

COVER SHEET

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S.E.C. Registration Number

B A N C O D E O R O U N I V E R S A L B A N K

(COMPANY'S FULL NAME)

1 2 A D B A V E N U E O R T I G A S C E N T E R

M A N D A L U Y O N G C I T Y

(BUSINESS ADDRESS: NO. STREET CITY/TOWN/PROVINCE)

ALBERTO D. REYES/RUBY A. CRUZ

Contact Person

702-6000 LOC 5325/5326

Company Telephone Number

0 9

Month

3 0

Day

S E C 1 7 - Q

Form Type

0 5

Month

2 6

Day

Annual Meeting

Secondary License type, if applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

1,787

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 UNIVERSAL BANK**

Signature and Title..... **LUCY CO DY**
SVP/COMPTROLLER

Date..... **November 3, 2005**

Principal Financial /Accounting
Officer/Comptroller..... **LUCY CO DY**

Signature and Title..... SVP/COMPTROLLER

Date..... **November 3, 2005**

Note: Original signed

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 (SVP Comptroller)

Authorized Signatory
(PRINTED NAME & DESIGNATION)

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

SUBSCRIBED AND SWORN TO before me this 3rd day of November,
2005, the above affiant exhibiting to me his/her described Competent Evidence of Identity ("CEI"):

Name	CEI	Date & Place Issued
Lucy Co Dy	Passport – JJ891301	06.06.2002/Manila

Atty. CRISTINA G. NGO

Notary Public until 12/31/05, Mandaluyong City
No. 12 ADB Avenue Ortigas Center, Mandaluyong City
Roll No. 38228, IBP Lifetime Member No. 02468
PTR No. 0293755, Mandaluyong City. 01/05/04

Doc. No. **246**
Page No. **51**
Book No. **XIX**
Series of **2005**

* 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

Note: Original signed

BANCO DE ORO UNIVERSAL BANK & SUBSIDIARIES
12 ADB Ave Ortigas Center, Mandaluyong City

CONDENSED STATEMENT OF CONDITION
(In Thousand Pesos)

	As of Sep 30, 2005	Audited As of Dec 31, 2004
RESOURCES		
Cash and other cash items	P 2,357,028	P 5,626,974
Due from Bangko Sentral	7,987,395	1,971,323
Due from other banks	5,193,639	4,240,866
Interbank call loans receivable	8,608,548	10,253,376
Trading accounts securities-net	44,245,728	21,199,470
Investments in bonds and other debt instruments-net	49,840,909	56,394,989
Receivable from customers-net	72,904,676	60,022,423
Bank premises, furniture, fixtures and equipment-net	1,313,479	1,169,193
Equity investments-net	3,539,999	1,608,530
Real and other properties owned or acquired-net	5,192,224	5,349,804
Other resources-net	11,093,766	11,309,962
TOTAL RESOURCES	212,277,391	179,146,910
LIABILITIES AND EQUITY		
Deposit liabilities		
Demand	3,350,234	3,620,563
Savings	92,266,784	77,673,044
Time	52,629,535	46,758,096
TOTAL DEPOSIT LIABILITIES	148,246,553	128,051,703
Bills payable	36,925,149	24,424,524
Accrued interest, taxes and other expenses payable	2,479,931	1,440,559
Other liabilities	5,840,987	5,953,548
TOTAL LIABILITIES	193,492,620	159,870,334
Minority interest	-63,750	-18,404
Equity	18,848,521	19,294,980
TOTAL LIABILITIES AND EQUITY	212,277,391	179,146,910
CONTINGENT ACCOUNTS		
Trust department accounts	91,556,032	88,466,004
Spot/futures exchange bought	24,732,475	24,235,119
Spot/futures exchange sold	21,744,086	21,230,875
Unused commercial letters of credit	7,630,904	5,812,902
Bills for collection	3,169,413	886,813
Other contingent accounts	13,983,933	14,957,246
TOTAL CONTINGENT ACCOUNTS	162,816,843	155,588,959

Note: This Financial Statement is in accordance with generally accepted accounting principle (GAAP)

BANCO DE ORO UNIVERSAL BANK & SUBSIDIARIES
12 ADB Ave. Ortigas Center, Mandaluyong City

CONDENSED STATEMENT OF INCOME & EXPENSES
(In Thousand Pesos)

	For the nine-month Period ended Sep 30, 2005	For the nine-month Period ended Sep 30, 2004	Quarter ending Sep 30, 2005	Quarter ending Sep 30, 2004
Interest Income				
Receivable from customers	P 4,527,140	P 3,892,996	P 1,603,431	P 1,367,674
Trading account securities and investments	5,311,005	3,408,506	1,703,521	1,165,492
Interbank loans receivable	519,776	617,462	164,501	171,605
Due from other banks	178,044	110,096	73,605	39,518
Total Interest Income	<u>10,535,965</u>	<u>8,029,060</u>	<u>3,545,058</u>	<u>2,744,289</u>
Interest Expenses				
Deposit liabilities	4,321,658	3,472,210	1,479,668	1,158,582
Bills payable and other borrowings	1,341,588	1,059,350	476,345	364,736
Total Interest Expenses	<u>5,663,246</u>	<u>4,531,560</u>	<u>1,956,013</u>	<u>1,523,318</u>
Net Interest Income	<u>4,872,719</u>	<u>3,497,500</u>	<u>1,589,045</u>	<u>1,220,971</u>
Provision for Probable Losses	781,345	548,636	67,818	201,934
Net Interest Income after Provision for Probable Losses	<u>4,091,374</u>	<u>2,948,864</u>	<u>1,521,227</u>	<u>1,019,037</u>
Other Income				
Trading Gain	845,828	815,119	169,476	429,980
Service charges and fees	969,807	651,704	308,083	216,889
Trust income/loss	310,010	271,570	98,885	97,431
Other income	484,960	102,294	176,915	55,268
Total Other Income	<u>2,610,605</u>	<u>1,840,687</u>	<u>753,359</u>	<u>799,568</u>
Other Expenses				
Compensation and fringe benefits	1,413,360	1,097,723	456,442	350,735
Occupancy, premises and equipment related expenses	507,143	425,048	184,348	137,906
Taxes and licenses	515,163	385,514	191,040	133,986
Insurance	209,175	164,691	75,973	56,995
Security, clerical and messengerial	182,797	153,561	62,285	56,296
Litigation/asset acquired	175,822	102,912	52,244	29,739
Other expenses	1,799,539	1,185,159	570,302	516,715
Total Other Expenses	<u>4,802,999</u>	<u>3,514,608</u>	<u>1,592,634</u>	<u>1,282,372</u>
Income before Income Tax	1,898,980	1,274,943	681,952	536,233
Provision for Income Tax	61,228	-89,222	16,903	3,120
Net Income	<u>1,837,752</u>	<u>1,364,165</u>	<u>665,049</u>	<u>533,113</u>
Average common stock	923,834	908,190	923,834	908,190
Earnings per share (See annex A)				
Basic	1.99	1.50	0.72	0.58
Diluted	1.94	1.50	0.70	0.58

Note: This financial statement is in accordance with generally accepted accounting principle (GAAP).

BANCO DE ORO UNIVERSAL BANK & SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
COMPARATIVE QUARTERS ENDED September 30, 2005 & 2004
(In Thousand Pesos)

	<u>Sep 30, 2005</u>	<u>Sep 30, 2004</u>
Capital Stock		
Beginning Balance	9,331,895	9,081,896
Reclassification of Preferred Shares Equity to Liability	-250,000	0
Issuance of additional shares of stock	314,036	0
Shares of stock of Subsidiary	5,105	0
Balance end of Qtr. September	<u>9,401,036</u>	<u>9,081,896</u>
Add'l Paid In Capital		
Balance beginning	4,418,063	1,850,013
Reclassification of Paid in Surplus on Preferred Shares	-2,568,050	0
IPO Related Expenses	569	569
IFC loan converted into Common Shares	208,834	0
Balance end of Qtr. September	<u>2,059,416</u>	<u>1,850,582</u>
Surplus Reserves		
Balance beginning	66,511	40,042
Transfer from Surplus Free	37,552	26,469
Balance end of Qtr. September	<u>104,063</u>	<u>66,511</u>
Surplus Free		
Balance beginning	5,458,993	3,934,970
Net Income	1,837,752	1,364,165
Transfer to Surplus Reserves	-37,552	0
Declaration of Cash Dividends	-610,735	-454,095
Undivided Profits of Subsidiaries	-13,031	0
Auditor's adjusting entries	-3,259	-53,154
Balance end of Qtr. September	<u>6,632,168</u>	<u>4,791,886</u>
Unrealized Decline in value of ASS		
Balance end of Qtr. September	<u>645,302</u>	<u>7,301</u>
Equity Share in reserve for foreign exchange fluctuation	<u>6,536</u>	<u>4,418</u>
Total Equity	<u>18,848,521</u>	<u>15,802,594</u>

BANCO DE ORO UNIVERSAL BANK & SUBSIDIARIES
STATEMENT OF CASH FLOWS
As of September 30, 2005 and September 30, 2004
(In Thousand Pesos)

	Sep 30, 2005	Sep 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Income after tax	1,837,752	1,364,165
Prior Year Adjustment		
Decrease (Increase In)		
Receivable from customers	-12,882,253	-1,092,296
Trading account securities	-23,046,258	-2,152,807
Interbank term loan receivable	1,644,828	4,532,590
Due from other banks	-952,773	76,866
Net unrealized Gain/(loss) on ASS	669,872	40,965
Real and other properties owned or acquired	157,580	-687,069
Due from BSP	-6,016,072	-247,775
Other assets	216,196	-805,295
Investment in bonds and other debt instruments	6,554,080	-9,728,154
	-33,654,800	-10,062,975
 Increase (Decrease) in:		
Deposit Liabilities	20,194,850	5,075,578
Accrued Interest, taxes & other expenses payable	1,039,372	340,039
Other Liabilities	-112,561	-649,993
	21,121,661	4,765,624
 Net cash used in operating activities	-10,695,387	-3,933,186
 Cash flows from investing activities:		
Equity Investment	-1,931,469	81,348
Bank Property & Equipment	-144,286	-107,050
Net cash used in investing activities	-2,075,755	-25,702
 Cash flows from financing activities:		
Capital Stock	69,141	1
Surplus	-3,023,224	-506,680
Bills Payable	12,500,625	3,804,341
Net Cash from financing activities	9,546,542	3,297,662
 Minority Interest	-45,346	-299,760
 Net increase in cash and cash equivalent	-3,269,946	-960,986
Cash and cash equivalents at beginning of the year	5,626,974	3,249,916
 Cash and cash equivalent at the end of September 30, 2005/September 30,2004	2,357,028	2,288,930

Note: This financial statement is in accordance with generally accepted accounting principle (GAAP)

BANCO DE ORO UNIVERSAL BANK & SUBSIDIARIES
12 ABD Ave. Ortigas Center, Mandaluyong City

AGING OF ACCOUNTS RECEIVABLE
As of September 30, 2005
(In Thousand Pesos)

Type of Accounts	Current	61 – 180 Days	181 - 360 Days	Over 360 Days	Items in Litigation	Total
A. Interbank Call Loans	8,608,548	0	0	0	0	8,608,548
Interbank Call Loan Receivable-Local (Unsecured)	150,000					150,000
Interbank Call Loan Receivable-Fx. Regular	87,884					87,884
Interbank Call Loan Receivable Fcdu(Fx Banks-Abroad)	8,370,664					8,370,664
B. Receivable from Customers	72,652,302	853,050	283,086	2,339,883	1,084,588	77,212,909
Loans & Discounts	55,842,215	706,802	150,613	1,547,725	1,007,446	59,254,801
Agra-Agri Loans	3,589,221	73,788	80,900	95,473		3,839,382
Development Incentive Loans	91,422					91,422
Bills Purchases	2,703,939			12,396		2,716,335
Customers Liability on draft under LC/TR	9,465,611	26,305	42,104	180,947	59,557	9,774,524
Customers Liability for this bank's acceptances	357,526					357,526
Restructured Loans	602,368	46,155	9,469	503,342	17,585	1,178,919
C. Accounts Receivable	249,762	53,453	93,735	899,260	0	1,296,210
Accounts Receivable-Suppliers	8		300	21,853		22,161
Accounts Receivable-Subsidiaries	442		1	740		1,183
Accounts Receivable-Trust	49,633		56,665	94,513		200,811
Accounts Receivable-Others	199,679	53,453	36,769	782,154		1,072,055
TOTAL	81,510,612	906,503	376,821	3,239,143	1,084,588	87,117,667

BANCO DE ORO UNIVERSAL BANK & SUBSIDIARIES
Computation of Weighted Number of Common Shares
(In Thousands)

No. of Shares-Common As of September	Balance of Common Shares		Average Number of Common Shares
January 2004	908,190		
February 2004	908,190		
March 2004	908,190		
April 2004	908,190		
May 2004	908,190		
June 2004	908,190		
July 2004	908,190		
August 2004	908,190		
September 2004	908,190		
Weighted Average			908,190
Net Income for the quarter September 30, 2004			1,364,165
Divided by Weighted Average number of common shares			908,190
Basic Earnings per share			1.50
January 2005	908,190		
February 2005	908,190		
March 2005	908,190		
April 2005	908,190	137 days	455,758
May 2005	939,593		
June 2005	939,593		
July 2005	939,593		
August 2005	939,593		
September 2005	939,593	136 days	468,076
Weighted Average			923,834
Basic Earnings per share			
Consolidated Net Income for the nine-months period ending Sept. 2005			1,837,752
Divided by the weighted average number of outstanding common shares			923,834
Basic Earnings per share			1.99
Diluted Earnings Per Share			
Consolidated Net Income for the quarter September 30, 2005			1,837,752
Add: Interest Expense from Jan. 1 to September 30 paid to IFC	21,324		
Less: Tax benefits from Interest Expense	<u>6,824</u>		<u>14,500</u>
Total Consolidated net income for DEPS computation			1,852,252
Weighted Average number of outstanding common shares	923,834		923,834
Add: Convertible loans from IFC			
Peso book value of loan as of September 30, 2005	524,440		
Conversion price	<u>16.70</u>		
Number of shares to be issued upon conversion			<u>31,404</u>
Total number of share for DEPS computation			<u>955,238</u>
Diluted Earnings Per Share			1.94

CHECKLIST OF REQUIRED DISCLOSURES

BANCO DE ORO UNIVERSAL BANK

For the nine months ended: September 30, 2005

FINANCIAL INFORMATION

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

Remarks: The Bank's interim financial statements is in compliance with generally accepted accounting principles (GAAP).

- 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.

Remarks: The Bank's interim financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual financial statements except the presentation of preferred shares in September 2005 report in compliance to PAS 39.

- 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.

BDO purchased 3.4% of Equitable PCI and 10.0% of Equitable Card Network from the Go family via block transactions with the PSE last 11 & 12 August 2005. This increased the Bank's Equity Investments by P2.0 B. The Bank also reclassified outstanding preferred shares worth US\$50.0 M from equity to bills payable resulting in a decrease in equity and an increase in bills payable. BDO likewise booked interest expense amounting to P174M representing the accumulated dividends on these preferred shares.

- 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

The Bank paid cash dividends of P610.7 million last 29 July 2005.

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).

Remarks: NONE. The Bank does not yet report revenues and expenses by business segment.

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.

BDO has secured the approval of the BSP to offer a minimum of PHP1.5 billion of Long Term Negotiable Certificates of Time Deposit (LTNCD) with a maturity of 5 years and 1 day. This will be the second tranche of LTNCD offered by the Bank this year.

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.

BDO purchased 3.4% of Equitable PCI and 10.0% of Equitable Card Network from the Go family via block transactions with the PSE last 11 & 12 August 2005. This increased the Bank's Equity Investments by P2.0 B

7.j Changes in contingent liabilities or contingent assets from December 2004.

- Total Contingent accounts increased by 4.6% or P7.228B as compared to last December 31, 2004 brought about by the following:
 - Trust Accounts grew by 3.5% or P3.090B due to the expansion of the Bank's Unit Investment Trust Funds (UITF).
 - Spot/forward exchange Bought went up by 2.1% or P497M from higher levels of interbank swap borrowing transactions in BDO.
 - Spot/forward exchange Sold rose by 2.4% or P513M from increased levels of interbank swap lending transactions.
 - Unused commercial letters of credit expanded by 31% or P1.818B on account of increased trade transactions.

- Bills for collection was up by 257% or P2.283B due to the increase in volume of outward bills sent for collection.
- Other contingent accounts went down by 6% or P973M, from lower outstanding guarantees issued and other contingent accounts.

MANAGEMENT'S DISCUSSION & ANALYSIS

I. Balance Sheet – September 2005 vs. December 2004

- Total Resources expanded by 18% to P212.277B, primarily due to growth in deposits and borrowings, which were utilized for loans and investments.
- Cash & Other Cash Items decreased by 58% to P2.357B as the Bank reduced cash on hand to maximize earning potential on its reserve assets. The December 2004 levels were also unusually high because of cash deposits by clients, from sales generated during the Christmas season.
- Due from BSP account thus increased by 305% to P7.987B coming from the Bank's cash deposits, additional reserves due to the higher levels of deposits as well as maturities of Reverse RPs.
- Due from Other Banks rose by 22% to P5.194B, primarily from higher foreign currency denominated placements and working balances with foreign banks.
- Interbank Loans Receivable went down by 16% to P8.608B as the Bank shifted from interbank lending to fixed-income securities.
- Trading Account Securities (TAS) surged by 109% to P44.246B from growth in funding and asset re-classification. Fixed-income investments continue to be the main investment outlets for banks as the growth in funding sources continues to outpace loan expansion.
- Investment in Bonds and Other Debt Instruments (IBODI) contracted by 12% to P49.841B as the Bank reclassified a portion of its investment portfolio to Trading Account Securities due to the implementation of BSP Circular 476 on accounting for investments in securities.
- Receivables from Customers expanded by 22% to P72.905B due to increased loan demand from corporate and consumer clients.
- Bank Premises, FFE grew by 12% to P1.313B as a result of the expansion in the Bank's business lines.
- Equity Investments widened by 120% to P3.540B on account of the P1.4B investment in EPCI and P0.6B investment in ECNI as well as additional P48M investment in Generali Pilipinas.
- Deposit Liabilities increased by 16% to P148.246B, due to growth in branch-generated funding.
- reclassification of preferred shares to bills payable as well as additional interbank borrowings.
- Accrued Interest, Taxes & Other Expenses Payable grew by 72% to P2.480B because of increased levels of liabilities and operating expenses.

- **Minority Interest deteriorated by 246% to (P64M) on account of the Bank's share in the net losses of BDO Card Corporation.**

II. Balance Sheet – September 2005 vs. September 2004

- **Resources increased by 34% or P54.108B from last year's level of P158.169B, mainly from growth in deposits and borrowings.**
- **Due from BSP account rose by 257% on account of asset re-allocation and increased levels of reserves consistent with the growth in deposits.**
- **Due from Other Banks grew by 47%, primarily foreign currency denominated placements and working balances with foreign banks**
- **Interbank Loans Receivable decreased by 15%, as funds were channeled to investments, which provided better returns.**
- **Trading Account Securities grew by 296% due to the reclassification of IBODI as well as the growth in the Bank's funding.**
- **Investment in Bonds & Other Debt Instruments declined by 7% after the reclassification to TAS as mentioned above.**
- **Receivables from Customers increased by 27% as a result of increased corporate and consumer loans.**
- **Bank premises & FFE moved up by 21% due to the growth in the branch network and expansion of the various business lines.**
- **Equity Investments surged by 128% on account of the P1.4B investment in EPCI and P0.6B investment in ECNI as well as additional P48M investment in Generali Pilipinas.**
- **Other resources expanded by 10%, mainly accrued interest receivable, credit card receivables, foreign currency notes and coins (FCNC) and miscellaneous assets.**
- **Deposit Liabilities increased by 37% or P40.246B due to growth in branch-generated funding.**
- **Bills payable and Other Borrowings rose by 33%, due to the reclassification of preferred shares to bills payable as well as interbank borrowings.**
- **Accrued Interest, Taxes & Other Expenses payable went up by 42% from increased levels of liabilities and operating expenses.**
- **Other Liabilities widened by 21% mainly because of higher level of sundry credits.**
- **Minority Interest deteriorated by 298% due to losses of the Bank's subsidiary, primarily BDO Card Corporation.**
- **Equity grew by 19% caused by the increase in net income, and the issuance of P524M common shares to IFC last May 2005.**

III. Income Statement – September 2005 vs September 2004

- **Net Income for the nine-month ended September 30, 2005 reached P1.838B, an increase of P474M or 35% over the comparable period last year**

- Interest Income increased by 31% to P10.536B, brought about by higher loan and investments levels.
- Interest Expense was up by 25% to P5.663B, from increased deposit & borrowing volumes.
- As a result of higher volumes of earning assets and improvement in margins, Net Interest Income rose by 39% to P4.873B
- The Bank set aside P781M as Provisions for Probable Losses, 42% higher than the P549M provided last year.
- Other Income items improved by 42% brought about by the following items:
 - Service Charges & Fees were up by 49%, primarily from branches' deposit-related fees and loan service charges.
 - Trust Income grew by 14% on account of higher volume of funds managed by the group.
 - Other Income was better by 374% mainly due to foreign exchange gains.
- Operating Expenses jumped by 37% because of the following accounts:
 - Compensation Cost increased by 29%, due to a higher manpower count brought about by business expansion
 - Occupancy, premises & equipment-related expenses increased by 19% due to expansion of the Bank's business lines.
 - Taxes & Licenses grew by 34% brought about by higher Gross Receipts and Documentary Stamp Taxes.
 - Insurance went up by 27% due to higher fixed asset levels.
 - Security, Clerical & Messengerial rose by 19% on account of business expansion and increase in the branch network.
 - Litigation/Assets Acquired went up by 71% due to expenses related to ROPOA disposal.
 - Other expenses jumped by 52% primarily from the one-time provision for integration expenses of United Overseas Bank Philippines' (UOBP) branches.
- Provision for Income Taxes increased by 169% due to higher levels of FCDU assets.

2. Discussion of 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.

1.) Return on Average Equity (Annualized) Sept-05 Sept-04 Inc/(Dec)

Net Income / Average Total Capital Account

1,837,752	/	17,661,500	13.87%		
1,364,165	/	15,353,368		11.85%	2.02%

2.) Return on Average Assets (Annualized)

Net income / Average total asse

1,837,752	/	195,712,150	1.25%		
1,364,165	/	153,584,677		1.18%	0.07%

3.) Net Interest Margin (Annualized)

Net interest income / Average earning asset

4,872,719	/	170,759,154	3.80%		
3,497,500	/	131,429,283		3.55%	0.25%

4.) Capital adequacy ratio

Total qualifying capital / Total Risk weighted Assets (In MM Php)

17,948	/	97,977	18.32%		
15,895	/	76,326		20.82%	-2.50%

5.) Earning per share

Net income / Average Common Stock

1,837,752	/	923,834	1.99		
1,364,165	/	908,190		1.50	0.49

1. Return on average equity (ROE) increased from 11.85% last year to 13.87% this year as a result of higher margins and improved fee income.
2. Return on Average Assets (ROA) rose from 1.18% last year to 1.25% this year due to increased efficiency in the utilization of resources.
3. Net interest margin went up from 3.55% last year to 3.80% this year as a result of the substantial higher low-cost funds, loan expansion and better margins.
4. Capital adequacy ratio declined from 20.8% a year ago to 18.3% this year due to growth in risk assets, primarily loan portfolio.
5. Earnings per share for the semester increased from P1.50 to P.99 caused by the improvement in Net Income.

3.a Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

The Bank expects to issue in the 4th quarter between P1.5B to P2.9B worth of LTNCDs representing the remaining tranche of its P5.0B program.

Subject to specific regulatory approvals, the Bank likewise expects to start consolidation of 66 branches of United Overseas Bank- Philippines (UOBP) in the 4th quarter pursuant to its agreement with UOBP and United Overseas Bank Limited (Singapore). As a consequence of the same transaction, the Bank will assume approximately P11B worth of deposit liabilities of the acquired branches and receive an equivalent amount of select assets. Further, BDO will pay UOBP P600M as consideration for the assignment of its 66 branches, which amount UOBP shall use to subscribe to a specific number of BDO primary shares.

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.

See 3A above.

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.

The Bank is expected to pay UOBP P600M for the acquisition of its 66 branches, which amount shall be used by UOBP to subscribe to a specific number of BDO primary shares.

- 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 – September 2005 vs. December 2004

- IBODI to Total Resources went down from 31.5% to 23.5% due to the reclassification of IBODI to TAS due to the implementation of BSP Circular 476.
- TAS to Total Resources correspondingly increased from 11.8% to 20.8% from the reclassification mentioned above.

II. Balance Sheet – September 2005 vs. September 2004

- IBODI to Total Resources declined from 33.8% to 23.5% due to the reclassification of IBODI to TAS due to the implementation of BSP Circular 476.
- TAS to Total Resources thus grew from 7.1% to 20.8% from the reclassification mentioned above.

III. Income Statement – September 2005 vs. September 2004

- Interest Income on Receivables from Customers as a percentage of Total Interest Income declined from 48.5% to 43.0% given that the increase in trading and investment securities is double the amount of loan growth.
- Interest Income on Trading Account Securities and Investments as a percentage of Total Interest Income improved from 42.5% to 50.4% from higher investment levels.

- The proportion of Trading Gain to Total Other Income went down from 44.3% to 32.4% as other sources of fee income registered growth as against an even performance for Trading Gain.
- Other Income as a percentage of Total Other Income went up from 5.6% to 18.6% mainly due to the increase in foreign exchange gain.

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

Remarks: NONE

BANCO DE ORO UNIVERSAL BANK
Classification of Financial Instruments
As of September 30, 2005

I. LOANS AND RECEIVABLE

1. Interbank Term Loans Receivable – Local/Foreign
2. Demand Loans
3. Credit Card Receivable
4. Time Loans
5. Loans and Discounts – LCY/FCY
6. Agrarian Reform Loans
7. Other Agricultural Credit Loans
8. Development Incentive Loans
9. Bills Purchased
10. Foreign Bills Purchased
11. Past Due Loans and Discounts LCY/FCY
12. Items in Litigation – Loans and Discounts LCY/FCY
13. Restructured Loans LCY/FCY
14. TAS Loans – GSP – Repurchase Agreement w/ BSP
15. Export Bills Purchased
16. Domestic Bills Purchased
17. Past Due Bills Purchased
18. Import Bills LCY/FCY
19. Import Bills under TR LCY/FCY
20. Domestic Bills under TR
21. Past Due Import and Domestic Bills LCY/FCY
22. Items in Litigation – Import Domestic Bills LCY/FCY
23. CLBA Outstanding Domestic/Foreign

II. HELD TO MATURITY

1. Investment in Bonds and Other Debt Instruments
 - a. Private
 - b. Government
 - c. Foreign

III. AVAILABLE FOR SALE SECURITIES

1. Available for Sale Securities LCY/FX Reg/FCY
 - a. Private

b. Government

IV. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS

- 1. Due from Local Banks LCY/FCY**
- 2. Due from Local Banks – FX Clearing FCDU**
- 3. Due from Foreign Banks FCDU**
- 4. Equity Investment in Subsidiaries/Associates**
- 5. Trading Account Securities (Resident/Non-Resident) – LCY/FCY**
- 6. Due from Bangko Sentral ng Pilipinas**
- 7. Real and Other Properties Owned and Acquired (ROPOA)**
- 8. FXCY Notes and Coins on Hand FCDU**
- 9. Shortages LCY/FCY**
- 10. Accounts Receivable LCY/FX Reg/FCDU**
- 11. Accrued Interest Receivable (Domestic/FX Reg/FCDU)**
- 12. Prepaid Expenses – Others**

V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT/LOSS

- 1. Bills Payable**
- includes Redeemable Preferred Shares previously reported under capital
- 2. Unsecured Subordinated Debt - FX Reg**

b. Discussion of the conversion plan, which shall include a description of the following procedures:

i. Review of all contracts to identify any imbedded derivatives;

We have reviewed our existing contracts and identified imbedded derivatives. The worksheet we have prepared breaks down each structure into its components. Each component is then priced based on acceptable market valuation. The value of each component is then aggregated to arrive at a value, which is converted in price terms.

ii. Evaluation of financial risk exposures relative to the adoption of the standard and the manner of managing the risks;

Previously, risk exposures from these transactions were quantified based on their impact to the earnings profile of the bank, in particular, net interest income. With the implementation of the new accounting standard, financial exposures, specifically derivative transactions, should be evaluated on a portfolio basis using fair market valuation, which would affect the trading income of the Bank. In line with this, it would be necessary to establish portfolio trading limits (e.g., notional amounts, stop loss limits, and VAR limits) which are based on the Bank's risk appetite..

iii. Development of fair valuation capabilities;

We are currently capable of pricing our structured products portfolio using available tools. Market rates are taken either from Bloomberg or Reuters. Mark-to-market valuation is performed on a daily basis. Prices are uploaded to Opics (our Treasury platform system) together with foreign exchange rates, bonds, swaps and other closing prices.

c. Any intention to avail of the "hedge accounting" privilege under the PAS 39 and the timing thereof, including the required hedging documentation and process requirements

We are evaluating two systems to handle hedge accounting: Fincad's The Perfect Hedge and Misys Hedge Accounting Module. Both modules have the capability of performing hedge accounting inclusive of accounting entries and processing. However, there is a significant difference in terms of cost. Misys Hedge Accounting Module is more expensive but its accounting and processing are integrated with the other Opics modules. Fincad's The Perfect Hedge is cheaper but it will be a stand-alone system with no

connectivity to our existing treasury system. The final decision will also consider the estimated number of hedging transactions over a period of time.