</u>	<u>14,184</u>	<u>783,675</u>	<u>(6,427)</u>	<u>777,248</u>
Other Segment Information							
Capital expenditures	454	0	6	26	486	0	486
Investment in associate under equity method	2,175	0	0	0	2,175	0	2,175
Share in the Profit of associates	7	0	0	0	7	0	7