

## Dividends

On January 18, 2005, the Company's Board of Directors approved the declaration of cash dividends at P0.20 per share in favor of stockholders of record as of February 1, 2005, payable on or before February 28, 2005, and 120% stock dividends equivalent to P1.18 billion in favor of stockholders of record as of March 23, 2005.

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Corporation and other factors.

There are no restrictions that will limit the ability to pay dividends on common equity.

## Market Information

The principal market for the Company's common equity is the Philippine Stock Exchange (PSE).

The market prices of the Company's share are as follows:

<u>2009</u>	<u>High</u>	<u>Low</u>	<u>2008</u>	<u>High</u>	<u>Low</u>
<i>1<sup>st</sup> quarter</i>	<i>P1.30</i>	<i>P0.93</i>	<i>1<sup>st</sup> quarter</i>	<i>P1.80</i>	<i>P1.40</i>
			<i>2<sup>nd</sup> quarter</i>	<i>P1.96</i>	<i>P1.40</i>
			<i>3<sup>rd</sup> quarter</i>	<i>P1.96</i>	<i>P1.30</i>
			<i>4<sup>th</sup> quarter</i>	<i>P1.40</i>	<i>P1.00</i>

<u>2007</u>	<u>High</u>	<u>Low</u>	<u>2006</u>	<u>High</u>	<u>Low</u>
<i>1<sup>st</sup> quarter</i>	<i>P2.20</i>	<i>P1.38</i>	<i>1<sup>st</sup> quarter</i>	<i>P1.04</i>	<i>P0.97</i>
<i>2<sup>nd</sup> quarter</i>	<i>P3.00</i>	<i>P2.00</i>	<i>2<sup>nd</sup> quarter</i>	<i>P1.02</i>	<i>P0.97</i>
<i>3<sup>rd</sup> quarter</i>	<i>P2.80</i>	<i>P1.80</i>	<i>3<sup>rd</sup> quarter</i>	<i>P1.08</i>	<i>P0.99</i>
<i>4<sup>th</sup> quarter</i>	<i>P2.00</i>	<i>P1.40</i>	<i>4<sup>th</sup> quarter</i>	<i>P1.50</i>	<i>P1.04</i>

As of March 31, 2009 and December 31, 2008, the closing prices of the Company's share were at P0.93 and P1.04, respectively..

Total number of stockholders as of March 31, 2009 was one thousand two hundred and seventy seven (1,277) and as of December 31, 2008 total was one thousand two hundred eighty one (1,281). Common shares outstanding as of March 31, 2009 and December 31, 2008 totaled 2,162,475,312.

## Holders

The Company's common stockholders, with their respective shareholdings, as of March 31, 2009 are as follows:

<u>Name</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
Banco de Oro Unibank, Inc. (Parent Company)	1,840,114,698	85.092981%
Various Stockholders	322,360,614	14.907019%
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	<u>2,162,475,312</u>	<u>100.00%</u>

The top twenty (20) stockholders of the Company as of March 31, 2009 are as follows:

<u>Name of Stockholders</u>	<u>Securities</u>	<u>Shares Held</u>	<u>Total Outstanding</u>
Banco De Oro Unibank, Inc.	Common	1,840,114,698	85.092981%
PCD Nominee Corp.(Filipino)	Common	165,707,986	7.662885%
PCD Nominee Corp.(Foreigner)	Common	37,058,715	1.713717%
Samuel Uy Chua	Common	21,000,000	0.971109%
Wilson Chua	Common	19,261,980	0.890738%
Equitable Computer Services, Inc. A/C	Common	12,320,000	0.569717%
Panfilo Castro Jr.,	Common	6,140,000	0.283934%
Felly G. Castro	Common	5,100,480	0.235863%
Wilson Chua &/or Ruby C. Chua	Common	3,638,000	0.168233%
Constantino Chua	Common	2,497,200	0.115479%
Virginia Chua	Common	2,367,750	0.109493%
Felix Chung &/or Benjamin Chin	Common	2,277,000	0.105296%
Equitable Computer Services, Inc.	Common	2,070,200	0.095733%
Wilson Chua &/or Virginia Chua	Common	1,421,000	0.065712%
Samuel Uy Chua	Common	1,219,150	0.056378%
Victor Barranda	Common	1,157,475	0.053525%
Guild Securities Inc.	Common	1,143,945	0.052900%
Eduardo Dy	Common	1,143,560	0.052882%
Mercury Group of Companies, Inc.	Common	1,089,165	0.050367%
Constantino Chua &/or Willington Ch	Common	1,020,000	0.047168%

**Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction**

There were no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

## FINANCIAL INFORMATION

### Management's Discussion and Analysis or Plan of Operation

#### March 2009 Compared to March 2008

Gross income as of March, 2009 amounted to P468.9 million, an increase of P174.2 million, or 59.11% from P294.7 million as of March, 2008. Interest, discounts, and service fees went up to P450.2 million in 2009, an increase of P175.7 million or 68.01% from P274.4 million in 2008. This is due to higher operating lease income earned by BDO Rental, Inc. in 2009 amounting to P224.2 million compared to P17.1 million in 2008. Other income decreased by 7.22% or P1.46 million. The Company's leasing portfolio showed a P198 million decrease from P5.612 billion as of March, 2008 to P5.414 billion as of March, 2009. The Company's financing portfolio stood at P3.404 billion as of the current period as compared to P4.152 billion in 2008. As of March, 2009 aggregate loan portfolio showed a decrease of 9.69%. Property, Plant and Equipment under operating lease increased to P2.006 billion or by P1.687 billion as of March, 2009.

Interest and financing charges for the first quarter of 2009 amounted to P81.0 million, consisting of financing charges on borrowings for P63.8 million and interest expense on leased deposits for P17.2 million. Increase in financing charges by P6.0 million is attributed to increment in Bills Payable which went up to P4.07 billion as of March, 2009 from P3.6 billion as of March, 2008. Interest expense accrued on leased deposits increased by P3.6 million.

As of March, 2009 and 2008, total allowance for credit losses amounted to P15.0 million, respectively.

Taxes and licenses expenses were P24.6 million for the current quarter, an increase of P6.6 million as compared to P18.0 million in 2008. This is due to tax deficiency paid in February amounting to P4.5 million.

Salaries and employee benefits expense amounted to P28.2 million in 2009 as compared to P22.5 million in 2008 due to increased number of employees. Occupancy and equipment related expenses for the first quarter of 2009 amounted to P228.5 million, an increase of P210.4 million from 2008's P18.1 million. This is primarily due to the depreciation on leased assets of BDO Rental, Inc. amounting to P212.8 million as of March, 2009.

Litigation/assets acquired expenses increased by 9.99% or from P4.8 million in 2008 to P5.3 million in 2009.

Other expenses decreased by 42.4% or from P11.1 million in 2008 to P6.3 million as of March, 2009. This is due to higher amount booked in 2008 for the fair value loss on initial recognition of the residual value receivables under finance lease.

The Company registered a net income of P53.9 million for the 3 month ended March, 2009 as compared to P78.7 million for the first quarter of 2008. Gross profit margin was at 82% as compared to 75.98% in 2008.

Total assets increased by P1.406 billion from March, 2008's P9.649 billion to P11.055 billion as of March 2009. Aggregate leasing and financing portfolio declined by 9.69%. Property, Plant and Equipment-net showed an increment of P1.687 billion from 2008's P318 million, which primarily consists of the leased assets of BDO Rental, Inc. Increase in Other Assets-net is attributed to Input Value Added Tax (VAT) of BDO Rental, Inc.

Accounts Payable and accrued expenses increased by P31.6 million due to deferred rent booked by BDO Rental, Inc.

Lease deposits increased from P1.594 billion in 2008 to P2.197 billion in 2009.

Stockholders' equity stood at P4.561 billion as of March, 2009.

The Company's five (5) key performance indicators are the following:

	March 2009	March 2008
Current Ratio	0.91 : 1	1.43 : 1
Quick Assets Ratio	0.88 : 1	1.40 : 1
Debt to Equity Ratio	1.42 : 1	1.29 : 1
Return on Equity Ratio	1.18%	1.86%
Net Profit Margin	11.50%	26.7

#### 2008 Compared to 2007

Gross income for the year ended December 31, 2008 was P1.37 billion, an increase of P126.4 million, or 10.18% from P1.24 billion in 2007. Interest, discounts, and service fees for the year ended December 31, 2008 were P1.29 billion, an increase of P138.25 million or 12.0% from P1.15 billion in 2007. This increase was due to higher operating lease income earned by BDORI in 2008 amounting to P256.4 million compared to P58.4 million in 2007. Other income decreased by 13.03% due to an P18.19 million decrease in fair value gains. The Company's leasing portfolio showed a 1.14% decrease from P5.31 billion as of December 31, 2007 to P5.25 billion as of December 31, 2008. The Company's financing portfolio showed a 15.55% decrease from P4.31 billion as of December 31, 2007 to P3.64 billion as of December 31, 2008. The Company's leasing and financing portfolio as of December 31, 2008 was at P8.90 billion, a P730.9 million decrease, or 8.22% from P9.63 billion as of December 31, 2007.

Interest and financing charges for 2008 amounted to P284.46 million, consisting of financing charges on borrowings for P231.61 million and interest expense on leased deposits for P52.85 million. Increase in financing charges by P2.66 million is attributed to increment in Bills Payable which went up to P3.67 billion as of December, 2008 from P3.51 billion as of December 2007. Interest expense accrued on leased deposits in 2007 amounted to P72.41 million or a decrease of P19.56 million from 2008's P52.85 million. This is attributed to higher fair value gains on initial recognition of leased deposits in 2007 amounting to P180.01 million as compared to 2008's P65.28 million.

As of December, 2008, total allowance for credit losses amounted to P132.94 million which is a decrease of P82.94 million from last year's P215.88 million. Additional P75.0 million provision for credit losses was set up during the year, but total accounts written off amounted to P157.94 million.

Taxes and licenses expenses were P80.73 million for the year ended December 31, 2008, an increase of P8.90 million, or 12.39% from P71.83 million for the year ended December 31, 2007. This was due to the increase in Documentary Stamp Tax and Gross Receipts Tax expenses by P4.69 million and P3.37 million, respectively.

Salaries and employee benefits expense amounted to P114.32 million in 2008 as compared to P127.60 million in 2007. Occupancy and equipment related expenses for the year ended December 31, 2008 were P221.22 million, an increase of P148.42 million, or 203.87% from December 2007's P72.80 million due to the increase in depreciation expenses on leased assets of BDO Rental, Inc.

Litigation/assets acquired expenses decreased by 2.99% or from P27.42 million in 2007 to P26.60 million in 2008.

Miscellaneous expenses decreased by 6.50% or from P38.05 million in 2007 to P35.58 million as of December, 2008.

The Company registered a net income of P365.58 million for the year ended December 31, 2008. Gross profit margin for the year ended December 31, 2008 was 79.21% compared to last year's figure of 73.82%, while net operating margin increased to 38.77% as compared to last year's 34.10%, both were due to the 5.61% or P16.90 million decrease in interest and financing charges.

Total assets increased by P958 million from December, 2007's P9.45 billion. Leasing and financing portfolio decreased by 7.59%. Unearned income decreased by P162.12 million or 13.46%. Property and Equipment-net reached P1.649 billion as of 2008 or an increase of P1.339 billion over last year's P310 million. This is due to increased booking of leased assets by BDO Rental, Inc. Investment properties-net increased to P751.63 million from 2007's P706.27 million. This is attributed to P114.72 million acquired/foreclosed properties booked during the year, partly offset by property disposals amounting to P41.21 million. Other assets increased by P79.5 million, from P48.5 million in 2007 to P128.09 million in 2008. This is due to Input Value Added Tax (VAT) totaling P85.54 million of BDO Rental, Inc.

Accounts Payable and accrued expenses increased by P22 million or 24.80% due to deferred rent booked by BDO Rental, Inc. in 2008 amounting to P20.6 million.

Lease deposits increased by P477.52 million or 30.85% from last year's P1.548 billion, P256.34 million of the increase was contributed by BDO Rental, Inc.

Stockholders' equity increased by P365 million or 8.83%, primarily due to net income generated for the year.

The Company's five (5) key performance indicators are the following:

	December 2008	December 2007
Current Ratio	0.90 : 1	1.29 : 1
Quick Assets Ratio	0.86 : 1	1.29 : 1
Debt to Equity Ratio	1.31 : 1	1.28 : 1
Return on Equity Ratio	8.11%	8.25%
Net Profit Margin	26.72%	27.51%

Decrease in current and quick asset ratios can be attributed to the P941 million increase in financial liabilities classified under current liabilities or liabilities expected to be settled within one year. This also accounts for the 1.31:1 debt to equity ratio in 2008 as compared to 1.28:1 in 2007. Net profit margin slightly improves due to increase in gross revenues which went up to P1.368 billion in 2008 from P1.242 billion in 2007

### 2007 Compared to 2006

Gross income for the year ended December 31, 2007 was P1.24 billion, an increase of P187.14 million, or 17.74% from P1.06 billion in 2006. Interest, discounts, and service fees for the year ended December 31, 2007 were P1.15 billion, an increase of P132.55 million or 13.01% from P1.02 billion in 2006. This increase was due to higher loans booked and the interest earned on residual value of P47.88 million. Other income increased by 150.89% due to an P86.37 million increase in fair value gains. The Company's leasing portfolio showed a 0.19% decrease from P5.32 billion as of December 31, 2006 to P5.31 billion as of December 31, 2007. The Company's financing portfolio showed a 1.60% decrease from P4.38 billion as of December 31, 2006 to P4.31 billion as of December 31, 2007. The Company's leasing and financing portfolio as of December 31, 2007 was at P9.63 billion, an P80.26 million decrease, or 0.83% from P9.71 billion as of December 31, 2006.

Interest and financing charges for the year ended December 31, 2007 were P301.36 million, an increase of P69.37 million, or 29.90% from P231.99 million for the year ended December 31, 2006. This increase was due to the booking of interest expense on lease deposits when adjusted at present value. Bills payable level as of December 2007 decreased to P3.51 billion or a 4.61% decrease from December 2006's level of P3.68 billion since collection augmented the Company's funding requirements.

Provision for impairment and credit losses for the year ended December 31, 2007 was P179.44 million, an increase of P149.67 million, or 502.90% from P29.76 million for the year ended December 31, 2006. The increase was due to the Management's decision to provide additional provision for loan losses for the year, coupled with a prudent and conservative presentation of portfolio collectivity.

Taxes and licenses expenses were P71.83 million for the year ended December 31, 2007, a decrease of P3.98 million, or 5.25% from P75.80 million for the year ended December 31, 2006. This was because operating leases, booked under our subsidiary, BDO Rental, Inc. were subjected to VAT instead of Gross Receipts Tax.

Employee benefits decreased by P12.79 million or 9.11% from December 2006's figure of P140.39 million due to decrease in provision for performance bonus for the year. Occupancy and equipment related expenses for the year ended December 31, 2007 were P72.80 million, an increase of 19.81 million, or 37.38% from December 2006's figure of P52.99 million due to the increase in depreciation incurred by BDO Rental, Inc.

Litigation/assets acquired expenses for the year ended December 31, 2007 were P27.42 million, an increase of P5.94 million, or 27.67 % from last year's figure of P21.48 million because of higher billings incurred during the year.

Miscellaneous expenses of P38.05 million decreased by 7.78% from December 31, 2006's figure of P41.26 million due to effective productivity control measures.