



Via ODiSy

13 May 2010

**PHILIPPINE STOCK EXCHANGE, INC.**  
PSE Centre, Exchange Road  
Ortigas Center, Pasig City

Attention : Ms. Janet A. Encarnacion  
Head, Disclosure Department

Gentlemen:

We submit with this letter SEC Form 17-Q of Banco De Oro Unibank, Inc. (BDO) for the 1<sup>st</sup> quarter of 2010 submitted to the Securities and Exchange Commission.

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

14,128

Total No.of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

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LCU

Document I.D.

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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, 2010**.
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
<b>Common stock</b>	<b>2,339,768,510</b>	

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 *mac* *John* *W*

Date.....

May 12, 2010

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

LUCY CO DY

Signature and Title.....

  
EVP/COMPTROLLER

Date.....

May 12, 2010

**SEC FORM 17-Q**

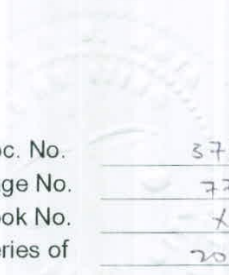
I hereby certify that all the information set forth in the above report are true and correct of my own knowledge.

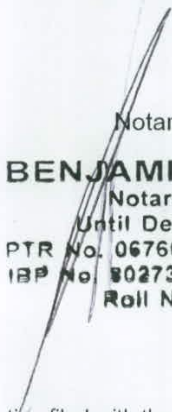
  
**LUCY CO DY (EVP Comptroller)**  
Authorized Signatory  
(PRINTED NAME & DESIGNATION) *me*

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

SUBSCRIBED AND SWORN TO before me this MAY 12 2010 day of May, 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. 376  
Page No. 77  
Book No. XLV  
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>Mar 31, 2010</u>		Audited As of <u>Dec 31, 2009</u>
<b>RESOURCES</b>				
CASH AND OTHER CASH ITEMS	P	18,376	P	30,544
DUE FROM BANGKO SENTRAL NG PILIPINAS		88,060		64,833
DUE FROM OTHER BANKS		14,812		16,732
INVESTMENT SECURITIES				
At Fair Value Through Profit or Loss		8,941		8,502
Available-for-Sale – net		52,917		47,033
Held-to-Maturity – net		106,386		116,177
LOANS AND OTHER RECEIVABLES—net		507,787		524,901
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT – net		14,563		14,732
INVESTMENT PROPERTIES		13,604		13,834
EQUITY INVESTMENTS – net		1,717		1,710
DEFERRED TAX ASSETS		5,684		5,686
OTHER RESOURCES - net		<u>14,835</u>		<u>17,365</u>
<b>TOTAL RESOURCES</b>	<b>P</b>	<b><u>847,682</u></b>	<b>P</b>	<b><u>862,049</u></b>
<b>LIABILITIES AND CAPITAL FUNDS</b>				
<b>DEPOSIT LIABILITIES</b>				
Demand	P	35,596	P	42,692
Savings		357,809		354,407
Time		<u>286,452</u>		<u>297,579</u>
Total Deposit Liabilities		679,857		694,678
BILLS PAYABLE		38,148		31,415
SUBORDINATED NOTES PAYABLE		23,325		23,152
OTHER LIABILITIES		<u>35,918</u>		<u>44,917</u>
Total Liabilities		<u>777,248</u>		<u>794,162</u>
<b>EQUITY</b>				
Attributable to Shareholders of the Parent Company		69,790		67,252
Minority Interest		644		635
Total Equity		<u>70,434</u>		<u>67,887</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P</b>	<b><u>847,682</u></b>	<b>P</b>	<b><u>862,049</u></b>
<b>CONTINGENT</b>				
Trust department accounts	P	488,335	P	457,028
Unused commercial letters of credit		31,715		26,492
Outstanding guarantees issued		2,111		1,248
Export L/Cs Confirmed		0		44
Bills for collection		4,145		4,209
Late deposits/payment received		1,544		1,655
Spot Exchange Bought		11,471		3,410
Spot Exchange Sold		10,149		4,037
Forward Exchange Bought		166,354		132,504
Forward Exchange Sold		198,580		165,030
Interest Rate Swap Receivable		26,058		24,986
Interest Rate Swap Payable		26,021		25,016
Commitment Credit Card Lines		78,778		71,273
Others		<u>26,149</u>		<u>25,346</u>
<b>TOTAL CONTINGENT ACCOUNTS</b>	<b>P</b>	<b><u>1,071,410</u></b>	<b>P</b>	<b><u>942,278</u></b>

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

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

	For the three-month Period ended <u>Mar 31, 2010</u>	For the three-month Period ended <u>Mar 31, 2009</u>
<b>INTEREST INCOME ON</b>		
Loans and Receivables	P 8,904	P 8,814
Investment Securities	2,451	2,584
Due from Other Banks	653	725
Others	<u>338</u>	<u>295</u>
Total Interest Income	<u>12,346</u>	<u>12,418</u>
<b>INTEREST EXPENSE ON</b>		
Deposit liabilities	3,258	4,513
Bills Payable and Others	<u>781</u>	<u>934</u>
Total Interest Expense	<u>4,039</u>	<u>5,447</u>
<b>NET INTEREST INCOME</b>	<u>8,307</u>	<u>6,971</u>
<b>IMPAIRMENT LOSSES</b>	<u>1,629</u>	<u>1,018</u>
<b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b>	<u>6,678</u>	<u>5,953</u>
<b>OTHER INCOME</b>		
Service Charges, Fees and Commissions	2,189	1,903
Trading Gain – net	1,712	380
Trust Fees	358	279
Foreign Exchange Gain/(Loss) – net	-450	591
Miscellaneous – net	<u>419</u>	<u>360</u>
Total Other Income	<u>4,228</u>	<u>3,513</u>
<b>OTHER EXPENSES</b>		
Employee Benefits	2,657	2,329
Occupancy	1,077	1,061
Taxes and licenses	648	725
Security, Clerical, Messengerial and Janitorial	468	460
Insurance	375	365
Advertising	425	213
Litigation/Assets Acquired	151	125
Miscellaneous	<u>2,661</u>	<u>2,760</u>
Total Other Expenses	<u>8,462</u>	<u>8,038</u>
<b>INCOME BEFORE TAX</b>	<u>2,444</u>	<u>1,428</u>
<b>TAX EXPENSE (INCOME)</b>	<u>379</u>	<u>405</u>
<b>NET INCOME AFTER TAX</b>	<u>P 2,065</u>	<u>P 1,023</u>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the parent	P 2,055	P 1,009
Minority Interest	<u>10</u>	<u>14</u>
	<u>P 2,065</u>	<u>P 1,023</u>
<b>AVERAGE COMMON STOCK</b>	<u>2,340</u>	<u>2,302</u>
<b>INCOME PER SHARE (See annex A)</b>		
Basic	0.74	0.40
Diluted	0.87	0.43

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, 2010	For the three- month period March 31, 2009
NET PROFIT	2,065	1,023
OTHER COMPREHENSIVE INCOME(LOSS)		
Net unrealized fair value gains(losses) on available-for-sale securities	758	784
Translation adjustment related to foreign operations	(4)	1
Other Comprehensive Income, net of tax	754	785
TOTAL COMPREHENSIVE INCOME(LOSS)	2,819	1,808
Attributable To:		
Shareholders of the Parent Bank	2,809	1,794
Non-controlling Interest	10	14
	2,819	1,808

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



BANCO DE ORO UNIBANK, INC. & SUBSIDIARIES  
CASH FLOW STATEMENTS  
FOR THE PERIODS ENDED MARCH 31, 2010 AND 2009  
(Amounts in Millions of Pesos)

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,444	1,428
Adjustments for:		
Interest income	(12,346)	(12,418)
Interest received	13,791	13,087
Interest expense	4,039	5,447
Interest paid	(4,634)	(4,293)
Impairment losses	1,629	1,018
Depreciation and amortization	2,269	2,128
Fair value loss (gain)	1,176	(212)
Operating loss before changes in operating resources and liabilities	8,368	6,185
Decrease (increase) in financial assets at fair value through profit or loss	(1,596)	196
Decrease (increase) in loans and other receivables	11,445	2,970
Decrease (increase) in investment properties	(1,413)	(1,194)
Decrease (increase) in other resources	2,872	(1,815)
Increase (decrease) in deposit liabilities	(13,445)	(547)
Increase (decrease) in other liabilities	(9,414)	(514)
Cash generated from (used in) operations	(3,183)	5,281
Cash paid for income tax	(243)	(350)
Net Cash From (Used in) Operating Activities	<u>(3,426)</u>	<u>4,931</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net acquisitions of bank premises, furniture, fixtures and equipment	(501)	(1,173)
Net decrease (increase) in equity investment	(7)	(6)
Net decrease (increase) in held-to-maturity investments	11,663	5,680
Net decrease (increase) in available-for-sale financial assets	(4,656)	(3,961)
Net Cash From (Used in) Investing Activities	<u>6,499</u>	<u>540</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from (payments of) bills payable	6,397	(6,966)
Dividends paid	(331)	0
Net Cash From (Used in) Financing Activities	<u>6,066</u>	<u>(6,966)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>9,139</u>	<u>(1,495)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
Cash and other cash items	30,544	21,770
Due from Bangko Sentral ng Pilipinas	64,833	62,669
Due from other banks	16,732	17,102
	<u>112,109</u>	<u>101,541</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
Cash and other cash items	18,376	20,268
Due from Bangko Sentral ng Pilipinas	88,060	63,681
Due from other banks	14,812	16,097
	<u>121,248</u>	<u>100,046</u>

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

STATEMENT OF CHANGES IN EQUITY  
COMPARATIVE PERIODS ENDED March 31, 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 ar 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							66				66		66
Total transactions with owners	0	0	(7)	0	0	0	(265)	0	0	0	(272)	0	(272)
Total comprehensive income							2,055	758		(4)	2,809	10	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	P21,167	P666	P1,179	(P10)	P69,789	P645	P70,434
Balance ar 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			(68)								(68)		(68)
Premium on issuance of new shares, net of listing fees											0		0
Cash Dividends											0		0
Audit Adjustments						3	(355)		(6)		(358)		(358)
Total transactions with owners	0	0	(68)	0	0	3	(355)	0	(6)	0	(426)	0	(426)
Total comprehensive income							1,009	784		1	1,794	14	1,808
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, 2009	P23,020	P5,000	P8	P-	P15,937	P1,332	P14,703	(P2,721)	P1,305	(P4)	P58,580	P576	P59,156

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

AGING OF LOANS AND ACCOUNTS RECEIVABLE

As of March 31, 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 CALL LOANS RECEIVABLES	P 33,460	P	P	P	P	P 33,460
B. LOANS AND RECEIVABLES	P 473,549	P 4,865	P 3,001	P 13,000	P 4,183	P 498,598
Loans & Discounts	345,925	2,353	1,186	4,137	3,134	356,735
Agra-Agri Loans	44,011	111	841	199	268	45,430
Development Incentive Loans	506	9	3	10	2	530
Bills Purchases	10,869	0	0	30	2	10,901
Customers Liability on draft under LC/TR	27,562	57	73	2,516	190	30,398
Customers Liability for this bank's acceptances	1,287					1,287
Credit Card Receivables	16,285	1,181	586	3,114	88	21,254
Restructured Loans	164	1,152	311	2,990	499	5,116
Other Loan & Receivables	5,856	2	1	4		5,863
Reverse Repurchase Agreement	4,997					4,997
Unquoted Debt Securities Classified as Loans	16,087					16,087
C. ACCOUNTS RECEIVABLE	P 1,130	P 739	P 595	P 3,256	P 4	P 5,724
<b>TOTAL</b>	<b>P 508,139</b>	<b>P 5,604</b>	<b>P 3,596</b>	<b>P 16,256</b>	<b>P 4,187</b>	<b>P 537,782</b>

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	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	2,340	2,302	2,302
Weighted Average		<u>2,340</u>		<u>2,302</u>
Basic Earnings per share				
Net profit attributable to shareholders of the Parent Bank		2,054		1,009
Dividends on preferred shares		-330		-84
Net profit available to common shares		<u>1,724</u>		<u>925</u>
Divided by the weighted average number of outstanding common shares		<u>2,340</u>		2,302
<b>Basic Earnings per share</b>		<u><b>0.74</b></u>		<u><b>0.40</b></u>
Diluted Earnings Per Share				
Net profit attributable to shareholders of the Parent Bank		2,054		1,009
Divided by the weighted average number of outstanding common shares:				
Outstanding common shares		2,340		2,302
Potential common shares from assumed conversion of preferred shares		30		49
Potential common shares from assumed conversion of stock option plan		2		0
Total weighted average number of common shares after assumed conversion of convertible preferred shares		<u>2,372</u>		<u>2,351</u>
<b>Diluted Earnings Per Share</b>		<u><b>0.87</b></u>		<u><b>0.43</b></u>

## CHECKLIST OF REQUIRED DISCLOSURES

BANCO DE ORO UNIBANK, INC.

For the three months ended: March 31, 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 Philippine Financial Reporting Standards.

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

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

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

Remarks: There is no seasonality or cyclical nature 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

Remarks: None

- 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.

On April 26, 2010, the Bank completed a US\$250 million capital raising program covering the issuance of 267,699,397 new common shares through the following private

- IFC (International Finance Corporation) – 24,033,253 new common shares
- IFC Capitalization (Equity) Fund, L.P. – 136,315,662 new common shares
- Foreign institutional investors – 130,394,386 existing common shares were sold to foreign institutional investors in a "top-up equity placement." BDO, in turn, issued to the selling shareholder 107,320,482 new common shares.

Each subscription share was issued at an offer price of P41.50 per share or at an aggregate amount of over P11.1 billion for all the 267,669,397 subscription shares. The offer price was based on market, computed using the volume weighted average price of BDO shares on the Philippine Stock Exchange, without any discount.

BDO will use the P11.1 billion of new capital raised to support its medium-term growth objectives and further reinforce its position in the Philippine banking industry.

- 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 Monetary Board, in its resolution dated 25 March 2010, approved the integration of the banking business of GE Money Bank, Inc., (A Savings Bank) (GEMB) into BDO.

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

Total Contingent Accounts increased 14% to P1.1 trillion.

Trust Department Accounts went up by 7% to P488.3 billion due to a higher volume of funds managed from new and existing accounts.

Unused L/Cs and Outstanding Guarantees Issued grew 20% and 69% to P31.7 billion and P2.1 billion, respectively.

Due to increased treasury activities, spot and forward exchange volumes went up. Spot Exchange Bought climbed 236% to P11.5 billion, while Spot Exchange Sold rose 151% to

P10.1 billion. Forward Exchange Sold grew 20% to P198.6 billion, while Forward Exchange Bought went up 26% to P166.4 billion

Committed Credit Card Lines increased 11% to P78.8 billion from an expansion of the Bank's cardholder base.

Export L/Cs Confirmed receded 100% on account of unutilized export L/Cs as of the cut-off date.

Late Deposits / Payments Received were lower by 7% to P1.5 billion as smaller transaction amounts were received from clients after clearing cut-off time.

## MANAGEMENT'S DISCUSSION & ANALYSIS

### I. Balance Sheet – March 2010 vs. December 2009

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

Due from BSP account went up by 36% to P88.1 billion with funds coming from the Bank's cash account, while Due from Other Banks decreased by 11% to P14.8 billion from lower levels of placements and working balances with correspondent banks.

Trading and Investment Securities receded by 2% to P168.2 billion mainly from an 8% decrease in Held-to-Maturity (HTM) investments to P106.4 billion. Financial assets at Fair Value Through Profit or Loss (FVTPL) went up 5% to P8.9 billion, while Available for Sale (AFS) securities grew 13% to P52.9 billion.

Net Loans and Other Receivables contracted by 3% to P507.8 billion as Securities Purchased Under Reverse Repurchase Agreements (SPURRA) and Unquoted Debt Securities Classified as Loans (UDSCL) declined 56% and 21%, respectively.

Other Resources declined by 15% to P14.8 billion on account of lower levels of clearing items, inter-office accounts and miscellaneous assets.

Deposit Liabilities contracted by 2% to P679.9 billion from declines in demand and time deposits. Savings deposits, on the other hand, grew by 1% to P357.8 billion.

Bills Payable increased 21% to P38.1 billion on account of interbank borrowings to support earning assets growth.

Other Liabilities decreased 20% to P35.9 billion on lower bills purchased contra account and accounts payables.

Total Capital went up 4% to P69.8 billion from net income from operations.

### II. Balance Sheet – March 2010 vs. March 2009

Total Resources increased by 6% to P847.7 billion mainly from the continued expansion in the Bank's loan portfolio.

Cash and Other Cash Items dropped 9% to P18.4 billion as the Bank maximized the earnings potential on its reserve assets.

Due from BSP went up 38% to P88.1 billion from growth in deposit levels, while Due from Other Banks dipped 8% to P14.8 billion on account of lower levels of placements and deposits with correspondent banks.

Trading and Investment Securities grew by 7% to P168.2 billion from a 30% growth in FVTPL and a 31% increase in AFS. HTM investments showed a 4% decline.

Net Loans and Other Receivables went up 5% as gross customer receivables grew 18% on sustained demand from both corporate and consumer segments.

Investment Properties dropped by 9% to P13.6 billion from the continued ROPA disposal programs of the Bank.

Other Resources receded by 11% to P14.8 billion on account of lower levels of clearing items, inter-office accounts and miscellaneous assets.

Total Deposit Liabilities climbed 7% from the Bank's deposit marketing efforts and increased market coverage with the redeployment of existing branch licenses. Demand and Savings Deposits rose by 26% and 27%, respectively, while Time Deposits declined by 13%. The ratio of Savings Deposits to Total Deposits therefore increased from 44% to 53%. Conversely, Time Deposits dipped to 42% from 51% of Total Deposits.

Bills Payable went down 15% due a reduction in short-term borrowings as deposit growth provided for the Bank's funding requirements.

Other Liabilities increased 10% primarily due to a higher volume of derivative liabilities and increased Bills Purchased availments from branches.

Total Equity increased by 19% from retained earnings, improvement in market value of Available-for-Sale securities and share issuance to GE Capital Philippines Investment Holdings arising from BDO's acquisition of GEMB.

### III. Income Statement – March 2010 vs. March 2009

Net Income attributable to Equity holders of the Parent Company increased 104% to P2.1 billion, from higher net interest income and fee-based income.

Net Interest Income grew 19% to P8.3 billion from lower interest expenses resulting from the improvement in the Bank's funding mix and from the expansion in the Bank's loan portfolio.

Provision for Impairment Loss was 60% higher at P1.6 billion as the Bank continued its prudent approach to asset impairment provisioning.



Total Other Income rose by 20% to P4.2 billion from higher trading and fee income. Service Charges and Fees grew 15% to P2.2 billion owing to higher business volume from the Bank's major business lines. Trust fees also rose by 28% to P358 million on account of higher levels of funds managed.

The combined Trading and Foreign Exchange rose 30% to P1.3 billion in the first quarter from P971 million in the same period last year as Treasury capitalized on market opportunities to improve its trading income.

Miscellaneous income posted a 16% increase to P419 million from gain on ROPA sales and recoveries on charged off accounts.

Total Operating Expenses increased by 5% to P8.5 billion. Taxes and Licenses declined 11%, and Miscellaneous Expenses receded 4% cushioning the increases posted in other expense accounts. Employee Benefits increased 14% from higher compensation and retirement fund contribution, while Litigation/Assets Acquired expenses rose 21% due to ROPA-related maintenance and disposal expenditures. Advertising expenses likewise increased from continued marketing and advertising campaigns.

Income Tax Expense declined 6% to P379 million this quarter from P405 million a year-ago due to higher level of tax-deductible expenses.

1. The company's and its majority-owned subsidiaries' top five (5) key performance indicators. It shall include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.

Indicator	1Q10	1Q09	hc/(Dec.)
Return on Average Equity	11.94%	7.00%	494 bps
Return on Average Assets	0.97%	0.51%	46 bps
Net Interest Margin	4.29%	3.88%	41 bps
Capital Adequacy Ratio	12.84%	13.01%	(17) bps
Basic Earnings per Share	P0.74	P0.40	P0.34

\*bps – basis points

2. Discussion of the company's and its majority-owned subsidiaries' top five (5) key performance indicators.

Annualized return on average equity (ROE), net income divided by average equity, increased by 494 bps to 11.94% from higher net income for the first quarter of 2010.

Annualized return on average assets (ROA), net income divided by average assets, also improved by 46 bps to 0.97% 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 41 bps to 4.29% from reduced funding cost due to healthy growth in low cost deposits.

Capital Adequacy Ratio (CAR), total qualifying capital divided by total risk-weighted assets, dipped by 17 bps to 12.84% from 13.01% a year ago due to the continued expansion in the Bank's loan portfolio.

Basic Earnings per Share, net income available to common shares divided by average number of outstanding common shares, rose P0.74 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.

On 26 April 2010, BDO completed a successful capital raising via private placement, generating over P11.1 billion. BDO will use the new capital raised to support its medium-term growth objectives and further reinforce its position in the Philippine banking industry.

- 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 2010 vs. December 2009

None to report

##### II. Balance Sheet – March 2010 vs. March 2009

The ratio of Savings Deposits to Total Deposits increased from 44% to 53% owing to an improvement in deposit mix. Conversely, Time Deposits dipped to 42% from 51% of Total Deposits.

##### III. Income Statement – March 2010 vs. March 2009

Trading Gain rose to 40% of Other Income from 11%, while Foreign Exchange Gain (Loss) to Other Income was at –11% from 17%.

Income Tax rate dropped from 28% to 16% due to higher level of tax-deductible expenses.

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

Remarks: None

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 and previous reporting periods.

in US\$ mil	Carrying Amount	Fair Value
HTM	544.1	589.3
UDSCL	344.4	366.6
<b>Total</b>	<b>888.5</b>	<b>955.9</b>

- 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)
<b>Total</b>	<b>10.6</b>	<b>26.7</b>

- 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	16.2
UDSCL	1.9
<b>Total</b>	<b>18.1</b>

- 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, 2010  
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
<b>Statement of Income</b>							
Total Interest Income							
External	11,437	5	364	541	12,347	0	12,347
Inter-Segment	1	3	0	3	7	7	0
	<u>11,438</u>	<u>8</u>	<u>364</u>	<u>544</u>	<u>12,354</u>	<u>7</u>	<u>12,347</u>
Total Interest Expense							
External	3,840	0	133	67	4,040	0	4,040
Inter-Segment	7	0	0	0	7	7	0
	<u>3,847</u>	<u>0</u>	<u>133</u>	<u>67</u>	<u>4,047</u>	<u>7</u>	<u>4,040</u>
Net Interest Income	<u>7,591</u>	<u>8</u>	<u>231</u>	<u>477</u>	<u>8,307</u>	<u>0</u>	<u>8,307</u>
Other Operating Income							
Investment Banking Fees	0	136	0	0	136	8	128
Others	3,703	24	168	216	4,111	12	4,099
	<u>3,703</u>	<u>160</u>	<u>168</u>	<u>216</u>	<u>4,247</u>	<u>20</u>	<u>4,227</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	257	7,803	12	7,791
	<u>9,222</u>	<u>57</u>	<u>193</u>	<u>630</u>	<u>10,102</u>	<u>12</u>	<u>10,090</u>
Profit before Tax	<u>2,072</u>	<u>111</u>	<u>206</u>	<u>63</u>	<u>2,452</u>	<u>8</u>	<u>2,444</u>
Tax Expense	299	32	16	32	379	0	379
Net Profit	<u>1,773</u>	<u>79</u>	<u>190</u>	<u>31</u>	<u>2,073</u>	<u>8</u>	<u>2,065</u>
<b>Statements of Financial Position</b>							
Total Resources							
Segment Assets	809,544	1,591	23,138	20,665	854,938	14,049	840,889
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>1,581</u>	<u>23,168</u>	<u>20,614</u>	<u>861,731</u>	<u>14,049</u>	<u>847,682</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>
<b>Other Segment Information</b>							
Capital expenditures	454	0	6	6	466	0	466
Investment in associate under equity method	2,175	68	0	0	2,243	0	2,243
Share in the Profit of associates	7	0	0	0	7	0	7

Banco De Oro Unibank, Inc. & Subsidiaries  
Balances by Segment  
As of March 31, 2009  
(Amounts in Millions of Pesos)

	Commercial Banking	Investment Banking	Private Banking	Others	Total	Eliminations	Group
<b>Statement of Income</b>							
Total Interest Income							
External	11,528	5	440	445	12,418	0	12,418
Inter-Segment	0	2	5	17	24	24	0
	<u>11,528</u>	<u>7</u>	<u>445</u>	<u>462</u>	<u>12,442</u>	<u>24</u>	<u>12,418</u>
Total Interest Expense							
External	5,073	0	310	64	5,447	0	5,447
Inter-Segment	23	0	1	0	24	24	0
	<u>5,096</u>	<u>0</u>	<u>311</u>	<u>64</u>	<u>5,471</u>	<u>24</u>	<u>5,447</u>
Net Interest Income	<u>6,432</u>	<u>7</u>	<u>134</u>	<u>398</u>	<u>6,971</u>	<u>0</u>	<u>6,971</u>
Other Operating Income							
Investment Banking Fees	0	44	0	0	44	7	37
Others	3,068	16	141	260	3,485	8	3,477
	<u>3,068</u>	<u>60</u>	<u>141</u>	<u>260</u>	<u>3,529</u>	<u>15</u>	<u>3,514</u>
Other Operating Expenses							
Depreciation and Amortization	455	1	4	232	692	0	692
Impairment Losses	1,003	0	0	15	1,018	0	1,018
Others	6,899	42	159	262	7,362	15	7,347
	<u>8,357</u>	<u>43</u>	<u>163</u>	<u>509</u>	<u>9,072</u>	<u>15</u>	<u>9,057</u>
Profit before Tax	<u>1,143</u>	<u>24</u>	<u>112</u>	<u>149</u>	<u>1,428</u>	<u>0</u>	<u>1,428</u>
Tax Expense	337	7	30	31	405	0	405
Net Profit	<u>806</u>	<u>17</u>	<u>82</u>	<u>118</u>	<u>1,023</u>	<u>0</u>	<u>1,023</u>
<b>Statements of Financial Position</b>							
Total Resources							
Segment Assets	756,368	1,453	28,884	18,657	805,362	15,287	790,075
Intangible Assets	774	10	0	0	784	0	784
Deferred Tax Assets	5,746	78	25	(44)	5,805	0	5,805
	<u>762,888</u>	<u>1,541</u>	<u>28,909</u>	<u>18,613</u>	<u>811,951</u>	<u>15,287</u>	<u>796,664</u>
Total Liabilities	<u>708,747</u>	<u>405</u>	<u>25,385</u>	<u>11,649</u>	<u>746,186</u>	<u>8,678</u>	<u>737,508</u>
<b>Other Segment Information</b>							
Capital expenditures	430	0	1	5	436	0	436
Investment in associate under equity method	1,644	68	0	0	1,712	0	1,712
Share in the Profit of associates	8	0	0	0	8	0	8