Equitable PCI BANK
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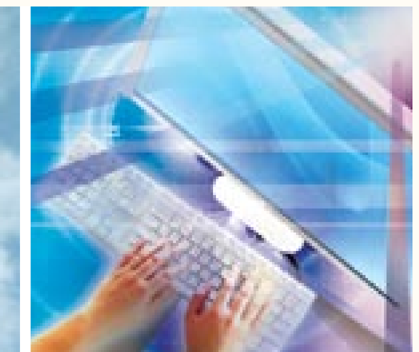
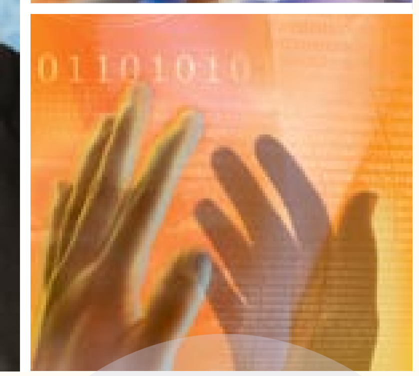
www.equitablepcib.com

2006 Annual Report

Building *for the* Future





Equitable PCI BANK

Your Bank of Choice

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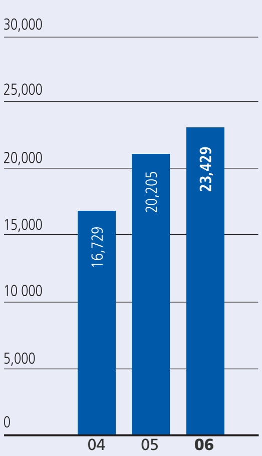
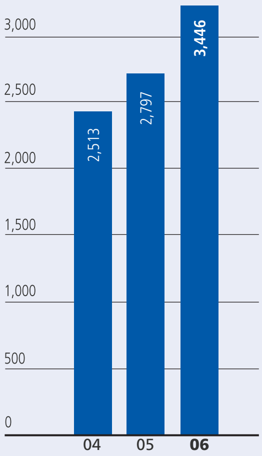
FINANCIAL HIGHLIGHTS

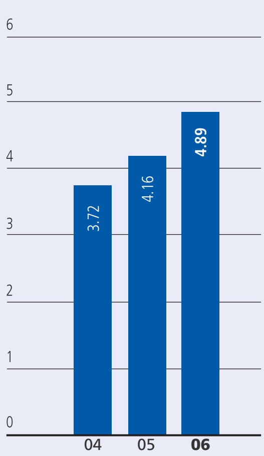
FOR THE YEAR (in million pesos, except earnings per share)



TOTAL REVENUE

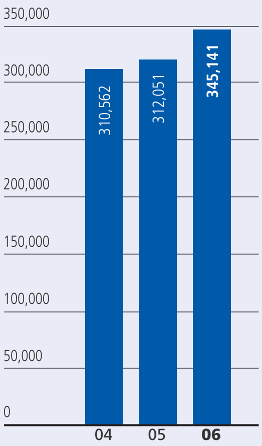


NET INCOME

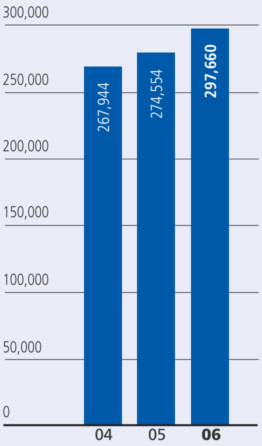


EARNINGS PER SHARE

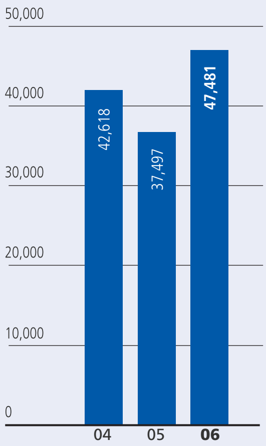
AT YEAR-END (in million pesos)



TOTAL RESOURCES



TOTAL LIABILITIES



CAPITAL FUNDS

TO OUR STOCKHOLDERS

Consolidation of strengths, refocusing of core competencies, and reinforcement of strategic advantages – these took the forefront as Equitable PCI Bank maneuvered through another challenging year. The positive results we attained in 2006 strengthened our thrust toward building on a dynamic new synergy for a solid future.

Building a foundation of strength

Our financial report for 2006 underscore the strong foundation we built as our business units pursued growth and leadership in our identified core areas. The Bank posted a net income of P3.27 Billion in 2006, representing a healthy 17% increase from the previous year's net income of P2.8 Billion. The significant increase in our non-interest income and the modest improvement in our net interest income buoyed the bottom line.

Non-interest income surged 24% to P12.5 Billion. We continued to expand our fee-based income by leveraging on our solid business franchise in branch banking, remittances, trust banking, bancassurance, credit cards, and corporate cash management. Further, by cautiously navigating through the turbulent emerging market environment in the second quarter and riding on the downtrend in interest rates in the latter half of the year, we bolstered our trading and foreign exchange gains as we judiciously managed our investment portfolio.

Net interest income improved 3% to P11 Billion in spite of tight interest spreads that hounded the interest differential business during the year. Interest income for the year climbed 3% to P19.6 Billion. Interest income on loans and receivables inched up 2% to P11.8 Billion even as interest rates dipped due to bigger loan volumes.

The Bank's total resources reached P345.14 Billion, representing an 11% increase over the 2005 level. Asset growth is evident in the Bank's net loans and receivables, which grew by 15% to P161.4 Billion as a result of successful corporate strategies targeted at the higher-margin middle market and consumer loan accounts. The Bank's short-term assets also increased with the liquidity brought about by higher deposits and the sale of assets.

Building a robust market presence

The positive figures are indicative of the strengthened relationships that the various business segments have established and nurtured with their respective client bases. Branch Banking units reported vigorous expansion in both deposits and loans for the year. Harnessing our vast branch network to generate incremental low-cost deposits, the Bank saw total deposits registering a 16% growth to P240.1 Billion.

Institutional Banking concentrated on maintaining portfolio quality, offering value-added financial packages, and contributing to the Bank's profitability. Equally significant was the Bank's sustained support to small and medium enterprises, which again received recognition from various financing institutions, namely: from the Land Bank of the Philippines, "Most Outstanding Countryside Partner" under the Commercial Banks/GFI category for the fourth year in a row, thus elevating the Bank to a Hall of Fame Award, and "Most Outstanding Countryside Partner" under the

Teresita Sy-Coson
Vice Chairperson

Corazon S. de la Paz
Chairperson

Rene J. Buenaventura *
President & Chief Executive Officer

* The Board of Directors of Equitable PCI Bank accepted with regret the resignation of Mr. Buenaventura effective January. 1, 2007

Agri-Agra Financing category; from the Development Bank of the Philippines, "Most Active Loan Syndicator" for wholesale lending facilities; from the Small Business Guarantee and Finance Corporation, "Distinguished Partner" under the wholesale lending program for small and medium enterprises; and from the Philippine Export-Import Credit Agency (TIDCORP), "Special Citation" for being a loyal participating financial institution/partner since 1991.

Treasury and Trust Banking exemplified dependability and competitiveness in spite of shifting grounds in their respective industries. Treasury's volume and income targets were not only met but even surpassed during the year, and the Bureau of Treasury nodded approval by recognizing the Bank as one of the best Government Securities Eligible Dealers. Meanwhile, Trust followed through on the Money Market Funds launch as well as beefed up the overall volume of Unit Investment Trust Funds.

Moreover, Equitable Savings Bank leaped three places in 2006 alone to claim its spot as the sixth largest thrift bank in the country, attaining double-digit growth in its key financial indicators.

Our bancassurance business is earning high praise as well, with our Philamlife partnership yielding over 90% increase in more profitable regular premiums on just our third year. We look forward to building further on this collaboration and ensuring its continued success.

Rounding out the Bank's strong performance were satisfactory results from the subsidiaries in insurance brokerage, credit card, leasing and finance, and investment banking, all of which contributed toward reinforcing the Bank's presence in these important business niches.

Building a great future

Over-all, the clearest validation of the Bank's successful execution of its strategies in 2006 was the impressive growth in its return on equity, which rose to 14.4% from 10.57% in 2005, as well as in its return on assets, which increased to 1.06% from 0.88% the previous year. Moreover, the Bank's share price registered at P83 at yearend-2006, showing a one-year gain of 41%.

A major part of our story for 2006 was the series of corporate developments involving the merger plan with Banco de Oro (BDO). In August 2006, the Tender Offer from SM Investments Corporation and related companies generated participation from shareholders with total shares of 374.9 million equivalent to 51.6% of EPCI's total shares. The sellers included GSIS with 13.55%, SSS with 25.84%, and other individual shareholders with 1.34%. The participation of the SSS in the Tender Offer, however, is subject to the resolution of the case pending in the Supreme Court. EBCII also agreed to sell its 78.8 million EPCI common shares, which represent about 10.8% of total shares, under the same terms and conditions as the Tender Offer.

In October, the sale of the shares under the Tender Offer was consummated through cross trades at the Philippine Stock Exchange; this gave the SM group an effective 55.8% ownership stake in the Bank, which could go up to 81.6% if the SSS stake is included. In November 2006, the Board of Directors of Equitable PCI Bank, Inc. (EPCI) approved the merger plan and endorsed this to the shareholders for ratification. The plan, as approved by the shareholders on 27th December 2006, provided that EPCI shares will be swapped for BDO shares at a ratio of 1.8 BDO shares for every EPCI share. Upon final approval of the concerned regulatory agencies, BDO will be the surviving entity and the merged bank will be named Banco de Oro-EPCI, Inc.

The financial and corporate developments of the past year reinforce the Bank's position to fully reap merger benefits with Banco de Oro and address Basel II requirements. Boosted by the infusion of fresh capital, the Bank attained a Capital Adequacy Ratio of 15.5% as of end-2006, giving us the necessary financial heft to comply with the more stringent Basel II provisions upon implementation in July 2007.

We thus anticipate forthcoming developments with much excitement and confidence. Our "merger of equals" between EPCI and BDO has begun with an integration work plan designed to ensure that the competitive advantages and market leadership of both banks would be preserved and built into the new entity. We expect that the resulting consolidation of resources, talents, and networks will pave the path to greater stability, expertise, and accessibility that our banking public can rely on. Knowing the greater expectations we now face, we are just as determined to provide an even better and stronger response. We are indeed fortunate to be able to count on our shareholders, management, officers, and employees to collectively support our vision to build this Bank's great future.

CORAZON S. DE LA PAZ
Chairperson

TERESITA SY-COSON
Chairperson of the Executive Committee

RENE J. BUENAVENTURA
President & Chief Executive Officer

PERFORMANCE HIGHLIGHTS 2006

Equitable PCI Bank Named Reader's Digest Gold Winner Twice in a Row

For two years in a row, the Bank is recognized as Reader's Digest Gold Trusted Brand for 2006 in the local bank category, attesting to the Bank's continuous customer service excellence combined with its leadership in most of its markets, including consumer finance, credit and payment cards, leasing, middle market and small business lending, trust banking and remittances.

EPCIB is DBP's Most Active Loan Syndicator

The Development Bank of the Philippines recently named Equitable PCI Bank as the Most Active Loan Syndicator for its wholesale lending facilities. The Bank was responsible for arranging loan deals under the Domestic Shipping modernization Program, JBIC 5, and the Environmental Infrastructure Support Credit Program II.

Express Padala Ties Up with Multimoney TX

Equitable PCI Bank forged a remittance agreement with Multimoney TX (MMT), a leading provider of money transfer worldwide, to service the remittance needs of Overseas Filipino Workers in the United Kingdom, providing convenience and greater accessibility to send remittances to their beneficiaries.

Equitable PCI Bank Supports BSP's Advocacy Program

The Monetary Board of the Bangko Sentral ng Pilipinas (BSP) created the Currency Management Committee (CuMC) to ensure efficient production, delivery distribution and circulation of notes and coins. CuMC has encouraged banks and other sectors of society to help in BSP's special advocacy efforts to effect an efficient recirculation of our coins. The project has gained the support of the Bankers Association of the Philippines (BAP), Chamber of Thrift Banks (CTB), Rural Bankers Association of the Philippines (RBAP), Bank Marketing Association of the Philippines (BMAP), Philippine Retailers Association (PRA), Pondong Pinoy and charitable institutions.

PCI Leasing Reports Industry-leading Performance

PCI Leasing and Finance, Inc. (PCILF), one of the largest leasing and finance companies, and a subsidiary of the Equitable PCI Bank Group, reaffirmed its dominance across all indicators. PCILF ranked no. 1 in total resources, which reached P8.25 billion for the year, total portfolio in the industry at P7.31 billion and the largest leasing portfolio in the industry at P3.77 billion, total loans and leased booked at P9.97 billion, ending the year with a net income of P393.8 million. All these attributed to its quality, cost efficient operations, aggressive marketing strategies and a solid parent-bank support.

Equitable PCI Bank Leads Land Bank's Outstanding CLF Partners

The Bank reaffirmed its support in promoting countryside development when it was cited as Land Bank of the Philippines (LBP) Outstanding Countryside Loan Fund (CLF) Program Partner in its Commercial Banks/ GFI category for four consecutive years. This feat earned for the Bank the prestigious Hall of Fame award. EPCIB's strong support in fostering countryside development reflected its support to the growth of economy as a whole.

Bank Named Most Valuable Partner in Housing Finance

Home Guaranty Corporation (HGC) named Equitable PCI Bank as the "Most Valued Partner in Housing Finance". The Bank was recognized by HGC as one of its loyal industry partners that support its thrust to operate a credit guaranty program in support of the government's effort to promote home ownership.

Equitable PCI Bank Named SSS Best Collecting Commercial Bank

Equitable PCI Bank further intensifies its long streak of achievements when it was named "Balikat ng Bayan Awardee" for being Social Security System (SSS) Best Collecting Commercial Bank for 2006. This award reflects the trust and confidence of SSS clients and the banking community in Equitable PCI Bank.

Equitable CardNetwork Launches Travel Card Titanium MasterCard

Equitable CardNetwork (ECN) and MasterCard launched an excellent card designed for travelers, the Equitable PCI Bank Travel Card Titanium MasterCard, loaded with a comprehensive range of exemplary travel and lifestyle benefits like great travel deals, exclusive privileges from Poloair Travel and Tours and support from Mastercard's extensive global services, making the card an ideal travel companion.

EPCIB is SBGFC's Distinguished Partner

The Small Business Guarantee and Finance Corporation (SBGFC) has cited Equitable PCI Bank as one of its Distinguished Partners, the 5th citation given to Bank this year by the funding agencies, in recognition of the Bank's active participation under its Wholesale Lending Program and its contribution in promoting the growth and development of the small and medium enterprises throughout the country.

Equitable PCI Bank Celebrates Its 56th Year

The Bank on its 56th Anniversary has transformed itself to a major player in the banking industry by equally recognizing its achievements. The 56th Anniversary celebration likewise served as a perfect venue to unveil the first EPCI Bank Institutional Audio-Visual Presentation. The AVP highlighted the Bank's banner products and services, its various divisions and outstanding milestones through the years, as it establishes itself as the best bank to do business with.

Equitable PCI Bank Stockholders Approve Merger with Banco de Oro Universal Bank

Equitable PCI Bank stockholders have approved the merger of Equitable PCI with Banco De Oro Universal Bank in a brief special meeting of stockholders with approval of both Board of Directors of the two entities and their respective stockholders. The name of the surviving institution will be Banco de Oro – EPCI, Inc.

> Revenues from deposits grew by 11% and consumer loans rose by 18%

REVIEW OF OPERATIONS

Building for the future requires, to start with, reinforcing a solid foundation that will ensure strength, growth, and sustainability over time. The various business units and subsidiaries of Equitable PCI Bank paved this with impressive results in their respective areas in 2006. By marshalling their resources and expertise toward opportunities for increased synergy and success, they also firmed up the Bank's platform for an even stronger future.

Retail Banking Segment

Concluding a year marked by astounding financial achievements in deposits, consumer loans, and remittances, the Retail Banking Segment (RBS) rose to the challenge of serving as a core growth engine for the Bank. It validated its elevation to segment status as the RBS units – strategically grouped as Branch Banking (composed of the Elite Banking Division, Personal Banking Division, Transaction Banking Division and Equitable Savings Bank); Consumer Finance Division; Remittance Division and support units – all drew on teamwork and group intelligence to effectively manage the customer experience.

Various support activities revitalized the sales and service-oriented, customer-focused set-up of RBS. Branch Banking units, in particular, rode on enhanced relationships to boost deposit levels. Total deposits increased by 14% from 2005 figures. RBS also managed a healthy income mix from its funds- and non-funds-based products and services. Revenues from deposits grew by 11%, and consumer loans rose by 18%. Moreover, fee-based business continued to contribute a sizeable portion to the RBS income.

The consumer lending division saw new bookings surge over 43% from the previous year, as more competitive interest rates improved the pricing structure and the Bank's sales force responded positively to the internal incentive program. Home loans were up 29% from 2005; further, some 20% of total home loans granted in 2006 were fresh new loans, generated from tie-ups with developers. On the other hand, the nationwide Deals-on-Wheels sales campaign that covered Metro Manila and seven provincial branches successfully beefed up auto loans. Aside from these efforts, wholesale lending under the Contract to Sell financing program continued to expand almost 19%.

Equitable Savings Bank (ESB), the consumer lending arm of the commercial bank, celebrated its 10th year in the thrift banking industry. Ranked 9th in 2004, ESB is now the 6th largest thrift bank in terms of total resources. It continued to expand its reach by opening five more branches in 2006, bringing its total branch network to 40.

In 2006, ESB posted a 48% increase in net income compared to 2005. Total resources registered a 38% growth over the previous year's level due to an increase in net loans portfolio by 40%. Likewise, total deposits grew by 45%, with savings and demand deposits up by 28% and 33%, respectively. With its 2006 net worth 20% higher than in 2005, ESB moved decisively towards its vision of being among the most profitable, top-tier consumer savings banks in the country.

The celebration of Express Padala's 25th anniversary in 2006 set the tone for various marketing communications efforts, product promotions, and other exciting initiatives to address the unique needs of our overseas Filipino workers. Express Pinoy, a savings account for self-allottees, was launched in Italy in February 2006 and in the United Arab Emirates in May 2006. Express Padala continued to outpace the industry with a 17% growth in transactions and over 22% growth in dollar value.

In the bancassurance business, RBS has surpassed the one billion mark in total premiums in just three years of partnership with Philamlife. In 2006, it introduced Preferred Peso Plus, Lifeguard, Total Preferred Health Assure, and A & H Accishield – products that addressed the market's growing need for quality insurance. The Bank's collaboration with Philamlife, which yielded over 90% growth in more profitable regular premiums, is considered by AIG as one of its best partnerships in Asia. The RBS bancassurance business has actually contributed 25% to Philamlife's total new business for 2006. Total commissions increased by over 60% as a result of over 100% growth in regular premium commissions. For the non-life insurance business, RBS generated close to P260 Million in net premiums for the Bank's brokerage subsidiary – another remarkable feat, coming from almost nil just five years ago.

RBS took a more proactive role in strengthening the development, promotion, and delivery of products and services as a means to enhance income contribution to the Bank. It launched TREASURESaver via an ESB promo in January 2006. Next in line was ONE Plus, a checking account with tiered interest rates, which premiered in April 2006; it was followed in July 2006 by Dollar ONE, a dollar-denominated checking account. Alongside product line-up expansion, RBS implemented deposit generation campaigns for its managed products, including internal promos such as "Pabuenas sa CASA," "Hit or Miss," and the re-run of CASA REAPeat.

Further strengthening the established foundations of the customer-centric set-up required intensive training programs to enhance the soft skills of customer-interfacing personnel. RBS thus conducted trainings focused on propagating the Sales & Service quality culture and enhancing supervisory expertise, personal effectiveness, and business knowledge. Some 2,446 trainees participated in 10 programs offered in 2006.

To sustain the knowledge, skills, and attitude emphasized in the culture-building efforts of RBS, the Morning Briefing Agenda was institutionalized at the branch level. Daily discussions were held on topics ranging from Customer

In 2006, PCI Capital's Average Return on Assets and Average Return on Equity stood at 16.6% and 16.9%, respectively

Service, Product Information & Updates both for RBS and non-RBS products and services, to administrative concerns and bank policies and procedures.

To drive the sales and service delivery of RBS, performance reviews for both Transaction Banking and Personal Banking Divisions were regularly conducted as a support and feedback structure. Activities concentrated on enhancing personnel performance, particularly sales and service improvement plans.

To consistently provide customers with a positive and pleasant experience, RBS monitored the service interactions through the Video Mystery Shopper Program (MSP), Telephone Monitoring Program (TMP), and Branch Upkeep Program (BUP). While the TMP and BUP continued to show high ratings, a more noteworthy performance can be seen in the MSP results as the overall average performance of branches increased from 86% in 2005 to 91% in 2006. Further program enhancements and additional monitoring tools are eyed for a holistic customer feedback management. Complementing these are branch expansion strategies designed to better serve the increasing client base. For commercial branches, seven were relocated, 13 were renovated, and 26 more were relaid-out during the year.

Major improvements in business processes and capabilities were also implemented in 2006. In pursuit of the "Single Customer View," the Branch Integrated Front-end System Project prepared the branch infrastructure and ensured its integration with other windows-based systems of the Bank. Existing OS/2-based Platform and New Tellering Systems were replaced by the **I**ntegrated **C**ustomer **M**anagement **S**ystem (ICMS) Sales & Service, a Windows and browser-based system that provided additional functionalities and capabilities to support frontline personnel. By year end, 228 out of the 408 commercial branches in Metro Manila and Luzon had been converted.

Also implemented in all Equitable PCI Bank branches as early as the first quarter of the year was the Online Signature Verification System, which enabled tellers and other authorized branch personnel to accept inter-branch transactions and do real-time verification of the customer's signature in the most expeditious way.

While already a leader in the remittance business, RBS continued to dominate as it executed Phase 1 of the New Remittance System, a web-based application and integrated remittance system. It aimed to improve operational efficiency and ensure near real-time crediting and sending of remittances by providing seamless interfaces among the systems currently used by the Express Padala Center (EPC), Foreign Desk Offices (FDO), foreign and local tie-ups, maritime agencies, and branches in processing remittance transactions. As of yearend, majority of the FDOs and tie-ups of EPC had been migrated to the new system.

All these achievements, while they validate the strategies the Segment has employed in the past years, more importantly point toward the challenges that RBS must yet overcome. And it will do so, armed with the unflagging determination to reinforce its strengths and contribute further to the Bank's growth.

Institutional Banking

Navigating through an economic climate of excess liquidity, low inflation, and low interest rates brought on by weak corporate market demand for financing of expansions and acquisitions in 2006, Corporate Banking achieved a loan portfolio growth of 14%. It focused primarily on the refinancing of outstanding term loans as well as conversion of foreign debt, mostly U.S. dollar denominated, taking advantage of the appreciating Philippine peso over the US dollar currency for the benefit of its corporate clients.

Even as margins for almost all loans and financial products compressed, Corporate Banking contributed significantly to the over-all profitability of the Bank mainly by generating financial assets with longer tenors and therefore wider spreads. It identified and remedied weak accounts to protect the high credit quality of its loan portfolio.

As the principal banker of the country's top corporations, Corporate Banking stepped up to its role as the major cross-selling base of the Bank. It drew on synergies in cash management, investment banking, trust, credit card operations, consumer loans, and insurance. Funding from low-cost deposit balances of the top corporates also grew by 5%. It foresees a sustained, active participation in and support of projects undertaken by the top corporates, maximizing the collateral businesses while staying vigilant to ensure high portfolio quality.

As the Bank's bridge to the middle-market customers, predominantly enterprises that are typically led by the owners/successors, and the Chinese-Filipino business community, Commercial Banking (Combank) capitalized on institutional strengths and value-added financial packages to achieve loan growth of 4% in 2006. It overcame generally sluggish demand, re-emphasizing profitability to earn a manageable net interest margin. Moreover, it harnessed its strategic locations in Metro Manila and key provincial regions to readily address its clients' needs as well as spot new businesses in its respective niches. It beefed up its accounts portfolio and offered non-traditional lending products such as bond issuance and enrollment in the USDA General Sales Manager Commodity Financing Program.

Combank aims to nurture and grow increased business from its long-term relationships with its customers. Vital to this is its effective bundling of financial services as well as its capability to offer customers cross-border service through the Hong Kong Branch.

"Trust Banking successfully launched the EPCIB Money Market Funds and increased the overall UITF volume by 39.16%"

Equally keen attention was devoted to the other end of the business spectrum. With 21 lending units nationwide servicing a network of 408 branches, the Small Business Division strengthened its presence with a portfolio base of P3.44 Billion as of yearend. Its strategy of catering to the credit requirements of existing depositors while maintaining its emphasis on high-quality accounts, the Division provided business loan financing to over 2,500 of its depositors. Low-cost deposits provided a 50% deposit-to-loan ratio.

As a parallel effort to further improve portfolio quality and address credit risks, the Small Business Credit Committee, composed of seasoned credit officers of the Bank, was formed. In addition, ESB's Account Management Unit was made part of the Small Business Division.

The year's highlights also included another citation by the Small Business Guarantee and Finance Corporation (SBGFC). It named the Bank a Distinguished Partner under SBGFC's wholesale lending program for small and medium enterprises, recognizing, once again, the Bank's continuing contribution to the development of SMEs.

Credit Products and Subsidiaries Group

The Specialized Lending Department continued to build on its strong track record in the specialized lending market in 2006. It sourced third-party funding for working capital and business expansion of various companies in manufacturing, trading, services, agro-processing, food processing, and shipping. Moreover, even increased competition could not hold it back from propelling the Bank to six awards from various funding and guarantee institutions.

For the fourth straight year, the Land Bank of the Philippines (LBP) cited the Bank as Most Outstanding Countryside Partner under the Commercial Banks/GFI category – thus elevating the Bank to a Hall of Fame Award. LBP also awarded the Bank as Most Outstanding Countryside Partner under the Agri-Agra Financing category. These awards lauded the Bank's active use of the CLF and ALF programs.

Likewise, the Development Bank of the Philippines cited the Bank as Most Active Loan Syndicator for its wholesale lending facilities. On the other hand, the Small Business Guarantee and Finance Corporation named the Bank as its Distinguished Partner under its wholesale lending program for small and medium enterprises, citing the Bank's contribution to SME growth and development. Lastly, the Philippine Export-Import Credit Agency (TIDCORP) conferred a Special Citation to the Bank for being a loyal participating financial institution and continuing partner under its guarantee programs since 1991.

Put together, these awards and citations create a strong testament to the Bank's solid commitment to promote countryside development and help entrepreneurs realize their business goals.

Extensive use of automation-related infrastructure and resources helped Credit Policy and Support Division (CPSD) fulfill its tasks of providing lending units with credit support services such as collateral appraisal and credit investigation as well as safeguarding loan portfolio health through meaningful credit policies and effective credit risk management.

CPSD spearheaded the initial implementation of the Central Liability System (CLS), a system it designed and developed as a repository of all data pertaining to credit risk exposures – thus serving as the single customer view system of the Bank and providing a potent tool for better portfolio management. CLS is positioned to be the Bank's platform for credit risk management data; it also provides critical support in determining Probabilities of Default, Loss Given Default, and Exposure at Default, which are vital inputs to ensuring compliance with regulatory and economic capital requirements.

CPSD continually reviews and manages the risk rating structure, including the use of the Moody's Risk Advisor System. It has updated the peer database, an important component of the Moody's risk rating model as the accounts' financial performances are compared against their industry peers. Moreover, it enhanced delivery channels for appraisal and credit investigation, thereby enabling proper management of work volume while meeting turnaround time commitments to internal customers.

CPSD will continue to capitalize on available automation resources and explore other systems for improved productivity and efficiency. It will also actively use training programs to beef up skills and competencies, with the end-view of providing quality credit support and credit risk management services to the Bank.

Treasury Group

In a year characterized by market volatility, Treasury Group continued to be a reliable force in both the non-proprietary and proprietary trading covering multi-currency fixed-income securities, foreign exchange and derivatives through market reach expansion, product diversification, and focus on client satisfaction. Its head office-based sales team plus nine money centers located in strategic areas nationwide boosted its capability to distribute multi-currency fixed-income and foreign exchange products to service the needs of the clients. The group thus exceeded its volume and income targets and further enhanced the competitiveness of its major units, namely Treasury Marketing, Trading, Fund Management, Product/Systems Development, and Correspondent Banking.

With the aim of maximizing its strengths by focusing on key disciplines, the Treasury organization was streamlined in August 2006. It created the Derivatives Trading/Investment Division, mainly responsible for generating trading and net interest income on derivative/structured

"FASTeller flexed its muscle with a nationwide network of 690 and a cardholder base of 2.14 million by year-end 2006" transactions, while the domestic and foreign securities trading/investment functions were likewise merged into one Division. The Derivatives Division actively traded and invested in multi-currency derivative/structures and other innovative global investment products, effectively diversifying investment outlets. The Fixed-Income Division traded in multi-currency bonds and dominated the domestic fixed-income government securities market, gaining acclaim again from the Bureau of Treasury as one of the best Government Securities Eligible Dealers (GSED). In Foreign Exchange trading, the Bank likewise ranked among the most active foreign exchange dealers in the Philippine Dealing System.

Treasury Marketing Division added another money center to the Bank's vast distribution network. It also introduced new products and offered clients a wider array of investment and hedging instruments to suit their needs.

Through the ALCO process, the Unibank Fund Management Division implemented sound asset/liability management strategies and led the initiative of generating liquidity, funding, and market risk hedging for the Bank. It efficiently employed pricing and gapping strategies to minimize the cost of generating funds, maximize return on funds, and reduce intermediation costs through the use of its various licenses.

The Product, Technology and Information Division spearheaded system improvements for greater operational efficiency. It also actively supported the business units in launching and managing products, comprehensive updates on market-moving news for Bank management and clients.

Correspondent Banking, while aggressively developing new business relationships with various counterparty banks, continued to be instrumental in facilitating trade and non-trade lines for the Bank.

Building on the progress achieved over the past years, the Treasury Group remains fully committed to upgrading its skills and capabilities to keep pace with global standards.

Trust Banking Group

2006 was a specially challenging year for the Trust industry. After years of serving the financial needs of the investing public, the common trust funds bowed out in compliance with the BSP mandate. Traditional trust accounts were overhauled to align with the revised regulations governing Living Trust accounts. The newly launched Unit Investment Trust Funds were put to a test when the investment climate changed in May.

The Trust Banking Group bravely faced these challenges. It successfully launched the EPCIB Money Market Funds and increased the overall UITF volume by 43%. Personal Trust business grew by 6% amid the low interest rate environment and methodical revisions in portfolio management.

Corporate Trust showed remarkable improvement both quantitatively and qualitatively. Total assets expanded by 11%, translating to an average annual growth of 17% over the last five years. Its exceptional fund management acumen was underscored when EPCIB Trust Banking delivered the best ROI to 9 out of 10 full discretion accounts co-managed with other trustee banks.

The Bank was awarded service contracts in major investment banking deals, thereby reaffirming its leadership in the fiduciary business. It was appointed Escrow Agent, Receiving and Custodian Bank of two stock issues out of the five offered to the public. The group was also designated as successor transfer agent of an actively traded property issue, successfully dislodging a major competitor trustee from the post. Responding to opportunities in the booming property sector, the Special Trust Division launched the EPCIB Property Escrow +.

The Group complemented its business activities with parallel efforts fulfilling its duties as a responsible corporate citizen. It conducted the third successful run of "The Art of Raising Funds, The Science of Making It Grow" in Davao, where religious, educational and other non-profit organizations in Mindanao learned fund-raising and fund management skills. In line with its commitment to the community of advocacy groups, Trust was a guest institution in the Second Fund-Raising Congress and a major sponsor of the Kyra Awards, the biennial awards that recognize organizations and individuals that exemplify best practices in fund-raising in the Philippines.

Trust Banking has set its sights on blazing trails with innovative products and services through a renewed thrust to implement market-relevant activities and service delivery improvements. These and the added advantages of the power of synergy make the Group strongly positioned to claim a greater share of the investment pie and to attain total customer satisfaction.

Operations Group

The various support units built on process improvements and cost reduction initiatives during the year. Transaction Processing Division enhanced customer service by implementing the Advanced Loan System and Trade Innovation, which enabled the Bank to phase out its homegrown legacy systems for loans and trade finance. Meanwhile, Treasury Services and Operations Department participated in the PDEX Fixed Income Straight-Through-Processing System, which made deals settlement more efficient, and enhanced systems to meet the stringent reportorial requirements under BSP 524.

Branch operations support relied on technology to simplify and speed up various transactions. Deposit Account Reconciliation Department automated Branch Totals uploading and centralized the reconciliation of Cash on Hand-ATM for both onsite and provincial cash hubs. Clearing and Settlements, on the other hand,

"Equitable CardNetwork ended 2006 on a high note with net income surging by 13% over the previous year. It remains one of the leading credit card issuers and the largest merchant acquirer with over 42% market share" propagated the Electronic Check Referral System to the provincial branches, thus transmitting check images digitally and accelerating verification of incoming checks. Cash Operations, in automating the SSS-Disability/Death and Retirement payments, freed up capacity for other services. In compliance with the projected mid-2008 SWIFT upgrades, Test and Cable Department prepared to accept message format revisions and connectivity.

The Division also embarked on the Digital Imaging Project, which will be interfaced with all major systems of the Support Units by 2007. Its imaging, indexing, and archiving capabilities ensure that document retrieval can now be on demand, thereby meeting customer expectations more efficiently.

Direct Banking reported hefty figures for the Bank's technology-supported products and services. On the ATM front, FASTeller flexed its muscle with a nationwide network of 690 and a cardholder base of 2.14 million by yearend 2006. Total transactions processed showed an 11% increase over 2005 levels; some 70% of these were On-Us transactions. On-Us and Issuer transactions inched up 5% over the previous year; 60% of these were withdrawals.

Phonebanking showed steady growth, with higher digits for FASTPhone transactions and SMS. FASTNet records also rose, even as enrolled users decreased after inactive accounts were purged mid-year. The E-Payment gateway facilitated tax collections totaling about 21% more than in 2005. Another important customer information channel, the Bank's Call Center, handled and addressed phoned-in requests and inquiries.

Technology-related services likewise showed clear support to the Bank's leadership in the remittance business. Voice authorization for Moneygram transactions increased by 22% from year-ago levels. Meanwhile, voice authorization for Xoom money transfers held steady as high-volume branches received direct access to Xoom for payment authorization.

EBC Insurance Brokerage, Inc.

EBC Insurance Brokerage, Inc. (EIBI) ended 2006 as one of the top five insurance brokers in the country. Based on an industry report released by the Insurance Commission, EIBI ranked fourth largest in commission income earned for the year. Its total annual commission income showed a 21% growth from 2005 levels. Meanwhile, with the uptrend in overall business volume and efficient management of operational costs, EIBI's operating income increased by 5.3%.

Providing competitive insurance packages and programs for Bank clients and the open market, EIBI handled business referrals from the branches through Project i2 as well as from the various Bank lending units, all of which contributed to the overall growth in revenues. Project i2 is the referral-based insurance and incentive program of EIBI and the Bank's Retail Banking Segment. Two main products, the Car-A-Sure and the Home-a-Sure, are primarily sold by the Bank's Personal and Transaction Banking branch managers.

In 2007, EIBI will continue to promote retail insurance sales mainly through the Bank's Personal Banking branch managers. It intends to sustain Project i2 as well as sow other sources of insurance business such as referrals from the lending units, Bank affiliates, and the open market.

Special Projects, Asset Management, and Legal Group

Special Projects and Advisory Division (SPAAD) led in trimming non-performing loans, managing distressed credits, and disposing of the Bank's acquired assets. Following a minor reorganization undertaken to improve efficiency through synergy, it now includes Corporate Credit Management Division (CCMD) as well.

The Group delivered strong financial results in reducing losses, contributing profits, and shrinking the Bank's non-performing loan (NPL) portfolio to below industry norms. SPAAD surpassed its budget by reducing its total NPL's by 8%. Acquired Assets likewise exceeded their benchmark in disposing of ROPOA's successfully through direct marketing and auctions.

Transforming distressed credits back into manageable risks and maximizing SPV Law incentives remain the core mandate of the Group. Its target is to continually bring down distressed accounts to single digit levels. With a more efficient organization and well-grounded strategies, SPAAD moves not only to protect but also to promote shareholder wealth.

Human Resources Division

Its impressive delivery of internal customer service alongside organizational and human resource programs that drove employee and team performance and excellence made 2006 a banner year for the Human Resources Division (HRD).

In the 2006 PENTAD Appreciation and Excellence (APEX) Awards, HRD received the On Demand Service Provider Award for the effective use of automation in servicing internal and/or external customers. The On Demand Service Provider Award recognized the Employee Self-Service (ESS)-My Notices, an electronic facility that significantly improved HR service delivery through the real-time enterprise-wide personalized communication facility. It also cut processes' turnaround time and produced cost management benefits. Also in 2006, the ESS was adjudged by the Personnel Management Association of the Philippines as one of the finalist HR projects for 2006.

> As a responsible corporate citizen, the Bank lent its strength to projects benefitting the communities that most need steadying hand and guiding vision of the business sector

HRD also implemented programs to motivate and promote employee effectiveness in the workplace. It extended ESS service delivery through My Overtime and My Training modules, the intranet Training Calendar, as well as Fastlog, a new facility that instantly records employee attendance via the intranet homepage. Maintaining employee health was given careful attention as well with the Bank-wide Keep 'N Shape program, which encouraged employee engagement in wellness programs, seminars, and activities.

At the enterprise level, HRD supported the unibank's Rewards and Recognition Programs through the Retail Banking Sales Conference Awards and the APEX Pentad Head Office and Subsidiaries Awards to recognize teams and individuals who delivered outstanding work performance. HRD also continued to implement other organizational development programs such as Teambuilding, the KABALIKAT (an HR partnering program with the line units), KAMUSTAHAN for new hirees, and the 2006 Internal Customer Satisfaction Surveys (ICSS). HRD actively tapped internal resources from the line as Subject Matter Experts for employee training and development.

Technical training programs such as the Officership Training Program with specialized tracking for head office operations and support units and the Core Credit and Management Training Program for marketing units were also successfully launched in 2006. Further, the Cebu Training Center was inaugurated during the first quarter to cater to the training needs of Visayas and Mindanao offices and branches.

Representatives of Management and the Employee's Union signed the new Collective Bargaining Agreement (CBA) in 2006, and its economic provisions were immediately implemented. As industrial relations were strengthened, it also helped to reinforce the harmonious and efficient operations of the Bank.

The HRD initiatives and achievements in 2006 reflect the Bank's emphasis on nurturing employee welfare and career advancement while maximizing team potential and unity.

Equitable CardNetwork

Equitable CardNetwork (ECN) ended 2006 on a high note with net income surging by 13 % over the previous year. It remains one of the leading credit card issuers and the largest merchant acquirer, with over 42% market share. ECN's aggressive push in both card issuance and acquisition as well as in maintaining credit quality translated to excellent financial results while keeping overall operating expenses within budget.

ECN plans to grow the loyal cardholder base by at least 20%, with additional boost coming from the Bank's large branch network and ECN's competitive suite of credit card products. Among these is the Equitable Travel Card Titanium MasterCard, the most elite travel card in the country. Having been upgraded to Titanium level, it gives the company the capacity to offer its cardholders maximum spending power as well as unequaled perks and privileges. ECN has further lined up various cross-sell and merchant partnership initiatives targeted to BDO's and SM's retail customer networks.

Merchant acquisition also expanded its coverage beyond traditional market establishments. ECN was the first card company to introduce the remote payment system, an innovative facility that uses mobile technology to wirelessly connect to Equitable Card Network and process card transactions in real time. Remote Payment enables the cardholders to do business even in the remotest locations in the country.

PCI Leasing & Finance

On its 25th year, PCI Leasing soared with its effective combination of product and service quality, cost-efficient operations, and aggressive marketing strategies. Total resources were double those of the next player, while its loan and leasing portfolio – boosted by bank referral business and new growth areas, remained unchallenged. The 19% increase in total resources was due mainly to the P8.9 Billion net loans and leasing portfolio level, a 21% growth over the previous year. PCI Leasing thus ended the year with the highest net income in its industry, surpassing the prior year's level by 12%.

The Productivity Improvement Committee spearheaded various cost rationalization projects, trimming operating expenses by 2%. Meanwhile, the company successfully executed strategies that took full advantage of its service capabilities, far-reaching network, and solid parent-bank support. Following through on the deployment of a marketing team in General Santos at the start of the year, it applied a similar tack in Isabela and Naga City – and once again enjoyed positive results. PCI Leasing also continued to harness advanced technology for developing new service applications, while devoting equal attention to strengthening customer relations by optimizing workflow and marketing channels.

Beyond the investments in technology and resources, PCI Leasing recognizes that its greatest strength lies in its people. A team of highly skilled and competent professionals represents its most valuable assets. To reinforce their skills, a series of training seminars and briefings were again conducted during the year. Participants included even personnel outside of the marketing units, and were coached for product awareness, thus enhancing the company's over-all capability to cross-sell products.

Guided by the vision to continue evolving as a top-quality finance company with a solid base, all of PCI Leasing's branches contributed significantly towards generating new clients and promoting its products and services

Strengthening established foundations of the customer-centric set-up geared towards synergistic business results and excellent customer experience continued to be the overriding goal of Retail Banking nationwide. To date, 12 branches/marketing teams are strategically located nationwide to better serve our clients and maximize potential growth areas.

With the industry-leading results recorded in 2006, PCI Leasing is more than well-prepared for the business opportunities it foresees in the Banco de Oro-Equitable PCI Bank merger. The synergy generated by such a fusion of leaders means that the company will command the most extensive market reach and the widest product offerings. It intends to capitalize on these advantages to achieve even greater strength in the industry.

PCI Capital Corporation

PCI Capital Corporation, the Bank's investment banking arm, focused on providing clients with a wide array of capital market products such as equity and debt underwriting, dollar and peso loan syndication, project finance, private equity, trading and brokering of financial assets, and financial advisory services.

In 2006, PCI Capital continued to build on its strength in the midst of strong debt and equity markets recovery fueled by a relatively more stable economy and political landscape. It led or participated in major financial transactions involving over P62.0 billion in debt and equity – over three and a half times more than the previous year.

Among others, PCI Capital acted as: Joint Issue Manager for the P12 Billion Corporate Notes Issue of Manila Electric Company; Joint Issue Manager for the P2.8 Billion Corporate Notes Issue of Globe Telecom, Inc.; Joint Arranger for the P3.0 Billion Term Loan for Holcim Phils., Inc.; and Arranger for the P1.5 Billion Term Loan for DMCI Holdings, Inc. During the year, PCI Capital likewise acted as the Domestic Coordinator for the P12 Billion Follow-on Offer of Universal Robina Corporation; Underwriter for the P5.8 Billion Perpetual Preferred Shares Issue of Ayala Corporation; Co-Lead Manager for the P19 Billion IPO of PNOC-Energy Development Corp.; Underwriter for the P1.5 Billion Follow-on Offer of Chemrez Technologies, Inc.; and Co-Lead Underwriter for the P1.5 Billion Preferred Shares Issue of Aboitiz Equity Ventures, Inc.

In 2006, PCI Capital's Average Return on Assets and Average Return on Equity stood at 16.6% and 16.9%, respectively.

With the merger of Banco de Oro and EPCIBank, the investment banking subsidiary of the merged bank gains an even stronger platform to enhance its league-leading position in the underwriting business. Its expanding customer base of securities issuers can look forward to a diverse array of novel financing structures, while investors are assured of quality investment opportunities that only PCI Capital can offer.

Corporate Communications

As the information medium within the Bank as well as between the Bank and its various target audiences, the Corporate Communications (Corcomm) Division spearheaded various initiatives in internal communications, public/media relations, advertising, community relations, marketing communications, as well as corporate social responsibility.

Corcomm provided timely and relevant information within the Equitable PCI Bank community through the Bank's official publications and media channels. It also managed and maintained the websites of the Bank and its subsidiaries. In 2006, it launched the Equitable Savings Bank website and created a new web link for Cash Management.

Communication is integral to the promotion of the Bank's corporate image. In line with institutional strategies, Corcomm drove the concepts for advertising, promotions and sales that enhanced the Bank's franchise and created powerful brands for its products and services. Institutional and product campaigns for the year included Consumer Finance Own It, ESB Institutional Ad, Deals On Wheels, and Reader's Digest Trusted Brand Award for EPCIBank. Accolades reaped by the Bank as well as milestones in its financial performance, product promotions, and major tie-ups received publicity as well. Tapping new media technology, Corcomm deployed various Bank product ads and promotions through electronic billboards situated in high-traffic sites in Metro Manila.

In support of the Bank's business units, Corcomm staged major events such as RBG National Sales Conference, the Pentad Appreciation and Excellence Awards, Anniversary Service Awards, Friendship Cup Clients Appreciation Golf Tournament, Stockholders' Meeting, and Senior Officers Welcome Rites. The Division also managed the Bank's sports development programs and hobby clubs, as well as coordinated activities and events at the Chapel of Our Lady of Guadalupe, the Francisco Santiago Hall, and the Antonio Molina Hall.

Beyond the everyday requirements of managing corporate communications, the Division represented the Bank in its corporate social responsibility efforts, believing as it does that building for the future demands much more. As a responsible corporate citizen, the Bank lent its strength to projects benefiting the communities that most need the steadying hand and guiding vision of the business sector. It participated in relief operations and medical missions to respond to families blighted by natural disasters, such as the communities hit by Typhoon Reming in Bicol in mid-2006.

Over the longer term, the Bank is looking at more sustainable programs that help people not only survive, but thrive in developing their potential and building self-sufficiency.

PHILIPPINE ECONOMIC PERFORMANCE IN 2006 AND PROSPECTS FOR 2007

Powered by consumption and the services sector, the Philippine economy grew by 5.4% in 2006, surpassing the 5.0% rise in Gross Domestic Product (GDP) in 2005. Meanwhile, the 15.4% real growth in net factor income from abroad, pushed by record-high migrant remittances, lifted the country's Gross National Product (GNP) growth to 6.2% from 5.6% In 2005.

Personal consumption spending was the country's main growth engine, recorded at +5.5% in 2006 from 4.9% in 2005. Higher OFW remittances, easing inflation, and a strong peso provided the underlying strength to personal spending growth. Led by electronics (+8.4%), exports improved on its 4% rise in 2005 to gain a hefty 14% in 2006, even as non- electronics exports contributed to the sector's strong performance. Meanwhile, imports mirrored the faster economic pace last year, rising 8.7% from 7.7%. Despite operating on a reenacted budget, the government grew its expenditures by 5.7% in 2006 from 4% in 2005, spurred by the fourth-quarter surge in spending following the passage of a supplemental budget in the latter part of last year. Real investments recovered from the 6% decline in 2005 to rise 2.1% in 2006.

Production showed broad-based growth in 2006. Services remained the biggest contributor to GDP with a 6.3% expansion, as the continuing boom in Business Process Outsourcing (BPOs), low interest rates, and decelerating inflation benefited specific sectors (e.g., communications, real estate and property, finance, retail trade, and private services). The agricultural sector grew by a higher 4.1% in 2006 from 1.8% in 2005, as it recovered from the impact of the El Niño. Growth could have been higher if not for the destructive typhoons in the fourth quarter, which curtailed output. Meanwhile, the industry sector posted a 4.8% increase, led by manufacturing (+5.4%) which rode on steady domestic and foreign demand, and construction (+4.6%) which benefited from low interest rates and the real estate recovery.

The government posted an over-performance on the fiscal front for the fourth consecutive year as the budget gap shrank to an eight-year low of P62.2 Billion, which was half the programmed level for 2006 and 57.6% lower than the level in 2005. A robust 20% growth in revenues as the government realized the gains from the RVAT and other fiscal reforms, complemented by a prudent 8.1% rise in spending in the absence of a 2006 budget, contributed to the small fiscal gap. The deficit-to-GDP ratio further improved to -1.04% from -2.7% in 2005; meanwhile, the primary surplus (government revenues net of interest payments) rose to P247.9 Billion or 4.1% of GDP, from P153.3 Billion or 2.9% of GDP in 2005. This build-up in primary surplus means more government funds could be spent for economic and social services.

The government's improving fiscal finances allowed it to cut its borrowing requirements. At the same time, the country experienced slowing inflation and excess system liquidity – the latter stemming from increased foreign flows and furthered by the Monetary Board's re-introduction of the tiered interest rate scheme in November 2006. All these developments kept a tight rein on interest rates last year. The average benchmark 91-day Treasury bill rate fell to 5.3% in 2006 from 6.4% in 2005. Meanwhile, the inflation rate followed a continuing downtrend starting in April after hitting a high of 7.6% in February and March to reflect the one-off price increases resulting from the RVAT. By December, the inflation rate settled at 4.3%, the lowest in two-and-a-half years.

Increased foreign capital flows on revitalized investor confidence and the robust expansion in OFW remittances lifted the peso to its highest level in six years to P49.13, representing more than 7% appreciation versus the US dollar. The volume of OFW remittances coursed through the banking system last year jumped 19.4% to a record high $12.8 Billion from $10.8 Billion in 2005. The BSP reported that the total volume of OFW remittances, including the estimated 10% coursed through non-official channels, amounted to $14.0 Billion in 2006.

> The deficit-to-GDP ratio further improved to -1.04% from -2.7% in 2005; meanwhile, the primary surplus (government revenues net of interest payments) rose to P247.9 Billion or 4.1% of GDP, from P153.3 Billion or 2.9% of GDP in 2005.

In a sense, the government's markedly improved fiscal performance set off a virtuous cycle that further strengthened the country's macroeconomic fundamentals. Borrowing costs fell as yields on Philippine bonds and securities dropped given improving fiscal finances and reduced need for borrowings. Dollar inflows accelerated in step with foreign confidence, building up the country's reserves ($22.5 Billion in 2006) and enabling the government to make debt prepayments totaling $2.1 Billion. The country's debt-to-GDP ratio thus improved, falling to 64% from 72% in 2005.

As a result, international credit rating agencies upgraded the country's outlook to "stable" from "negative". Further upgrades in actual credit ratings, however, remain contingent on the country's ability to sustain the improvement in its debt indicators. Amid the positive developments, the Philippine composite index emerged as the 5th best performing market in Asia, surging 42% to finish at a 10-year best of 3,020.70 in 2006. The Philippines was definitely back on the investors' radar screens.

Moving forward, increased economic growth in 2007 is expected to be driven by consumption and amplified by public infrastructure spending on the back of continuing progress in fiscal position (the government hopes to strike a balanced budget by 2008). Higher government spending should generate the desired multiplier effects on incomes and job creation, furthering investments and credit demand. The property upcycle, largely propelled by low interest rates as well as the OFW and BPO markets, serves as a driver of loan demand.

Certain risks, however, may cloud the economic outlook this year. A slowing US economy poses a growing concern given its negative implications on Philippine export performance. A US Fed rate hike on fresh inflation pressures could trigger an exodus of funds to the US, weighing on the peso. The volatility in the global financial and capital markets has highlighted the fact that the country does not remain immune to changing investor risk appetites. If prolonged, the disquiet about emerging markets could prompt monetary action from the BSP (e.g., raise interest rates) to quell capital flight. Meanwhile, political noise could be renewed on the unfavorable conduct of the mid-term elections, as well as the success of the opposition to wrest a majority of the congressional seats needed to pass an impeachment case against President Arroyo.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
San Juan, Metro Manila

The Management of Equitable PCI Bank, Inc. and its subsidiaries is responsible for all information and representations contained in the financial statements as of December 31, 2006 and 2005 and for the years then ended. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The Management likewise discloses to the company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Audit Committee and the Board of Directors review the financial statements before such statements are approved and submitted to the stockholders of the Bank.

Sycip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has examined the financial statements of Equitable PCI Bank, Inc. and its subsidiaries in accordance with generally accepted auditing standards in the Philippines and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.

CORAZON S. DE LA PAZ
Chairperson

RENE J. BUENAVENTURA
President & Chief Executive Officer

RICARDO V. MARTIN
Executive Vice President & Comptroller

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Equitable PCI Bank, Inc.

We have audited the accompanying consolidated financial statements of Equitable PCI Bank, Inc. and Subsidiaries (the Group) and the parent company financial statements of Equitable PCI Bank, Inc. (the Parent Company) which comprise the statements of condition as of December 31, 2006 and 2005, and the statements of income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2006, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and of the Parent Company as of December 31, 2006 and 2005, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2006 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Wilson P. Tan

Wilson P. Tan
Partner
CPA Certificate No. 76737
SEC Accreditation No. 0100-AR-1
Tax Identification No. 102-098-469
PTR No. 0267394, January 2, 2007, Makati City

March 20, 2007

STATEMENTS OF CONDITION

(Amounts in Thousands)

	Consolidated		Parent Company	
	December 31			
	2006	2005	**2006**	2005
ASSETS				
Cash and Other Cash Items (Notes 14 and 18)	**₱8,663,488**	₱7,541,236	**₱8,381,197**	₱7,199,793
Due from Bangko Sentral ng Pilipinas (Notes 14 and 18)	**23,262,456**	7,232,106	**22,611,472**	6,917,169
Due from Other Banks (Notes 6 and 18)	**6,520,845**	4,676,319	**3,801,286**	3,842,373
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (Notes 18 and 31)	**27,572,262**	18,199,624	**27,732,262**	18,199,624
Securities at Fair Value Through Profit or Loss (Notes 7 and 18)	**22,761,419**	26,061,882	**22,621,745**	25,921,031
Available-for-Sale Investments (Notes 7 and 18)	**9,620,736**	17,108,772	**7,828,016**	15,358,057
Held-to-Maturity Investments (Notes 7, 14 and 18)	**29,903,374**	32,483,945	**29,552,707**	32,200,964
Loans and Receivables (Notes 8, 18, 19 and 28)	**161,431,665**	140,187,890	**140,945,119**	132,590,379
Property and Equipment (Notes 9 and 18)				
At cost	**5,085,455**	5,283,628	**4,361,059**	4,694,238
At appraised value	**4,412,676**	4,500,557	**4,406,236**	4,406,236
Investments in Subsidiaries and Associates (Notes 10 and 18)	**204,227**	290,772	**8,498,329**	8,965,584
Investment Properties (Notes 11 and 18)	**17,875,203**	18,436,362	**15,165,141**	15,932,951
Goodwill (Notes 3 and 18)	**15,680,124**	15,680,124	**15,680,124**	15,680,124
Other Assets (Notes 12 and 18)	**12,147,895**	14,368,369	**9,235,144**	11,602,514
	₱345,141,825	₱312,051,586	**₱320,819,837**	₱303,511,037
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 14, 18 and 28)	**₱240,099,250**	₱206,664,245	**₱231,963,428**	₱202,154,155
Bills Payable (Notes 15 and 18)	**20,155,857**	29,705,735	**14,325,120**	27,198,167
Outstanding Acceptances (Note 18)	**960,980**	615,944	**960,980**	615,944
Manager's Checks and Demand Drafts Outstanding (Note 18)	**1,422,304**	912,091	**1,293,530**	891,704
Accrued Interest Payable (Note 18)	**1,051,145**	794,639	**620,818**	526,999
Accrued Taxes and Other Expenses (Notes 18 and 24)	**3,111,319**	2,311,484	**1,851,859**	1,580,717
Subordinated Notes Payable (Notes 16 and 18)	**9,691,113**	10,474,797	**9,691,113**	10,474,797
Other Liabilities (Notes 17 and 18)	**21,168,553**	23,075,237	**17,211,958**	19,019,762
	₱297,660,521	₱274,554,172	**₱277,918,806**	₱262,462,245

STATEMENTS OF CONDITION

(Amounts in Thousands)

	Consolidated		Parent Company	
	December 31			
	2006	2005	**2006**	2005
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Common Stock (Note 19)	**₱7,270,033**	₱7,270,033	**₱7,270,033**	₱7,270,033
Capital Paid in Excess of Par Value	**36,416,709**	37,395,672	**37,395,672**	37,395,672
Surplus Reserve (Notes 19 and 25)	**605,943**	558,396	**605,943**	558,396
Surplus (Deficit) (Note 25)	**167,679**	(3,049,953)	**(4,316,750)**	(5,953,851)
Parent Company Shares Held by a Subsidiary (Notes 19 and 33)	**–**	(7,466,950)	–	–
Net Unrealized Gain on Available-for-Sale Investments (Notes 7 and 31)	**596,517**	548,127	**596,517**	548,127
Share in Net Unrealized Gain on Available-for-Sale Investments of a Subsidiary (Notes 7 and 31)	**101,297**	15,436	–	–
Share in Revaluation Increment on Land of a Subsidiary (Note 9)	**12,336**	8,323	–	–
Revaluation Increment on Property (Note 9)	**1,349,616**	1,349,616	**1,349,616**	1,349,616
Accumulated Translation Adjustment	**(208,055)**	(119,362)	–	(119,201)
	46,312,075	36,509,338	**42,901,031**	41,048,792
MINORITY INTEREST	**1,169,229**	988,076	–	–
	47,481,304	37,497,414	**42,901,031**	41,048,792
	₱345,141,825	₱312,051,586	**₱320,819,837**	₱303,511,037

See accompanying Notes to Financial Statements.

STATEMENTS OF INCOME

(Amounts In Thousands except Earnings Per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2006	2005	2004	**2006**	2005	2004
INTEREST INCOME						
Loans and receivables (Notes 8 and 28)	**₱11,845,659**	₱11,622,190	₱10,153,123	**₱9,596,687**	₱9,897,930	₱8,455,505
Trading and investment securities (Note 7)	**6,520,362**	5,399,839	4,409,653	**6,447,867**	5,321,506	4,258,945
Interbank loans receivable and securities purchased under resale agreements	**640,829**	1,405,277	1,097,891	**635,689**	1,374,735	1,107,502
Deposits with other banks and others	**632,268**	623,816	988,590	**391,732**	360,269	400,315
	19,639,118	19,051,122	16,649,257	**17,071,975**	16,954,440	14,222,267
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 14 and 28)	**6,253,512**	5,528,979	5,005,618	**5,870,775**	5,248,890	4,780,818
Bills payable, borrowings and others (Note 15)	**2,422,811**	2,872,954	2,722,002	**2,179,763**	2,736,508	2,660,761
	8,676,323	8,401,933	7,727,620	**8,050,538**	7,985,398	7,441,579
NET INTEREST INCOME	**10,962,795**	10,649,189	8,921,637	**9,021,437**	8,969,042	6,780,688
Service fees and commission income	**5,695,782**	4,927,951	4,408,239	**2,860,933**	2,782,369	2,399,632
Trading gains - net (Note 7)	**2,533,799**	1,120,139	415,761	**2,484,166**	1,098,211	324,637
Foreign exchange gains - net	**813,865**	670,382	290,079	**701,177**	665,630	194,545
Other operating income (Note 22)	**3,423,408**	2,838,131	2,694,134	**2,924,066**	2,174,838	2,643,134
TOTAL OPERATING INCOME	**23,429,649**	20,205,792	16,729,850	**17,991,779**	15,690,090	12,342,636
Compensation and fringe benefits (Notes 20 and 28)	**4,320,679**	3,814,804	3,348,972	**3,662,660**	3,232,974	2,778,298
Provision for impairment and credit losses (Note 13)	**4,127,322**	2,857,922	4,130,165	**4,096,631**	1,996,690	3,089,528
Occupancy and other equipment-related expenses (Note 21)	**1,909,069**	1,819,071	1,618,273	**1,678,784**	1,637,611	1,402,259
Depreciation and amortization (Notes 9 and 11)	**1,399,137**	1,326,926	1,326,546	**1,084,484**	1,059,006	1,082,173
Taxes and licenses (Note 24)	**1,589,498**	1,446,358	1,149,867	**1,242,949**	1,127,960	877,771
Other expenses (Note 23)	**5,104,466**	3,966,991	3,696,167	**3,376,761**	2,589,888	2,312,986
TOTAL OPERATING EXPENSES	**18,450,171**	15,232,072	15,269,990	**15,142,269**	11,644,129	11,543,015
INCOME BEFORE SHARE IN NET INCOME OF ASSOCIATES AND INCOME TAX	**4,979,478**	4,973,720	1,459,860	**2,849,510**	4,045,961	799,621
SHARE IN NET INCOME (LOSSES) OF ASSOCIATES (Note 10)	**22,739**	562	(21,748)	–	–	–
INCOME BEFORE INCOME TAX	**5,002,217**	4,974,282	1,438,112	**2,849,510**	4,045,961	799,621
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)	**1,555,885**	2,176,436	(1,075,730)	**1,045,661**	1,703,455	(1,557,869)
NET INCOME	**₱3,446,332**	₱2,797,846	₱2,513,842	**₱1,803,849**	₱2,342,506	₱2,357,490

(Forward)

STATEMENTS OF INCOME

(Amounts In Thousands except Earnings Per Share)

	Consolidated		
	Years Ended December 31		
	2006	2005	2004
Attributable to:			
Equity holders of the Parent Company (Note 30)	**₱3,265,179**	₱2,698,385	₱2,412,080
Minority interest	**181,153**	99,461	101,762
	₱3,446,332	₱2,797,846	₱2,513,842
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 30)	**₱4.89**	₱4.16	₱3.72

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

(In Thousand Pesos)

	Common Stock (Note 19)	Capital Paid in Excess of Par Value	Surplus Reserve (Note 25)	Surplus (Deficit) (Note 25)	Parent Company Shares Held by a Subsidiary
Balance at January 1, 2006	₱7,270,033	₱37,395,672	₱558,396	(₱3,049,953)	(₱7,466,950)
Translation adjustment during the year	–	–	–	–	–
Net gain (loss) during the year on available-for-sale investments	–	–	–	–	–
Adjustment on revaluation increment	–	–	–	–	–
Income and expenses for the year recognized directly in equity	–	–	–	–	–
Net income for the year	–	–	–	3,265,179	–
Total income and expenses for the year	–	–	–	3,265,179	–
Sale of Parent Company shares held by a subsidiary	–	(978,963)	–	–	7,466,950
Transfer to surplus reserve	–	–	47,547	(47,547)	–
Balance at December 31, 2006	₱7,270,033	₱36,416,709	₱605,943	₱167,679	₱–
Balance at December 31, 2004	₱7,270,033	₱37,395,672	₱510,356	₱2,604,888	(₱7,466,950)
Cumulative effect of change in accounting for Financial instruments - Philippine Accounting Standard (PAS) 39 (Note 2)	–	–	–	(7,868,984)	–
Balance at January 1, 2005	7,270,033	37,395,672	510,356	(5,264,096)	(7,466,950)
Translation adjustment during the year	–	–	–	–	–
Net gain during the year on available-for-sale investments	–	–	–	–	–
Adjustment on revaluation increment	–	–	–	–	–
Income and expenses for the year recognized directly in equity	–	–	–	–	–
Net income for the year	–	–	–	2,698,385	–
Total income and expenses for the year	–	–	–	2,698,385	–
Transfer to surplus reserve	–	–	48,040	(48,040)	–
Dividends paid	–	–	–	(436,202)	–
Balance at December 31, 2005	₱7,270,033	₱37,395,672	₱558,396	(₱3,049,953)	(₱7,466,950)
Balance at December 31, 2003	₱7,270,033	₱37,395,672	₱451,977	₱234,933	(₱7,466,950)
Translation adjustment during the year	–	–	–	–	–
Net unrealized gain (loss) during the year	–	–	–	–	–
Adjustment on revaluation increment	–	–	–	–	–
Income and expenses for the year recognized directly in equity	–	–	–	–	–
Net income for the year	–	–	–	2,412,080	–
Total income and expenses for the year	–	–	–	2,412,080	–
Transfer from revaluation increment	–	–	–	16,254	–
Transfer to surplus reserve	–	–	58,379	(58,379)	–
Balance at December 31, 2004	₱7,270,033	₱37,395,672	₱510,356	₱2,604,888	(₱7,466,950)

Consolidated							
Equity Attributable to Equity Holders of the Parent Company							
Net Unrealized Gain (Loss) on Available-for-Sale Investments (Note 7)	**Share in Net Unrealized Gain (Loss) on Available-for-Sale Investments of a Subsidiary** (Note 7)	**Share in Revaluation Increment on Land of a Subsidiary**	**Revaluation Increment on Property** (Note 9)	**Accumulated Translation Adjustment**	**Total**	**Minority Interest**	**Total Equity**
₱548,127	₱15,436	₱8,323	₱1,349,616	(₱119,362)	₱36,509,338	₱988,076	₱37,497,414
–	–	–	–	(88,693)	(88,693)	–	(88,693)
48,390	85,861	–	–	–	134,251	–	134,251
–	–	4,013	–	–	4,013	–	4,013
48,390	85,861	4,013	–	(88,693)	49,571	–	49,571
–	–	–	–	–	3,265,179	181,153	3,446,332
48,390	85,861	4,013	–	(88,693)	3,314,750	181,153	3,495,903
–	–	–	–	–	6,487,987	–	6,487,987
–	–	–	–	–	–	–	–
₱596,517	₱101,297	₱12,336	₱1,349,616	(₱208,055)	₱46,312,075	₱1,169,229	₱47,481,304
(₱5,979)	(₱48,581)	₱8,441	₱1,350,177	₱20,151	₱41,638,208	₱980,157	₱42,618,365
68,903	–	–	–	–	(7,800,081)	(91,542)	(7,891,623)
62,924	(48,581)	8,441	1,350,177	20,151	33,838,127	888,615	34,726,742
–	–	–	–	(139,513)	(139,513)	–	(139,513)
485,203	64,017	–	–	–	549,220	–	549,220
–	–	(118)	(561)	–	(679)	–	(679)
485,203	64,017	(118)	(561)	(139,513)	409,028	–	409,028
–	–	–	–	–	2,698,385	99,461	2,797,846
485,203	64,017	(118)	(561)	(139,513)	3,107,413	99,461	3,206,874
–	–	–	–	–	–	–	–
–	–	–	–	–	(436,202)	–	(436,202)
₱548,127	₱15,436	₱8,323	₱1,349,616	(₱119,362)	₱36,509,338	₱988,076	₱37,497,414
(₱980)	(₱63,374)	₱2,417	₱1,321,143	₱–	₱39,144,871	₱878,395	₱40,023,266
–	–	–	–	20,151	20,151	–	20,151
(4,999)	14,793	–	–	–	9,794	–	9,794
–	–	6,024	40,087	–	46,111	–	46,111
(4,999)	14,793	6,024	40,087	20,151	76,056	–	76,056
–	–	–	–	–	2,412,080	101,762	2,513,842
(4,999)	14,793	6,024	40,087	20,151	2,488,136	101,762	2,589,898
–	–	–	(11,053)	–	5,201	–	5,201
–	–	–	–	–	–	–	–
(₱5,979)	(₱48,581)	₱8,441	₱1,350,177	₱20,151	₱41,638,208	₱980,157	₱42,618,365

STATEMENTS OF CHANGES IN EQUITY

(In Thousand Pesos)

	Common Stock (Note 19)	Capital Paid in Excess of Par Value	Surplus Reserve (Note 25)	Surplus (Deficit) (Note 25)
Balance at January 1, 2006	₱7,270,033	₱37,395,672	₱558,396	(₱5,953,851)
Translation adjustment adjusted to surplus	–	–	–	(119,201)
Net loss during the year on available-for-sale investments	–	–	–	–
Income and expenses for the year recognized directly in equity	–	–	–	(119,201)
Net income for the year	–	–	–	1,803,849
Total income and expenses for the year	–	–	–	1,684,648
Transfer to surplus reserve	–	–	47,547	(47,547)
Balance at December 31, 2006	₱7,270,033	₱37,395,672	₱605,943	(₱4,316,750)
Balance at December 31, 2004	₱7,270,033	₱37,395,672	₱510,356	(₱979,994)
Cumulative effect of change in accounting for Financial instruments - PAS 39 (Note 2)	–	–	–	(6,832,121)
Balance at January 1, 2005	7,270,033	37,395,672	510,356	(7,812,115)
Translation adjustment during the year	–	–	–	–
Net gain during the year on available-for-sale investments	–	–	–	–
Adjustment on revaluation increment	–	–	–	–
Income and expenses for the year recognized directly in equity	–	–	–	–
Net income for the year	–	–	–	2,342,506
Total income and expenses for the year				2,342,506
Transfer to surplus reserve	–	–	48,040	(48,040)
Dividends declared	–	–	–	(436,202)
Balance at December 31, 2005	₱7,270,033	₱37,395,672	₱558,396	(₱5,953,851)
Balance at December 31, 2003	₱7,270,033	₱37,395,672	₱451,977	(₱3,295,359)
Translation adjustment during the year	–	–	–	–
Net unrealized loss during the year	–	–	–	–
Adjustment on revaluation increment	–	–	–	–
Income and expenses for the year recognized directly in capital funds	–	–	–	–
Net income for the year	–	–	–	2,357,490
Total income and expenses for the year	–	–		2,357,490
Transfer from revaluation increment	–	–	–	16,254
Transfer to surplus reserve	–	–	58,379	(58,379)
Balance at December 31, 2004	₱7,270,033	₱37,395,672	₱510,356	(₱979,994)

See accompanying Notes to Financial Statements.

Parent Company						
Parent Company Shares Held by a Subsidiary	**Net Unrealized Gain (Loss) on Available-for-Sale Investments** (Note 7)	**Share in Net Unrealized Loss on Available-for-sale Investments of a Subsidiary** (Note 7)	**Share in Revaluation Increment on Land of a Subsidiary**	**Revaluation Increment on Property** (Note 9)	**Accumulated Translation Adjustment**	**Total Equity**
₱–	₱548,127	₱–	₱–	₱1,349,616	(₱119,201)	₱41,048,792
–	–	–		–	119,201	–
–	48,390	–	–	–	–	48,390
–	48,390	–	–	–	119,201	48,390
–	–	–	–	–	–	1,803,849
–	48,390	–	–	–	119,201	1,852,239
–	–	–	–	–	–	–
₱–	₱596,517	₱–	₱–	₱1,349,616	₱–	₱42,901,031
₱–	(₱5,979)	₱–	₱–	₱1,350,177	₱20,151	₱45,560,416
–	49,174	–	–	–	–	(6,782,947)
–	43,195	–	–	1,350,177	20,151	38,777,469
–	–	–	–	–	(139,352)	(139,352)
–	504,932	–	–	–	–	504,932
–	–	–	–	(561)	–	(561)
–	504,932	–	–	(561)	(139,352)	365,019
–	–	–	–	–	–	2,342,506
	504,932			(561)	(139,352)	2,707,525
–	–	–	–	–	–	–
–	–	–	–	–	–	(436,202)
₱–	₱548,127	₱–	₱–	₱1,349,616	(₱119,201)	₱41,048,792
₱–	(₱980)	₱–	₱–	₱1,321,143	₱–	₱43,142,486
–	–	–	–	–	20,151	20,151
–	(4,999)	–	–	–	–	(4,999)
–	–	–	–	40,087	–	40,087
–	(4,999)	–	–	40,087	20,151	55,239
–	–	–	–	–	–	2,357,490
–	(4,999)	–	–	40,087	20,151	2,412,729
–	–	–	–	(11,053)	–	5,201
–	–	–	–	–	–	–
₱–	(₱5,979)	₱–	₱–	₱1,350,177	₱20,151	₱45,560,416

STATEMENTS OF CASH FLOWS

(In Thousand Pesos)

	Consolidated			Parent Company		
	Years Ended December 31					
	2006	2005	2004	**2006**	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	**₱5,002,217**	₱4,974,282	₱1,438,112	**₱2,849,508**	₱4,045,961	₱799,621
Adjustments for:						
Provision for impairment and credit losses (Note 13)	**4,127,322**	2,857,922	4,130,165	**4,096,631**	1,996,690	3,089,528
Depreciation and amortization (Notes 9 and 11)	**1,399,137**	1,344,671	1,344,291	**1,084,484**	1,059,006	1,082,173
Gain on disposal of investment properties (Note 22)	**(926,181)**	(487,459)	(83,394)	**(848,215)**	(389,649)	(82,895)
Realized trading gain	**(590,929)**	–	–	**(564,670)**	–	–
Amortization of premium/discount	**275,154**	–	–	**317,902**	–	–
Gain on sale of property and equipment (Note 22)	**(106,953)**	(90,961)	(34,085)	**(89,355)**	(85,809)	(26,947)
Share in net (income) losses of associates (Note 10)	**(22,739)**	(562)	21,748	–	–	–
Changes in operating assets and liabilities:						
Decrease (increase) in amounts of:						
Interbank loans receivable and securities purchased under resale agreements	**948,968**	1,501,333	(3,113,205)	**948,968**	(2,093,001)	(3,113,205)
Securities at fair value through profit or loss	**3,300,463**	(8,013,885)	–	**3,299,286**	(4,503,393)	–
Trading account securities	–	–	303,127		–	47,697
Loans and receivables	**(24,978,012)**	(1,485,415)	–	**(11,010,343)**	3,988,063	–
Receivable from customers	–	–	(22,258,548)	–	–	(18,097,635)
Other assets	**7,308,818**	(1,379,842)	(2,413,939)	**239,407**	(125,824)	(449,905)
Increase (decrease) in amounts of:						
Deposit liabilities	**33,435,005**	13,143,906	7,476,137	**29,809,273**	12,581,057	6,267,786
Accrued interest payable	**256,506**	242,230	–	**93,819**	98,068	–
Accrued taxes and other expenses	**757,547**	542,827	(139,729)	**284,397**	442,979	(448,991)
Manager's checks and demand drafts outstanding	**510,213**	29,946	(61,154)	**401,826**	29,632	(40,777)
Other liabilities	**(1,906,684)**	(1,146,171)	8,989,162	**(1,807,803)**	(2,606,854)	7,083,531
Net cash generated (used in) from operations	**28,789,852**	12,032,822	(4,401,312)	**29,105,115**	14,436,926	(3,890,019)
Income taxes paid	**(1,010,482)**	(625,184)	(747,883)	**(582,619)**	(477,287)	(345,648)
Net cash provided by (used in) operating activities	**₱27,779,370**	₱11,407,638	(₱5,149,195)	**₱28,522,496**	₱13,959,639	(₱4,235,667)

(Forward)

STATEMENTS OF CASH FLOWS

(In Thousand Pesos)

	Consolidated			Parent Company		
	Years Ended December 31					
	2006	2005	2004	**2006**	2005	2004
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Available-for-sale investments	**(₱31,526,419)**	₱–	₱–	**(₱30,873,159)**	₱–	₱–
Available-for-sale securities	**–**	–	(5,537,822)	–	–	(5,532,837)
Held-to-maturity investments	**(40,171,936)**	(3,079,423)	–	**(40,171,936)**	(4,197,748)	–
Investment in bonds, and other debt instruments	**–**	–	(4,886,175)	–	–	(5,272,516)
Property and equipment (Note 9)	**(1,675,359)**	(1,101,064)	(2,427,461)	**(697,393)**	(701,530)	(1,989,159)
Investments in subsidiaries and associates	**3,000**	–	–	**–**	–	–
Investment properties (Note 31)	**(8,645)**	–	–	**(8,645)**	–	–
Proceeds from sale/maturity of:						
Available-for-sale investments	**38,994,327**	3,643,001	–	**38,876,260**	4,914,297	–
Held-to-maturity investments	**42,502,291**	–	–	**42,502,291**	–	–
Investment in bonds, and other debt instruments		–	–	**–**	–	–
Property and equipment	**924,665**	381,242	1,488,590	**236,351**	110,856	1,303,490
Investments in subsidiaries and associates	**–**	428,235	363,439	**–**	(3,165,350)	1,122,001
Investment properties	**2,485,966**	2,154,426	2,573,407	**2,241,656**	1,954,967	2,195,902
Net cash provided by (used in) investing activities	**11,527,890**	2,426,417	(8,426,022)	**12,105,425**	(1,084,508)	(8,173,119)
CASH FLOWS FROM FINANCING ACTIVITIES						
Availments of bills payable	**76,514,022**	161,544,780	–	**74,318,598**	159,728,148	172,165,543
Settlement of bills payable	**(82,073,268)**	(157,377,564)	–	**(81,540,439)**	(155,306,306)	(162,029,523)
Increase (decrease) in amounts of:						
Bills payable	**(3,990,632)**	1,548,509	(5,559,940)	**(5,651,206)**	361,708	(15,084,335)
Outstanding acceptances	**345,036**	(6,986,372)	6,418,944	**345,036**	(6,986,372)	6,418,944
Repayment of subordinated bonds	**(783,684)**	(620,618)	156,343	**(783,684)**	(620,618)	156,343
Dividend paid (Note 19)	**–**	(436,202)	–	**–**	(436,202)	–
Net cash provided by (used in) financing activities	**(9,988,526)**	(2,327,467)	1,015,347	**(13,311,695)**	(3,259,642)	1,626,972
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**29,318,734**	11,506,588	(12,559,870)	**27,316,226**	9,615,489	(10,781,814)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	**7,541,236**	8,721,441	8,673,595	**7,199,793**	8,471,498	8,509,893
Due from Bangko Sentral ng Pilipinas	**7,232,106**	2,316,093	5,305,743	**6,917,169**	2,059,639	5,129,645
Due from other banks	**4,676,319**	7,701,330	8,592,021	**3,842,373**	6,114,500	7,136,031
Interbank loans receivable and securities purchased under resale agreements (Note 31)	**16,106,623**	5,310,832	14,038,207	**16,106,623**	7,804,832	14,456,714
	₱35,556,284	₱24,049,696	₱36,609,566	**₱34,065,958**	₱24,450,469	₱35,232,283

(Forward)

STATEMENTS OF CASH FLOWS

(In Thousand Pesos)

	Consolidated			Parent Company		
	Years Ended December 31					
	2006	2005	2004	**2006**	2005	2004
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	**₱8,663,488**	₱7,541,236	₱8,721,441	**₱8,381,197**	₱7,199,793	₱8,471,498
Due from Bangko Sentral ng Pilipinas	**23,262,456**	7,232,106	2,316,093	**22,611,472**	6,917,169	2,059,639
Due from other banks	**6,520,845**	4,676,319	7,701,330	**3,801,286**	3,842,373	6,114,500
Interbank loans receivable and securities purchased under resale agreements (Note 31)	**26,428,229**	16,106,623	5,310,832	**26,588,229**	16,106,623	7,804,832
	₱64,875,018	₱35,556,284	₱24,049,696	**₱61,382,184**	₱34,065,958	₱24,450,469

OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS

	Consolidated			Parent Company		
	Years Ended December 31					
	2006	2005	2004	**2006**	2005	2004
Interest received	**₱19,531,648**	₱19,499,849	₱16,635,750	**₱16,984,868**	₱17,423,407	₱14,216,162
Interest paid	**8,419,817**	8,159,703	8,134,159	**7,956,719**	7,887,330	7,942,182
Dividend received	**97,278**	90,513	61,479	**1,120,052**	460,635	1,156,607

See accompanying Notes to Financial Statements.

1. Corporate Information

Equitable PCI Bank, Inc. (the Parent Company) is a universal bank incorporated in the Philippines, with registered office address at Equitable PCI Bank Tower I, Makati Avenue corner H.V. de la Costa Street, Salcedo Village, Makati City. The Parent Company and its subsidiaries (the Group) are engaged in the business of banking, financing, leasing, real estate, insurance and stock brokering and other related services to personal, commercial, corporate and institutional clients through a network of 409 local and international branches, offices and agencies. The Group's products and services include deposit-taking, lending and related services, treasury and capital market operations, trade services, payments and cash management, and trust services.

The accompanying financial statements of the Group and of the Parent Company were authorized for issue by the Parent Company's Board Audit Committee and confirmed by the Board of Directors (BOD) in its meeting on March 20, 2007.

2. Summary of Significant Accounting Policies

Basis of Preparation
The accompanying financial statements have been prepared on a historical cost basis except for securities at fair value through profit or loss (FVPL), available-for-sale (AFS) investments, land, and derivative financial instruments that have been measured at fair value. The financial statements are presented in Philippine pesos, and all values are rounded to the nearest thousand pesos (₱000) except when otherwise indicated.

The financial statements of the Parent Company reflect the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine pesos. The financial statements individually prepared for these units are combined after eliminating inter-unit accounts.

Statement of Compliance
The financial statements of the Group and of the Parent Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements include the financial statements of the Parent Company and the following wholly-owned and majority-owned subsidiaries:

Subsidiary	Effective Percentage of Ownership	Country of Incorporation
Financial Markets:		
EBC Investments, Inc. (EBCII) and Subsidiaries	100	Philippines
Equitable PCI Bank Cayman Limited (EPCI Cayman)	100	Cayman Island
Equitable Savings Bank, Inc. (ESB)	100	Philippines
Express Padala (HK) Ltd. (EPHK)	100	Hong Kong
Jardine Equitable Finance Corp. (JEFC)	100	Philippines
PCI Capital Corporation (PCI Capital) and Subsidiaries	100	Philippines
PCIB Europe S.p.A. (PCIB S.p.A)	100	Italy
PCI Express Padala (HK) Limited (Express Padala HK)	100	Hong Kong
PCI Express Padala - L.A. (Express Padala L.A.)	100	United States of America
PCI Express Padala Frankfurt	100	Germany
PCI Express Padala (Rotterdam) B.V.	100	Netherlands
Equitable Card Network, Inc. (ECN) and Subsidiaries	90	Philippines
PCI Leasing and Finance, Inc. (PCI Leasing)	85	Philippines
Insurance Brokerage:		
EBC Insurance Brokerage, Inc. (EIBI)	100	Philippines
PCI Insurance Brokers, Inc. (PCI Insurance)	100	Philippines
Securities Brokerage:		
PCIB Securities, Inc. (PCIB Securities)	100	Philippines
Real Estate:		
PCIB Properties, Inc. (PCIB Properties)	100	Philippines
PCI Realty Corporation (PCI Realty)	100	Philippines
Equimark-NFC Development Corporation (Equimark)	60	Philippines
Others:		
EBC Strategic Holdings Corp. (ESHC) and Subsidiaries	100	Philippines
Equitable Data Center, Inc. (EDCI)	100	Philippines
PCI Automation Center, Inc. (PCI Automation)	100	Philippines
Maxicare	60	Philippines

The consolidated financial statements are prepared for the same reporting year of the Parent Company using consistent accounting policies.

All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full in the consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Consolidation of subsidiaries ceases when control is transferred out of the Group or Parent Company.

The consolidated financial statements include the accounts of special purpose vehicles (SPV) namely, Philippine Investment One (PIO), Philippine Investment Two (PIT), and Cameron Granville Asset Management, Inc. (CGAM) in accordance with Philippine Interpretation SIC-12, Consolidation of Special Purpose Entity (SPE). The Parent Company sold certain assets to PIO, PIT and CGAM under transactions that qualified, and was approved by the BSP, as legal true sale (see Notes 8 and 12). While the Group has no equity interest in PIO, PIT and CGAM, it retains majority of the residual risks related to PIO, PIT and CGAM or their assets in order to obtain benefits from their activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or up to the date of disposal, as appropriate.

Minority Interests

Minority interests represent the portion of profit or loss and the net assets not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of condition, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Amendments to PFRSs and Philippine Interpretations effective in 2006

The Group has adopted the following amendments to PFRS and Philippine Interpretation during the year. Adoption of these revised standards and interpretations did not have any significant effect on the Group. They did, however, give rise to additional disclosures in the financial statements.

- Philippine Accounting Standard (PAS) 19, *Amendment–Employee Benefits*
- PAS 21, *Amendment–The Effects of Changes in Foreign Exchange Rates*
- PAS 39, *Amendments–Financial Instruments: Recognition and Measurement*
- Philippine Interpretation IFRIC–4, *Determining Whether an Arrangement Contains a Lease*

Philippine Interpretation early adopted

The Group has early adopted Philippine Interpretation IFRIC–9, *Reassessment of Embedded Derivatives*.

The principal effects of these changes, if any, are as follows:

PAS 19, *Employee Benefits*

Amendment for actuarial gains and losses, group plans and disclosures. As of January 1, 2006, the Group adopted the amendments to PAS 19. As a result, additional disclosures on the financial statements are made, starting in 2006, to provide information about trends in the assets and liabilities in the defined benefit plans and the assumptions underlying the components of the defined benefit cost. This change has no recognition nor measurement impact, as the Group chose not to apply the new option to recognize actuarial gains and losses outside of the statement of income.

PAS 21, *The Effects of Changes in Foreign Exchange Rates*
Amendment for net investment in a foreign operation. As of January 1, 2006, the Group adopted the amendments to PAS 21. As a result, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognized in a separate component of equity in the consolidated financial statements regardless of the currency in which the monetary item is denominated. This change has no significant impact on the financial statements.

PAS 39, *Financial Instruments: Recognition and Measurement*
Amendment for financial guarantee contracts. This amended the scope of PAS 39 to require financial guarantee contracts that are not considered to be insurance contracts to be recognized initially at fair value and to be remeasured at the higher of the amount determined in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with PAS 18, *Revenue*. This amendment did not have any significant impact on the financial statements.

Amendment for cash flow hedge accounting of forecast intra-group transactions. This amended PAS 39 to permit the foreign currency risk of a highly probable intra-group forecast transaction to qualify as the hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated statement of income. As the Group currently has no such transactions, the amendment did not have any significant impact on the financial statements.

Amendment for the fair value option. This amended PAS 39 to restrict the use of the option to designate at inception any financial asset or any financial liability to be measured at fair value through the income statement. The Bank has reassessed its existing FVPL investments, including documentation of the specific conditions allowing the continued FVPL classification of such investments. The Bank complied with the requirements of this amendment.

Philippine Interpretation IFRIC–4, *Determining Whether an Arrangement Contains a Lease*
This Interpretation provides guidance in determining whether an arrangement contains a lease to which lease accounting must be applied. This Interpretation has no significant impact on the financial statements.

Philippine Interpretation IFRIC–9, *Reassessment of Embedded Derivatives*
This Interpretation becomes effective for financial years beginning on or after June 1, 2006. It establishes that the date to assess the existence of an embedded derivative is the date an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. The Group assessed that adoption of this Interpretation has no significant impact on the financial statements.

Foreign Currency Translation
The consolidated financial statements are presented in Philippine pesos, which is the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transaction and balances
The books of accounts of the RBU are maintained in Philippine pesos, while those of the FCDU are maintained in US dollar. For financial reporting purposes, the monetary assets and liabilities of the FCDU and foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine pesos based on the Philippine Dealing System (PDS) closing rate prevailing at end of the year and foreign currency-denominated income and expenses, at the average PDS weighted average rate (PDSWAR) for the year. Foreign exchange differences arising from restatements of foreign currency-denominated assets and liabilities are credited to or charged against income in the period in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies

As at the reporting date, the assets and liabilities of subsidiaries and the overseas branch are translated into the Parent Company's presentation currency (the Philippine peso) at the rate of exchange prevailing on the statement of condition date, and their income and expenses are translated at the weighted average exchange rates for the year. Exchange differences arising on translation are taken directly to a separate component of equity (under Accumulated Translation Adjustment). On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the statement of income.

Financial instruments

Date of recognition

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or market convention are recognized on the settlement date. Derivatives are recognized on trade date (i.e., the date that the Group commits to purchase or sell). Deposits, amounts due to banks and customers and loans are recognized when cash is received by the Group or advanced to the borrowers. For stockbroker subsidiaries, PCIB Securities and Armstrong Securities, Inc. (ASI), securities transactions and the related commission income and expense are recorded on a trade date.

Initial recognition of financial instruments

All financial assets, including trading and investment securities and loans and receivables, are initially recognized at fair value. Except for securities at FVPL, the initial measurement of financial assets includes transaction costs. The Group classifies its financial assets in the following categories: securities at FVPL, held-to-maturity (HTM) investments, AFS investments, and loans and receivables. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

Determination of fair value

The fair value for financial instruments traded in active markets at the statement of condition date is based on their quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

Derivatives recorded at FVPL

The Parent Company and some of its subsidiaries are counterparties to derivative contracts, such as currency forwards, currency swaps, and interest rate swaps. These derivatives are entered into as a service to customers and as a means of reducing or managing their respective foreign exchange and interest rate exposures, as well as for trading purposes. Such derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those accounted for as accounting hedges) are taken directly to the statement of income and are included in 'Trading gains - net'. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified primarily as either: a) a hedge of the fair value of an asset, liability or a firm commitment (fair value hedge); or b) a hedge of the exposure to variability in cash flows attributable to an asset or liability or a forecasted transaction (cash flow hedge). In 2006 and 2005, the Group did not apply hedge accounting treatment for its derivatives transactions.

The Group has certain derivatives that are embedded in host financial (such as structured notes, debt investments, and loan receivables) and non-financial (such as purchase orders and service agreements) contracts. These embedded derivatives include credit default swaps (which are linked either to a single reference entity or a basket of reference entities), barrier options, and calls and puts in debt instruments, which include structured notes and deposits; conversion options in loans receivable; call options in certain long-term debt, and foreign currency - denominated derivatives in debt instruments, purchase orders and service agreements.

Embedded derivatives are bifurcated from their host contracts and carried at fair value with fair value changes being reported through profit or loss, when the entire hybrid contracts (composed of both the host contract and the embedded derivative) are not accounted for as securities at FVPL, and when their economic risks and characteristics are not closely related to those of their respective host contracts.

Other financial assets or financial liabilities held for trading
Other financial assets or financial liabilities held for trading are recorded in the statement of condition at fair value. Changes in fair value relating to the held-for-trading positions are recognized in 'Trading gains - net'. Interest earned or incurred is recorded as interest income or expense, respectively, while dividend income is recorded in other operating income when the right to receive payment has been established.

Included in this classification are debt securities which have been acquired principally for the purpose of selling or repurchasing in the near term.

Financial assets or financial liabilities at FVPL
Financial assets or financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets and financial liabilities at FVPL are recorded in the statement of condition at fair value. Changes in fair value on financial assets and liabilities designated as FVPL are recorded in 'Trading gains - net'. Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded in other operating income according to the terms of the contract, or when the right of payment has been established.

'Day 1' profit
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 profit) in the statement of income in 'Trading gains - net'. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' profit amount.

HTM investments
HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group's management has the positive intention and ability to hold to maturity. Where the Group sells other than an insignificant amount of HTM investments, the entire category would be tainted and reclassified as AFS investments. After initial measurement, HTM investments are subsequently measured at amortized cost using the effective interest rate method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in 'Interest income' in the statement of income. Gains and losses are recognized in income when the HTM investments are derecognized and impaired, as well as through the amortization process. The losses arising from impairment of such investments are recognized in the statement of income under 'Provision for impairment and credit losses'. The effects of restatement of foreign currency-denominated HTM investments are recognized in the statement of income.

Loans and receivables, amounts due from BSP and other banks
Classified as Loans and Receivables are 'Due from Bangko Sentral ng Pilipinas' (BSP), 'Due from other banks', and 'Loans and receivables'. These are financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'other financial assets held for trading', designated as 'AFS investments' or 'financial assets designated at FVPL'.

Loans and receivables also include receivables arising from transactions on credit cards issued directly by ECN. Collection of receivables from credit cardholders of other banks is guaranteed by those banks with tie-up arrangements with ECN. 'Loans and receivables' also include the aggregate rental on finance lease transactions. Unearned income on finance lease transactions is shown as a deduction from 'Loans and receivables' (included in 'Unearned discount').

After initial measurement, 'Loans and Receivables', 'Due from BSP' and 'Due from other banks' are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in 'Interest income' in the statement of income. The losses arising from impairment of such loans and receivables are recognized in 'Provision for impairment and credit losses' in the statement of income.

AFS investments
AFS investments are those investments which are designated as such or do not qualify to be classified as designated as FVPL, HTM investments or loans and receivables. They are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. They include equity investments, money market papers and other debt instruments.

After initial measurement, AFS investments are subsequently measured at fair value. The effective yield component of AFS debt securities, as well as the impact of restatement on foreign currency-denominated AFS debt securities, is reported in earnings. The unrealized gains and losses arising from the fair valuation of AFS investments are excluded net of tax from reported earnings and are reported as 'Net unrealized gain or loss on AFS investments' (net of tax where applicable) in the equity section of the statement of condition.

When the security is disposed of, the cumulative gain or loss previously recognized in equity is recognized as 'Trading gains - net' in the statement of income. Interest earned on holding AFS investments are reported as interest income using the effective interest rate. Dividends earned on holding AFS investments are recognized in the statement of income as 'Other operating income' when the right of payment has been established. The losses arising from impairment of such investments are recognized as 'Provisions on impairment and credit losses' in the statement of income.

Bills payable and other borrowed funds
Issued financial instruments or their components, which are not designated at FVPL are classified as liabilities under 'Bills payable' or other appropriate financial liability accounts, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, bills payable and similar financial liabilities not qualified as and not designated as FVPL, are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

Prior to January 1, 2005, investment securities were accounted for as follows:

Trading Account Securities (TAS)
TAS, which consist of government and private debt and equity securities, are purchased and held principally with the intention of selling them in the near term. These securities are carried at fair value; realized and unrealized gains and losses on these instruments are recognized in 'Trading gains – net' in the statement of income. Interest earned on debt instruments is reported as 'Interest Income'.

When a security is transferred from TAS, the unrealized holding gain or loss at the date of the transfer is not reversed and is recognized in the statements of income immediately.

Available- for-Sale Securities (ASS)
Securities are classified as ASS when purchased and held indefinitely, i.e., neither held to maturity nor for trading purposes, where the Group anticipates to sell in response to liquidity requirements or in anticipation of changes in interest rates or other factors. ASS are carried at fair market value and any unrealized gains or losses are reported as a separate component of equity.

After initial recognition, investments which are classified as ASS are measured at fair value. Gains or losses are recognized as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in capital funds is included in the statement of income.

Investment in Bonds and Other Debt Instruments (IBODI)
IBODI are debt securities where the Group has the positive intent and ability to hold to maturity. These securities are carried at amortized cost on a straight-line basis; realized gains and losses are included in 'Trading gains – net' in the statement of income.

When a debt security is transferred into ASS from IBODI, the unrealized holding gain or loss at the date the transfer shall be excluded from reported earnings and reported as a separate component of equity until realized.

The cumulative effect of adopting PAS 32 and 39 charged to surplus as of January 1, 2005 consists of:

	Consolidated	Parent Company
Recognition of additional impairment losses	(₱6,663,892)	(₱5,627,029)
Recognition of fair value changes on embedded derivatives at transition date	(1,160,688)	(1,160,688)
Take up of the effect of change from straight line to effective interest method	(19,872)	(19,872)
Net effect of reclassification of securities	(24,532)	(24,532)
	(₱7,868,984)	(₱6,832,121)

The net effect of the reclassification from other financial assets to AFS investments and vice versa on 'Net unrealized gain (loss) on AFS investments' amounted to ₱ 68.9 million as of January 1, 2005.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

1. the rights to receive cash flows from the asset have expired;
2. the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
3. the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of condition. The corresponding cash received, including accrued interest, is recognized on the statement of condition as a loan to the Group, reflecting the economic substance of such transaction. The Group has no repurchase agreements as of December 31, 2006 and 2005.

Conversely, securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized on the statement of condition. The corresponding cash paid, including accrued interest, is recognized on the statement of condition as 'Securities Purchased Under Resale Agreements' (SPURA), and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the effective interest rate method.

Securities Lending and Borrowing

Securities lending and borrowing transactions are usually collateralized by securities or cash. The transfer of the securities to counterparties is only reflected on the statement of condition if the risk and rewards of ownership are also transferred. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not derecognized on the statement of condition, unless they are sold to third parties, in which case the obligation to return the securities is recorded as a trading liability and measured at fair value with any gains or losses included in 'Trading gains - net'.

Impairment of Financial Assets

The Group assesses at each statement of condition date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables

For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized thereafter based in the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, any amounts formerly charged are credited to the 'Provision for impairment and credit losses' account.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate, adjusted for the original credit risk premium. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as industry, collateral type, past-due status and term.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with changes in related observable data from period to period (such changes in property prices, payment status, or other factors that are indicative of incurred losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

HTM investments
For HTM investments, the Group assesses whether there is objective evidence of impairment. If there is objective evidence that an impairment loss has been incurred using the original effective interest rate of the investment, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original effective interest rate of the asset.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, any amounts formerly charged are credited to 'Provisions for impairment and credit losses' account in the statement of income and the allowance account, reduced. The HTM investments, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized.

AFS investments
For AFS investments, the Group assesses at each statement of condition date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In case of equity investments classified as AFS investments, this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of income - is removed from equity and recognized in the statement of income. Impairment losses on equity investments are not reversed through the statement of income. Increases in fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as AFS investments, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of Interest income in the statement of income. If, in subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of income, the impairment loss is reversed through the statement of income.

Restructured loans
Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original effective interest rate, is recognized in 'Provisions for impairment and credit losses' in the statement of income.

<u>Offsetting Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount reported in the statement of condition if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of condition.

<u>Terminal Value of Leased Assets and Deposits on Finance Leases</u>
The terminal value of a leased asset, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the terminal value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest income

For all financial instruments measured at amortized cost and interest bearing financial instruments classified as AFS investments, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The adjusted carrying amount is calculated based on the original effective interest rate. The change in carrying amount is recorded as interest income.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized based on the effective interest rate used to discount the future recoverable cash flows.

Fee and commission income

The Group earns fee and commission income from diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

a. *Fee income earned from services that are provided over a certain period of time*

   Fees earned for the provision of services over a period of time are accrued over that period. These fees include investment fund fees, custodian fees, fiduciary fees, commission income, credit related fees, asset management fees, portfolio and other management fees, and advisory fees. However, loan commitment fees for loans that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate on the loan.

b. *Fee income from providing transaction services*

   Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as underwriting fees, corporate finance fees, and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. Loan syndication fees are recognized in the statement of income when the syndication has been completed and the Group retains no part of the loans for itself or retains part at the same effective interest rate as for the other participants.

Dividends

Dividend income is recognized when the Group's right to receive payment is established.

Trading gains - net

Results arising from trading activities including all gains and losses from changes in fair value for financial assets and financial liabilities held for trading.

Rental Income

Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Other operating income'.

Commissions earned on credit cards

Commissions earned on credit cards are taken up as income upon receipt from member establishments of charges arising from credit availments by credit cardholders. These commissions are computed based on certain agreed rates and are deducted from amounts remittable to member establishments.

Purchases by the credit cardholders, collectible on installments basis, are recorded at the cost of the items purchased plus certain percentage of cost. The excess over cost is credited to 'Unearned discount' and is shown as a deduction from 'Loans and receivables' in the consolidated statement of condition. The unearned discount is taken up to income over the installment terms and is computed using the effective interest method.

Income on direct financing leases and receivables financed
Income on loans and receivables financed with short-term maturities is recognized using the effective interest method.

Interest and finance fees on finance leases and loans and receivables financed with long-term maturities and the excess of the aggregate lease rentals plus the estimated terminal value of the leased equipment over its cost are credited to unearned discount and amortized over the term of the note or lease using the effective interest rate method. Unearned income ceases to be amortized when receivables become past due.

Cash and Cash Equivalents
For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, amounts due from BSP and other banks, and interbank loans receivable (IBLR) and SPURA (Note 31) with original maturities of three months or less from dates of placements and that are subject to insignificant risk of changes in value.

Receivables from Special Purpose Vehicles
Receivables from SPVs in the Parent Company financial statements included under 'Other Assets' are stated at the face value of the related note reduced by allowance for credit losses. The allowance for credit losses is determined based on the difference between the outstanding principal amount and the recoverable amount which is the present value of the future cash flows expected to be received in payment of the receivable.

Investments in Subsidiaries and Associates
Investments in subsidiaries
Subsidiaries pertain to all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments in associates
Associates pertain to all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for under the equity method of accounting in the consolidated financial statements. The Group's share of its associates' post-acquisition profits or losses is recognized in the consolidated statement of income, and its share of post-acquisition movements in the associates' equity is recognized directly in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

In the Parent Company financial statements, investments in subsidiaries and associates are carried at cost, less impairment in value.

Property and Equipment
Depreciable properties including buildings, leasehold improvements, and furniture, fixtures and equipment are stated at cost less accumulated depreciation and amortization, and any impairment in value. Such cost includes the cost of replacing part of the property and equipment when the cost is incurred, if the recognition criteria are met but excludes repairs and maintenance costs.

Land is stated at appraised value less any impairment in value. The appraised values were determined by professionally qualified, independent appraisers in 2002 for the Parent Company and 2004 for the subsidiaries. The Parent Company is currently undergoing appraisal of land items. The revaluation increment resulting from revaluation of land is credited to 'Revaluation increment on property' under the equity section, net of applicable deferred income tax.

Depreciation is calculated on the straight-line method over the estimated useful life of the depreciable assets. The estimated useful lives of the depreciable assets are as follows:

Buildings	50 years
Furniture, fixtures and equipment	3-5 years
Leasehold improvements	3-5 years or the terms of the related leases, whichever is shorter

The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured in which case the investment property acquired is measured at the carrying amount of asset given up. Foreclosed properties are classified under investment properties from foreclosure date.

Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and impairment in value.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in 'Other operating income' in the year of retirement or disposal.

Expenditures incurred after the investment properties has been put into operations, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred.

Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties but not to exceed:

Buildings	50 years
Condominium units	40 years

Transfers are made to investment properties when, and only when, there is a change in use as evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use as evidenced by commencement of owner occupation or commencement of development with a view to sale.

Real Estate Properties

Real estate properties included under Other assets are stated at lower of cost and net realizable value.

Intangible Assets and Goodwill

Exchange Trading Rights

Exchange trading rights (included in the consolidated other investments under Other Assets) was acquired, together with Philippine Stock Exchange (PSE) shares, in exchange for the exchange membership seat under the conversion program of the PSE. The exchange trading rights are carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less any allowance for impairment loss. PCIB Securities and ASI do not intend to sell their respective exchange trading right in the near future.

The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. It ceased to be amortized on January 1, 2004 but will be tested annually for any impairment in realizable value. Any impairment loss is charged directly to statement of income (see accounting policy on Impairment of Non-Financial Assets).

Goodwill

Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Goodwill represents the excess of the acquisition cost of the former PCI Bank, which was merged with the Parent Company in 1999, over the fair value of its identifiable net assets at the date of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually (see accounting policy on Impairment of Non-Financial Assets).

Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit).

An impairment loss is charged to operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

For non-financial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Goodwill sometimes cannot be allocated on a non-arbitrary basis to individual cash-operating units, but only to the groups of cash-generating units. As a result, the lowest level within the Parent Company at which the goodwill is monitored for internal management purposes sometimes comprises a number of cash-generating units to which the goodwill relates but cannot be allocated. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated (or to the aggregate carrying amount of a group of cash-generating units to which the goodwill relates but cannot be allocated), an impairment loss is recognized immediately in the statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill as at December 31.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually as of December 31 either individually or at the cash-generating unit level, as appropriate.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

<u>Leases</u>
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfillment is dependent on a specified asset; or,
d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) above; and at the date of renewal or extension period for scenario (b).

For arrangements entered into prior to January, 1, 2005, the date of inception is deemed to be January 1, 2005 in accordance with the transitional requirements of Philippine Interpretation IFRIC-4.

Group as Lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments and included in Property and equipment account with the corresponding liability to the lessor included in Other liabilities account. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to 'Interest expense'.

Capitalized leased assets are depreciated over the shorter of the estimated useful lives of the assets or the respective lease terms, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term.

Group as Lessor

Finance leases, where the Group transfers substantially all the risk and benefits incidental to ownership of the leased item to the lessee, are included in the statement of condition under Loans and Receivables account. A lease receivable is recognized at an amount equivalent to the net investment (asset cost) in the lease. All income resulting from the receivable is included in 'Interest income' in the statement of income.

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Pension Benefits

The Group is covered by a noncontributory defined benefit retirement plan.

The retirement cost of the Parent Company and its subsidiaries namely ECN, EBCII, ESB, EDCI, PCI Capital, EIBI, PCI Leasing, PCIB Securities and PCI Automation is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current period.

The liability recognized in the statement of condition in respect of defined benefit pension plans (see Note 20) is the present value of the defined benefit obligation at the statement of condition date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited to or charged against income when the net cumulative unrecognized actuarial gains and losses at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These excess gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

Past service costs, if any, are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less past service costs not yet recognized and less the fair value of plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the sum of any past service cost not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Most of the officers and staff of EPHK, ESHC, JEFC and PCIB Properties are seconded from the Parent Company. Accordingly, the retirement benefits of these officers and employees are determined and provided for by the Parent Company and are charged against income for the period.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities and contingent assets
Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Income Taxes
Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the statement of condition date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associates. With respect to investments in foreign subsidiaries and associates, deferred tax liabilities are recognized except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of condition date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of condition date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of condition date.

Current tax and deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority.

Treasury shares and contracts on own shares
Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at weighted average cost. Parent Company share held by a subsidiary is treated to similar treasury shares in the consolidated financial statements. No gain or loss is recognized in the statement of income on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments.

Earnings Per Share
Basic earnings per share (EPS) is computed by dividing net income for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Group does not have any dilutive potential common shares.

Dividends on common shares
Dividends on common shares are recognized as a liability and deducted from equity when approved by the shareholders of the Parent Company. Dividends for the year that are approved after the statement of condition date are dealt with as an event after the statement of condition date.

Subsequent Events

Any post-year-end event that provides additional information about the Group's position at the statement of condition date (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 26. Substantial of the Group's assets producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Parent Company acts in a fiduciary capacity such as nominee, trustee or agent.

Future Changes in Accounting Policies

The Group has not applied the following PFRS and Philippine Interpretations which are not yet effective for the year ended December 31, 2006:

PFRS 7, Financial Instruments: Disclosures, and the complementary amendment to PAS 1, Presentation of Financial Statements: Capital Disclosures (effective for annual periods beginning on or after January 1, 2007)

PFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, as well as sensitivity analysis to market risk. It replaces PAS 30, *Disclosures in the Financial Statements of Banks and Similar Financial Institutions*, and the disclosure requirements in PAS 32, *Financial Instruments: Disclosure and Presentation*. It is applicable to all entities that report under PFRS. The amendment to PAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group is currently assessing the impact of PFRS 7 and the amendment to PAS 1 and expects that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by PFRS 7 and the amendment to PAS 1. The Group will apply PFRS 7 and the amendment to PAS 1 in 2007.

PFRS 8, Operating Segments (effective for annual periods beginning on or after January 1, 2009)

This PFRS adopts a management approach to reporting segment information. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. Such information may be different from that reported in the statement of condition and statement of income and companies will need to provide explanations and reconciliations of the differences. PFRS 8 will replace PAS 14, *Segment Reporting.* The Group will assess the impact of the standard on its current manner of reporting segment information.

Philippine Interpretation IFRIC-7, Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after March 1, 2006)

This Interpretation provides guidance on how to apply PAS 29 when an economy first becomes hyperinflationary, in particular the accounting for deferred income tax. The Interpretation has no significant impact on the financial statements of the Group.

Philippine Interpretation IFRIC-8, Scope PFRS 2 (effective for annual periods beginning on or after May 1, 2006)

This Interpretation requires PFRS 2 to be applied to any arrangements where equity instruments are issued for consideration which appears to be less than fair value. As equity instruments are only issued to employees in accordance with the employee share scheme, the Interpretation has no significant impact on the financial position of the Group.

Philippine Interpretation IFRIC-10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after November 1, 2006)
This Interpretation prohibits the reversal of impairment losses on goodwill and AFS equity investments recognized in the interim financial reports even if impairment is no longer present at the annual statement of condition date. This Interpretation has no significant impact on the financial statements of the Group.

Philippine Interpretation IFRIC-11, PFRS 2 Group and Treasury Share Transactions (effective for annual periods beginning on or after March 1, 2007)
This Interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by the entity even if (a) the entity chooses or is required to buy those equity instruments (e.g., treasury shares) from another party, or (b) the shareholder(s) of the entity provide the equity instruments needed. It also provides guidance on how subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to the equity instruments of the parent. The Group currently does not have any stock option plan and therefore, does not expect this Interpretation to have significant impact on its financial statements.

Philippine Interpretation IFRIC-12, Service Concession Arrangements (effective for annual periods beginning on or after January 1, 2008)
This Interpretation covers contractual arrangements arising from private entities providing public services and is not relevant to the Group's current operations.

3. **Significant Accounting Judgments and Estimates**

The preparation of the financial statements in accordance with PFRS requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

a) *Operating leases*
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

b) *SPEs*
The Group sponsors the formation of SPEs primarily for the purpose of allowing clients to hold investments and for asset securitization transactions. The Group consolidates SPEs that it controls. Control over SPEs is assessed based on benefits test in accordance with SIC 12. As it can sometimes be difficult to determine whether the Group does control an SPE, it makes judgments about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the SPE in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over an SPE, but when considered together make it difficult to reach a clear conclusion. In such cases, the SPE is consolidated.

c) *Fair value of financial instruments*
Where the fair values of financial assets and financial liabilities recorded in the statement of condition cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

d) *HTM investments*
The classification under HTM investments requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than in certain specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire portfolio as AFS investments. The investments would therefore be measured at fair value and not at amortized cost.

e) *Financial assets not quoted in an active market*
The Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Estimates

a) *Impairment losses of loans and receivables*
The Group reviews its impaired loans and receivables at each reporting date to assess whether additional provision for credit losses should be recorded in the statement of income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowance against individually significant loans and receivables, the Group also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This collective allowance is based on changes in factors that are indicative of incurred losses, such as deterioration in payment status, underlying property prices, among others.

As of December 31, 2006 and 2005 allowance for credit losses on loans and receivables amounted to ₱11.5 billion and ₱11.4 billion, respectively, for the Group, and ₱9.6 billion and ₱9.0 billion, respectively, for the Parent Company. As of December 31, 2006 and 2005, loans and receivables are carried at ₱161.4 billion and ₱140.2 billion, respectively, for the Group and ₱140.9 billion and ₱132.6 billion, respectively, for the Parent Company (see Note 8).

b) *Fair values of structured debt instruments and derivatives*
The fair values of structured debt instruments and derivatives that are not quoted in active markets are determined using internal valuation techniques. Where internal valuation techniques are used to determine fair values, they are validated and periodically reviewed by market risk management and other qualified personnel independent of the business. All models are reviewed before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use observable data; however for models requiring inputs on other market factors, management uses estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. Refer to Notes 4 and 29 for the information on the carrying amounts of these instruments.

c) *Valuation of unquoted equity investments*
Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. The Group calibrates the valuation techniques periodically and tests them for validity using either price from observable current market transactions in the same instrument or from other available observable market data. Refer to Note 7 for the information on the carrying amounts of these investments.

d) *Impairment of AFS equity investments*
The Group treats AFS equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Group treats 'significant' generally as 20% or more and 'prolonged' as greater than 6 months for quoted equity securities. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Refer to Note 7 for the information on the carrying amounts of these investments.

(e) *Recognition of deferred income taxes*
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has been in a tax loss position over the past several years. However, estimates of future taxable income indicate that certain temporary differences will be realized in the future. As discussed in Note 24, recognized deferred tax assets as of December 31, 2006 and 2005 amounted to ₱5.3 billion and ₱5.8 billion, respectively, for the Group and ₱5.0 billion and ₱5.4 billion, respectively, for the Parent Company. As of December 31, 2006 and 2005, no deferred tax assets have been set up on deductible temporary differences amounting to ₱8.8 billion and ₱3.2 billion, respectively, for the Group and ₱6.3 billion and ₱2.6 billion, respectively, for the Parent Company.

(f) *Present value of retirement obligation*
The cost of defined benefit pension plan and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

The expected rate of return on plan assets of 9.0% as of December 31, 2006 and 2005 was based on the average historical return of the fund assets. The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of statement of condition date. Refer to Note 20 for the details of assumption used in the calculation.

As of December 31, 2006 and 2005, the present value of the retirement obligation amounted to ₱3.4 billion and ₱1.7 billion, respectively, for the Group and ₱3.1 billion and ₱1.5 billion, respectively for the Parent Company (see Note 20).

(g) *Impairment of non-financial assets*
Property and Equipment and Investment Properties
The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use approach. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

As of December 31, 2006, the carrying value of the property and equipment and investment properties amounted to ₱9.5 billion and ₱17.9 billion, respectively, for the Group and ₱8.8 billion and ₱15.2 billion, respectively, for the Parent Company. As of December 31, 2005, the carrying value of the property and equipment and investment properties amounted to ₱9.8 billion and ₱18.4 billion, respectively, for the Group and ₱9.1 billion and ₱15.9 billion, respectively, for the Parent Company (see Notes 9 and 11).

Goodwill

The Parent Company's management conducts an annual review for any impairment in value of the goodwill. The impairment on the goodwill is determined by comparing (a) the carrying value of goodwill plus the net tangible assets of the merged bank and (b) the company value composed of the present value of the annual projected cash flows for five years and the present value of the terminal value of the merged bank computed under the discounted cash flow method. The Bank uses the Weighted Average Cost of Capital (WACC) as the discount rate, as this is the required rate of return for an investment consisting of more than one form of capital (debt and equity).

As of December 31, 2006 and 2005, goodwill amounted to ₱15.7 billion.

4. **Fair Value Measurement**

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are:

Cash equivalents and short-term investments - Carrying amounts approximate fair values due to the relatively short-term maturities of these investments.

Debt securities - Fair values are generally based upon quoted market prices. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.

Quoted equity securities - Fair values are based on quoted prices published in markets.

Unquoted equity securities - Fair values could not be reliably determined due to the unpredictable nature of future cash flows and the lack of suitable methods of arriving at a reliable fair value.

Loans and receivables - Fair values of loans are estimated using the discounted cash flow methodology, using the Group's current incremental lending rates for similar types of loans.

Liabilities - The fair value of quoted debt instruments are based on quotes obtained from an independent pricing service. For unquoted instruments, fair values are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued.

Derivative instruments - Fair values are estimated based on quoted market prices, prices provided by independent parties or acceptable valuation models.

The following tables summarize the carrying amounts and fair values of the Group's and the Parent Company's financial assets and liabilities as of December 31, 2006 and 2005:

	2006			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair value
Financial Assets				
Cash and other cash items	₱8,663,488	₱8,663,488	₱8,381,197	₱8,381,197
Due from BSP	23,262,456	23,262,456	22,611,472	22,611,472
Due from other banks	6,520,845	6,520,845	3,801,286	3,801,286
IBLR and SPURA	27,572,262	27,572,262	27,732,262	27,732,262
Securities at FVPL	22,761,419	22,761,419	22,621,745	22,621,745
AFS investments	7,681,665	7,681,665	6,925,663	6,925,663
Unquoted AFS equity investments	1,939,071	NA *	902,353	NA *
HTM investments	29,903,374	32,024,603	29,552,707	31,662,507
Loans and receivables	161,431,665	154,057,642	140,945,119	130,885,182
Investments in subsidiaries and associates	310,511	310,511	11,754,200	12,397,605
Receivables from SPVs	–	–	3,336,056	3,336,056
Inter office float items - net	2,247,833	2,247,833	2,105,288	2,125,288
Financial Liabilities				
Deposit liabilities	240,099,250	240,099,250	231,963,428	231,963,428
Bills payable	20,155,857	20,218,453	14,325,120	14,387,715
Outstanding acceptances	960,980	960,980	960,980	960,980
Manager's checks and demand drafts outstanding	1,422,304	1,422,304	1,293,530	1,293,530
Accrued interest payable	1,051,145	1,051,145	620,818	620,818
Subordinated notes payable	9,691,113	10,271,785	9,691,113	10,271,785
Other liabilities	17,211,167	17,211,167	15,749,837	15,749,887

*not available

	2005			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair value
Financial Assets				
Cash and other cash items	₱7,541,236	₱7,541,236	₱7,199,793	₱7,199,793
Due from BSP	7,232,106	7,232,106	6,917,169	6,917,169
Due from other banks	4,676,319	4,676,319	3,842,373	3,842,373
IBLR and SPURA	18,199,624	18,199,624	18,199,624	18,199,624
Securities at FVPL	26,061,882	26,061,882	25,921,031	25,921,031
AFS investments	14,616,414	14,616,414	14,597,154	14,597,154
Unquoted AFS equity investments	2,492,358	NA *	760,903	NA *
HTM investments	32,483,945	33,258,308	32,200,964	32,955,536
Loans and receivables	140,187,890	140,322,534	132,590,379	132,834,372
Investments in subsidiaries and associates	290,772	290,772	11,050,975	11,126,628
Interoffice float items - net	3,310,905	3,310,905	3,211,309	3,211,309
Receivables from SPVs	–	–	3,336,056	3,336,056
Financial Liabilities				
Deposit liabilities	206,664,245	206,664,245	202,154,155	202,154,155
Bills payable	29,705,735	29,760,434	27,198,167	27,252,866
Outstanding acceptances	615,944	615,944	615,944	615,944
Manager's checks and demand drafts outstanding	912,091	912,091	891,704	891,704
Accrued interest payable	794,639	794,639	526,999	526,999
Subordinated notes payable	10,474,797	11,116,489	10,474,797	11,116,489
Other liabilities	18,147,700	18,147,700	16,940,819	16,940,619

*not available

5. **Financial Risk Management Objectives and Policies**

a. *Credit Risk and Concentration of Assets and Liabilities and Off-Balance Sheet Items*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group manages credit risk by setting limits for individual borrowers, and groups of borrowers and industry segments. The Group also monitors credit exposures, and continually assesses the creditworthiness of counterparties. In addition, the Group obtains security where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures.

In compliance with BSP requirements, the Group established in 2005 an internal credit risk rating system for the purpose of measuring credit risk for every exposure in a consistent manner as accurately as possible and uses the risk information for business and financial decision-making. The Group adopted the Bankers' Association of the Philippines model which has been approved by the BSP as a minimum standard for an internal risk rating system under BSP Circular No. 439. The system has two components namely a) Borrower Risk Rating System which provides an assessment of credit risk without considering the security arrangements and b) Facility Risk Rating which is an account rating taking into account the collateral and other credit risk mitigants. The rating scale consists of 10 grades, 6 of which fall under unclassified accounts and 4 classified accounts according to regulatory provisioning guidelines.

In 2005, the Group also employed the use of Credit Scorecards in assessing its loan accounts. The scorecards were developed jointly with third party service providers using data from its own portfolio and wealth experience in Consumer Finance.

Credit risk in respect of derivative financial instruments is limited to those with positive fair values, which are included under Securities at FVPL. As a result, the maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts on the statement of condition plus credit commitments.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. The distribution of assets, liabilities, and off-balance sheet items by geographic region and industry sector of the Group and the Parent Company as of December 31, 2006 and 2005 follows:

	2006		
	Consolidated		
	Assets	**Liabilities**	**Credit Commitments**
	(In Thousands)		
Geographic Region:			
Philippines	**₱291,954,711**	**₱275,090,119**	**₱97,203,643**
Asia	**30,361,614**	**19,053,980**	**411,855**
Europe	**16,277,201**	**3,498,622**	**1,312**
United States	**6,548,299**	**17,800**	**382,875**
Total	**₱345,141,825**	**₱297,660,521**	**₱97,999,685**
Industry Sector:			
Trading and manufacturing	**₱150,896,003**	**₱142,096,851**	**₱49,787,862**
Banks and financial institutions	**133,885,319**	**61,716,651**	**17,494,185**
Consumers	**25,711,781**	**35,115,269**	**6,284,094**
Construction and real estate	**25,212,098**	**21,125,996**	**8,247,758**
Others	**9,436,624**	**37,605,754**	**16,185,786**
	₱345,141,825	**₱297,660,521**	**₱97,999,685**

	2005		
	Consolidated		
	Assets	**Liabilities**	**Credit Commitments**
	(In Thousands)		
Geographic Region:			
Philippines	₱275,896,370	₱257,466,728	₱122,195,630
Asia	11,061,920	11,376,415	1,496,753
Europe	23,511,283	5,312,314	3,196
United States	1,582,013	398,715	5,324
Total	₱312,051,586	₱274,554,172	₱123,700,903

(Forward)

	2005 Consolidated		
	Assets	Liabilities	Credit Commitments
		(In Thousands)	
Industry Sector:			
Trading and manufacturing	₱169,782,517	₱157,992,862	₱57,793,452
Banks and financial institutions	85,295,003	23,877,098	26,964,411
Consumers	9,529,734	14,295,583	7,637,449
Construction and real estate	21,920,976	35,585,327	13,226,734
Others	25,523,356	42,803,302	18,078,857
	₱312,051,586	₱274,554,172	₱123,700,903

	2006 Parent Company		
	Assets	Liabilities	Credit Commitments
		(In Thousands)	
Geographic Region:			
Philippines	**₱268,825,182**	**₱255,785,657**	**₱97,190,186**
Asia	**29,797,721**	**18,682,255**	**411,855**
Europe	**16,048,139**	**3,450,211**	**1,312**
United States	**6,148,795**	**683**	**382,875**
Total	**₱320,819,837**	**₱277,918,806**	**₱97,986,228**
Industry Sector:			
Trading and manufacturing	**₱147,243,139**	**₱133,123,109**	**₱49,778,581**
Banks and financial institutions	**125,403,813**	**58,362,949**	**17,492,526**
Consumers	**17,614,375**	**30,848,987**	**6,284,006**
Construction and real estate	**22,330,500**	**19,454,316**	**8,247,758**
Others	**8,228,010**	**36,129,445**	**16,183,357**
	₱320,819,837	**₱277,918,806**	**₱97,986,228**

	2005 Parent Company		
	Assets	Liabilities	Credit Commitments
		(In Thousands)	
Geographic Region:			
Philippines	₱268,260,240	₱246,325,621	₱122,171,674
Asia	10,328,027	10,642,521	1,496,753
Europe	23,340,757	5,265,914	3,196
United States	1,582,013	228,189	5,324
Total	₱303,511,037	₱262,462,245	₱123,676,947
Industry Sector:			
Trading and manufacturing	₱169,276,818	₱157,930,184	₱57,773,672
Banks and financial institutions	84,554,559	23,523,760	26,962,752
Consumers	9,431,164	14,295,583	7,637,361
Construction and real estate	17,008,451	28,591,165	13,226,734
Others	23,240,045	38,121,553	18,076,428
	₱303,511,037	₱262,462,245	₱123,676,947

b. *Market Risk*

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes. The Group's market risk originates from its holdings in foreign exchange instruments, debt and equity securities and derivatives.

The Market Risk Management Unit is responsible for the identification and measurement of market risk under the supervision of the Risk Management Committee of the BOD. Market risk management for the Trading Book is measured using Value at Risk (VaR).

In 2001, the Parent Company commenced computation of its VaR, in certain trading activities and began benchmarking its market risk practices to industry standards. The VaR method is a procedure for estimating the probability of portfolio losses exceeding some specified proportion based on a statistical analysis of historical market price trends, correlations and volatilities. VaR estimates the potential decline in the value of a portfolio, under normal market conditions, for a given "confidence level" over a specified holding period.

In calculating VaR, the Parent Company uses a 99% confidence level and a 1 day holding period for a liquid market. This means that, statistically, the Group's losses on trading operations will exceed VaR on 2.5 days out of 250 trading business days. The validity of the VaR model is verified through back testing, which examines how frequently actual daily losses exceeds daily VaR. The Parent Company measures and monitors the VaR and profit and loss on a daily basis.

c. *Interest Rate Risk*

The Group follows a prudent policy on managing its assets and liabilities so as to ensure that its exposure to fluctuations in interest rates is kept within acceptable limits.

As a substantial proportion of the Group's total loan portfolio is for a term of more than four years, and the majority of the balance of its medium-term portfolio is on a floating-rate basis. As of December 31, 2006 and 2005, 42% and 65.7%, respectively, of the Group's total loan portfolio comprised of floating rate loans which are repriced periodically by reference to the transfer pool rate which reflects the Bank's internal cost of funds. As a result of these factors, the Group exposure to interest rate fluctuations and other market risk is significantly reduced. The Group, in keeping with banking industry practice, aims to achieve stability and lengthen the term structure of its deposit base while providing adequate liquidity to cover transactional banking requirements of customers. No interest is paid on demand accounts, which as of December 31, 2006 and 2005 accounted for 4.9% and 4.1%, respectively of total deposits, except for a demand account product which pays a rate of interest equal to that payable on regular savings accounts of the Parent Company. Rates on savings accounts and time deposit accounts, which constituted 73.2% and 20.1%, respectively, as of December 31, 2006 and 69.0% and 25.3%, respectively, as of December 31, 2005 of total deposits are set by different criteria. Savings account rates are set by reference to prevailing market rates while rates on time deposits and special savings accounts are usually priced by reference to rates applicable to prevailing rates on Philippine Treasury Bills and other money market instruments or, in the case of foreign currency deposits, SIBOR (Singapore interbank offered rate) and other benchmark dollar deposit rates in the Asian and international money markets with similar maturities.

The following table provides for the average effective interest rates (in %) by period of maturity or repricing of the Group and the Parent Company as of December 31, 2006 and 2005:

	2006					
	Consolidated			Parent Company		
	Less than 3 Months	3 Months to 1 Year	Greater than 1 Year	Less than 3 Months	3 Months to 1 Year	Greater than 1 Year
Peso-Denominated						
Assets						
Due from BSP	**4.89%**	–	–	**5.78%**	–	–
Due from other banks	**3.09%**	–	–	–	–	–
IBLR and SPURA	–	–	–	–	–	–
Securities at FVPL	**6.39%**	**6.06%**	**8.92%**	**7.21%**	**5.64%**	**7.44%**
AFS investments	–	–	–	–	–	–
HTM investments	**5.47%**	**10.14%**	**9.05%**	**5.47%**	**10.14%**	**7.72%**
Loans and receivables	**11.14%**	**12.53%**	**13.47%**	**6.70%**	**11.23%**	**10.15%**
Liabilities						
Deposit liabilities	**3.42%**	**3.80%**	**7.49%**	**2.94%**	**4.25%**	**6.47%**
Bills payable	**5.86%**	**5.66%**	**8.58%**	**4.97%**	**6.13%**	**9.38%**
Foreign Currency-Denominated						
Assets						
Due from other banks	**2.41%**	–	–	–	–	–
IBLR and SPURA	**6.11%**	–	**7.02%**	**7.26%**	–	**7.02%**
Securities at FVPL	**6.78%**	–	**9.29%**	**6.78%**	–	**9.29%**
AFS investments	–	**8.17%**	**7.04%**	–	**8.17%**	**7.04%**
HTM investments	**3.49%**	**7.50%**	**7.27%**	**3.49%**	**7.50%**	**7.27%**
Loans and receivables	**8.71%**	**7.49%**	**7.28%**	**5.71%**	**7.49%**	**7.28%**
Liabilities						
Deposit liabilities	**3.32%**	**4.48%**	**3.44%**	**4.77%**	**7.58%**	**3.44%**
Bills payable	**5.29%**	**5.41%**	**6.99%**	**5.29%**	**5.41%**	**6.99%**

	2005					
	Consolidated			Parent Company		
	Less than 3 Months	3 Months to 1 Year	Greater than 1 Year	Less than 3 Months	3 Months to 1 Year	Greater than 1 Year
Peso-Denominated						
Assets						
Due from BSP	4.00%	–	–	4.00%	–	–
Due from other banks	3.60%	–	–	–	–	–
IBLR and SPURA	–	–	–	–	–	–
Securities at FVPL	5.59%	8.12%	10.03%	6.98%	8.83%	9.64%
AFS investments	–	–	–	–	–	–
HTM investments	6.32%	8.46%	9.70%	6.32%	8.46%	8.81%
Loans and receivables	9.07%	9.84%	9.72%	7.93%	9.84%	9.91%

(Forward)

	2005					
	Consolidated			Parent Company		
	Less than 3 Months	3 Months to 1 Year	Greater than 1 Year	Less than 3 Months	3 Months to 1 Year	Greater than 1 Year
Liabilities						
Deposit liabilities	2.00%	5.10%	7.88%	3.10%	3.97%	7.41%
Bills payable	6.76%	7.98%	–	5.71%	7.98%	8.37%
Foreign Currency-Denominated Assets						
Due from other banks	–	–	–	–	–	–
IBLR and SPURA	4.22%	6.48%	6.61%	4.22%	6.48%	6.61%
Securities at FVPL	7.97%	4.20%	9.95%	7.97%	4.20%	9.95%
AFS investments	–	–	7.03%	–	–	7.03%
HTM investments	5.80%	–	8.42%	5.80%	–	8.42%
Loans and receivables	5.89%	7.01%	5.18%	5.89%	7.01%	5.18%
Liabilities						
Deposit liabilities	3.10%	3.97%	7.41%	2.66%	1.58%	2.54%
Bills payable	5.71%	7.98%	8.37%	4.22%	4.64%	6.99%

The method by which the Group measures the sensitivity of its assets and liabilities to interest rate fluctuations is by way of Earnings-at-Risk. This analysis provides the Group with a measure of the impact of changes in interest rates on the accrual portfolio i.e. the risk exposure of future accounting income. The repricing gap is calculated by distributing the statement of condition into tenor buckets according to the time remaining to maturity or next repricing date and then obtaining the difference between the total of the repricing (interest sensitive) assets and repricing (interest sensitive) liabilities.

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities. Accordingly, during a period of rising interest rates, a company with a positive gap would be better positioned than one with a negative gap to invest in or hold higher yielding assets more quickly than it would need to refinance its interest-bearing liabilities. During a period of falling interest rates, a company with a positive gap would tend to see its assets repricing at a faster rate than one with a negative gap, which may restrain the growth of its net income or result in a decline in net interest income.

The following table sets forth the repricing gap position of the Group and the Parent Company as of December 31, 2006 and 2005:

	2006					
	Consolidated					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Greater than 1 Year	Total
	(in Millions)					
Assets						
Total loans and receivables	**₱80,463**	**₱37,366**	**₱4,504**	**₱8,120**	**₱30,979**	**₱161,432**
Total investments	**7,241**	**7,881**	**1,048**	**2,199**	**42,298**	**60,667**
Placements with other banks	**33,667**	**982**	**163**	**–**	**–**	**34,812**
Total assets	**₱121,371**	**₱46,229**	**₱5,715**	**₱10,319**	**₱73,277**	**₱256,911**

(Forward)

	2006					
	Consolidated					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Greater than 1 Year	Total
	(in Millions)					
Liabilities						
Deposit liabilities	**₱76,471**	**₱29,869**	**₱7,177**	**₱7,481**	**₱2,194**	**₱123,192**
Bills payable	**14,008**	**323**	**380**	**769**	**4,676**	**20,156**
Other liabilities	**2,167**	**4,689**	**784**	**–**	**14,689**	**22,329**
Total liabilities	**92,646**	**34,881**	**8,341**	**8,250**	**21,559**	**165,677**
Asset-liability gap	**₱28,725**	**₱11,348**	**(₱2,626)**	**₱2,069**	**₱51,718**	**₱91,234**

	2005					
	Consolidated					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Greater than 1 Year	Total
	(in Millions)					
Assets						
Total loans and receivables	₱101,022	₱27,192	₱1,991	₱1,489	₱8,494	₱140,188
Total investments	17,957	14,318	4,215	6,789	32,376	75,655
Placements with other banks	9,806	5,725	1,032	–	1,637	18,200
Total assets	128,785	47,235	7,238	8,278	42,507	234,043
Liabilities						
Deposit liabilities	94,158	24,181	6,733	4,878	61	130,011
Bills payable	17,158	2,742	231	4,921	4,654	29,706
Other liabilities	–	–	–	–	10,475	10,475
Total liabilities	111,316	26,923	6,964	9,799	15,190	170,192
Asset-liability gap	₱17,469	₱20,312	₱274	(₱1,521)	₱27,317	₱63,851

	2006					
	Parent Company					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Greater than 1 Year	Total
	(in Millions)					
Assets						
Total loans and receivables	**₱72,170**	**₱34,544**	**₱3,695**	**₱12,223**	**₱18,313**	**₱140,945**
Total investments	**5,678**	**7,761**	**1,048**	**2,197**	**42,104**	**58,788**
Placements with other banks	**30,210**	**981**	**163**	**–**	**–**	**31,354**
Total assets	**108,058**	**43,286**	**4,906**	**14,420**	**60,417**	**231,087**
Liabilities						
Deposit liabilities	**73,418**	**28,492**	**7,083**	**7,376**	**103**	**116,472**
Bills payable	**10,170**	**244**	**173**	**83**	**3,655**	**14,325**
Other liabilities	**879**	**2,032**	**784**	**–**	**14,688**	**18,383**
Total liabilities	**84,467**	**30,768**	**8,040**	**7,459**	**18,446**	**149,180**
Asset-liability gap	**₱23,591**	**₱12,518**	**(₱3,134)**	**₱6,961**	**₱41,971**	**₱81,907**

	2005					
	Parent Company					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Greater than 1 Year	Total
	(in Millions)					
Assets						
Total loans and receivables	₱93,424	₱27,192	₱1,991	₱1,489	₱8,494	₱132,590
Total investments	18,993	11,914	4,215	6,788	31,570	73,480
Placements with other banks	9,806	5,725	1,032	–	1,637	18,200
Total assets	122,223	44,831	7,238	8,277	41,701	224,270
Liabilities						
Deposit liabilities	89,728	24,181	6,733	4,798	61	125,501
Bills payable	19,531	2,742	230	40	4,655	27,198
Other liabilities	–	–	–	–	10,475	10,475
Total liabilities	109,259	26,923	6,963	4,838	15,191	163,174
Asset-liability gap	₱12,964	₱17,908	₱275	₱3,439	₱26,510	₱61,096

The Group also monitors its exposure to fluctuations in interest rates by measuring the impact of interest rate movements on its interest income. This is done by modeling the impact of various changes in interest rates to the Group's interest-related income and expenses.

The following table sets forth, as of and for the year ended December 31, 2006 and 2005, the impact of changes in interest rates on the Group's and the Parent Company's net interest income:

	2006							
	Consolidated				Parent Company			
	Change in interest rates (in basis points)							
	(100)	(50)	50	100	(100)	(50)	50	100
	(in million pesos, except percentages)							
Change in annualized net interest income (₱)	(359)	(180)	180	359	(328)	(164)	164	328
As a percentage of the Group's net interest income for the year ended December 31, 2006 (%)	(.033)	(.016)	.016	.033	(.036)	(.018)	.018	.036

	2005							
	Consolidated				Parent Company			
	Change in interest rates (in basis points)							
	(100)	(50)	50	100	(100)	(50)	50	100
	(in million pesos, except percentages)							
Change in annualized net interest income (₱)	(335)	(167)	167	335	(284)	(142)	142	284
As a percentage of the Group's net interest income for the year ended December 31, 2005 (%)	(.031)	(.016)	.016	.031	(.032)	(.016)	.016	.032

d. *Foreign Currency Risk*
Foreign currency liabilities generally consist of foreign currency deposits in the Parent Company's FCDU accounts made in the Philippines or which are generated from remittances to the Philippines by Filipino expatriates and overseas Filipino workers who retain for their own benefit or for the benefit of a third party, foreign currency deposit accounts with the Parent Company and foreign currency-denominated borrowings appearing in the regular books of the Parent Company.

Foreign currency deposits are generally used to fund the Parent Company's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency assets with the foreign currency liabilities held through FCDUs. In addition, the BSP requires a 30% liquidity reserve on all foreign currency liabilities held through FCDUs.

The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within limits for a financial institution engaged in the type of business in which the Group is engaged.

The table below summarizes the Group's and Parent Company's exposure to foreign exchange risk as of December 31, 2006 and 2005. Included in the table are the Group's and the Parent Company's assets and liabilities at carrying amounts (categorized by currency).

Information relating to the outstanding notional amounts of the Group's and the Parent Company's foreign currency derivatives (currency swaps and forwards are shown in Note 29)

	2006		
	Consolidated		
	USD	Others	Total
	(In Thousands)		
Assets			
Due from other banks	**₱3,741,556**	**₱1,111,244**	**₱4,852,800**
IBLR and SPURA	**20,843,356**	**3,135,640**	**23,978,996**
Securities at FVPL	**8,812,057**	**24,930**	**8,836,987**
AFS investments	**5,005,780**	**1,018,948**	**6,024,728**
HTM investments	**22,496,849**	**437**	**22,497,286**
Loans and receivables	**15,202,601**	**6,624,237**	**21,826,838**
Other assets	**3,968,996**	**(1,557,797)**	**2,411,199**
Total assets	**80,071,195**	**10,357,639**	**90,428,834**
Liabilities			
Deposit liabilities	**57,623,312**	**5,334,273**	**62,957,585**
Bills payable	**5,692,241**	**53,720**	**5,745,961**
Manager's checks and demand drafts outstanding	**–**	**5,372**	**5,372**
Accrued taxes, interest and other expenses	**293,381**	**143,112**	**436,493**
Other liabilities	**15,708,714**	**90,085**	**15,798,799**
Total liabilities	**79,317,648**	**5,626,562**	**84,944,210**
Net exposure	**₱753,547**	**₱4,731,077**	**₱5,484,624**

	2005		
	Consolidated		
	USD	Others	Total
	(In Thousands)		
Assets			
Due from other banks	₱3,228,474	₱613,798	₱3,842,272
IBLR and SPURA	13,103,366	2,310,238	15,413,604
Securities at FVPL	17,477,320	–	17,477,320
AFS investments	14,060,780	–	14,060,780
HTM investments	16,248,906	135,978	16,384,884
Loans and receivables	7,041,663	537,258	7,578,921
Other assets	1,049,147	8,840,343	9,889,490
Total assets	72,209,656	12,437,615	84,647,271
Liabilities			
Deposit liabilities	58,219,403	4,775,256	62,994,659
Bills payable	14,548,521	7,075,899	21,624,420
Manager's checks and demand drafts outstanding	–	2,364	2,364
Accrued taxes, interest and other expenses	4,088	140,705	144,793
Other liabilities	15,436,904	299,568	15,736,472
Total liabilities	88,208,916	12,293,792	100,502,708
Net exposure	(₱15,999,260)	₱143,823	(₱15,855,437)

	2006		
	Parent Company		
	USD	Others	Total
	(In Thousands)		
Assets			
Due from other banks	**₱3,098,190**	**₱663,512**	**₱3,761,702**
IBLR and SPURA	**20,574,622**	**3,135,640**	**23,710,262**
Securities at FVPL	**8,812,057**	**24,930**	**8,836,987**
AFS investments	**5,005,780**	**1,018,948**	**6,024,728**
HTM investments	**22,442,262**	**437**	**22,442,699**
Loans and receivables	**14,644,551**	**6,366,426**	**21,010,977**
Other assets	**3,551,302**	**(1,557,797)**	**1,993,505**
Total assets	**78,128,764**	**9,652,096**	**87,780,860**
Liabilities			
Deposit liabilities	**57,345,463**	**5,334,273**	**62,679,736**
Bills payable	**5,103,701**	**53,720**	**5,157,421**
Manager's checks and demand drafts outstanding	**–**	**5,372**	**5,372**
Accrued taxes, interest and other expenses	**292,994**	**133,661**	**426,655**
Other liabilities	**15,545,688**	**47,568**	**15,593,256**
Total liabilities	**78,287,846**	**5,574,594**	**83,862,440**
Net exposure	**(₱159,082)**	**₱4,077,502**	**₱3,918,420**

	2005		
	Parent Company		
	USD	Others	Total
	(In Thousands)		
Assets			
Due from other banks	₱3,228,474	₱613,798	₱3,842,272
IBLR and SPURA	13,103,366	2,310,238	15,413,604
Securities at FVPL	17,477,320	–	17,477,320
AFS investments	14,060,780	–	14,060,780
HTM investments	16,248,906	135,978	16,384,884
Loans and receivables	6,989,776	537,258	7,527,034
Other assets	1,049,147	8,840,343	9,889,490
Total assets	72,157,769	12,437,615	84,595,384
Liabilities			
Deposit liabilities	58,219,403	4,775,256	62,994,659
Bills payable	14,548,521	7,075,899	21,624,420
Manager's checks and demand drafts outstanding	–	2,364	2,364
Accrued taxes, interest and other expenses	4,088	140,705	144,793
Other liabilities	15,436,904	299,568	15,736,472
Total liabilities	88,208,916	12,293,792	100,502,708
Net exposure	(₱16,051,147)	₱143,823	(₱15,907,324)

6. **Due from Other Banks**

The Parent Company has deposits with a certain foreign bank which serve as guarantee for the performance of its obligation relating to the loans assigned to such foreign bank in the same amount. The Parent Company has authorized the foreign bank to withdraw from the deposit an amount equivalent to any principal repayment that is received by the Parent Company from the borrower.

The balance of the Parent Company's deposits with the foreign bank and the assigned loans, which is net of withdrawals by the foreign bank for repayments received by the Parent Company from the borrower, amounted to:

	2006	2005
	(In Thousands)	
In US dollars	**76,722**	69,769
Peso equivalent	**3,761,682**	3,702,106

7. **Trading and Investment Securities**

Securities at FVPL consist of the following:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Held-for-trading	**₱15,372,121**	₱10,165,385	**₱15,232,447**	₱10,024,534
Designated FVPL	**7,228,228**	15,748,398	**7,228,228**	15,748,398
Derivative asset	**161,070**	148,099	**161,070**	148,099
	₱22,761,419	₱26,061,882	**₱22,621,745**	₱25,921,031

As of December 31, 2006 and 2005, held-for-trading securities include net unrealized gain of ₱ 799.8 million and ₱ 338.4 million, respectively, for the Group, and ₱ 783.8 million and ₱ 338.4 million, respectively, for the Parent Company.

As of December 31, 2006 and 2005, designated FVPL include net unrealized gain of ₱ 281.0 million and ₱ 437.5 million, respectively, both for the Group and the Parent Company.

AFS investments consist of the following:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
		(In Thousands)		
Debt securities:				
Government	**₱2,276,255**	₱6,672,417	**₱2,245,238**	₱6,353,000
Private	**2,799,184**	2,360,603	**2,799,184**	2,360,603
BSP	–	641,567	–	641,567
Structured	**980,305**	4,705,610	**980,305**	4,705,610
	6,055,744	14,380,197	**6,024,727**	14,060,780
Equity securities:				
Quoted	**1,625,921**	236,217	**900,936**	536,374
Unquoted	**1,939,071**	2,492,358	**902,353**	760,903
	3,564,992	2,728,575	**1,803,289**	1,297,277
	₱9,620,736	₱17,108,772	**₱7,828,016**	₱15,358,057

As of December 31, 2006, AFS investment is net of accumulated unrealized gains of ₱640.2 million and ₱549.7 million for the Group and the Parent Company, respectively. As of December 31, 2005, AFS investment is net of accumulated unrealized gains of ₱563.6 million and ₱548.1 million, for the Group and the Parent Company, respectively.

For the year ended December 31, 2006 and 2005, realized gain from sale of AFS investments amounted to ₱590.9 million and ₱214.7 million respectively, for the Group, of which ₱564.7 million and ₱192.8 million, respectively, pertain to the Parent Company.

HTM investments consist of the following:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
		(In Thousands)		
Government bonds	**₱16,208,552**	₱9,160,506	**₱16,153,965**	₱9,160,506
BSP treasury bills	**6,282,959**	15,165,569	**6,281,771**	15,165,011
Private bonds	**6,584,626**	7,423,708	**6,289,734**	7,128,816
Treasury notes	**827,237**	746,631	**827,237**	746,631
	29,903,374	32,496,414	**29,552,707**	32,200,964
Less allowance for impairment losses (Note 13)	–	12,469	–	–
	₱29,903,374	₱32,483,945	**₱29,552,707**	₱32,200,964

HTM investments include US dollar-denominated bonds amounting to US$457 million (₱22.5 billion) and US$306 million (₱16.4 billion) as of December 31, 2006 and 2005, respectively.

As of December 31, 2006 and 2005, the market values of HTM investments are as follows:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Government bonds	**₱18,467,443**	₱9,938,118	**₱18,412,857**	₱9,938,118
BSP treasury bills	**6,112,204**	15,120,204	**6,112,204**	15,119,647
Private bonds	**6,607,636**	7,448,238	**6,300,126**	7,146,023
Treasury notes	**837,320**	751,748	**837,320**	751,748
	₱32,024,603	₱33,258,308	**₱31,662,507**	₱32,955,536

Peso-denominated HTM investments bear nominal annual interest rates ranging from 4.0% to 14.5% in 2006 and 2005, for foreign currency-denominated HTM investments, annual interest rate range from 7.5% to 11.4% in 2006 and 2005.

Interest income on trading and investment securities consists of:

	Consolidated			Parent Company		
	2006	2005	2004	**2006**	2005	2004
	(In Thousands)					
FVPL	**₱2,801,490**	₱639,231	₱269,549	**₱2,799,525**	₱636,016	₱254,802
AFS	**824,803**	1,882,997	142,235	**784,252**	1,869,895	139,774
HTM	**2,894,069**	2,877,611	3,997,869	**2,864,090**	2,815,595	3,864,369
	₱6,520,362	₱5,399,839	₱4,409,653	**₱6,447,867**	₱5,321,506	₱4,258,945

8. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Loans and discounts (Note 32)	**₱111,829,197**	₱103,282,242	**₱95,205,143**	₱89,733,599
Lease receivables	**5,336,432**	4,173,388	–	–
	117,165,629	107,455,630	**95,205,143**	89,733,599
Less unearned discount	**2,307,378**	2,184,886	**670,231**	1,103,569
	114,858,251	105,270,744	**94,534,912**	88,630,030
Customers' liabilities on acceptances, letters of credit and trust receipts	**16,770,725**	18,520,703	**16,770,725**	18,520,703
Bills purchased	**12,352,539**	13,869,770	**12,327,552**	13,850,233
Receivables from cardholders	**4,569,754**	3,675,087	–	–
	148,551,269	141,336,304	**123,633,189**	121,000,966
Unquoted debt securities	**9,733,349**	2,546,567	**9,377,997**	1,896,567
Other receivables (Note 19)	**14,743,195**	7,820,967	**17,552,266**	18,739,392
	173,027,813	151,703,838	**150,563,452**	141,636,925
Less client's equity	**100,837**	89,269	–	–
allowance for credit losses (Note 13)	**11,495,311**	11,426,679	**9,618,333**	9,046,546
	₱161,431,665	₱140,187,890	**₱140,945,119**	₱132,590,379

The Parent Company's loan receivables from customers amounting to ₱810.7 million and ₱827.1 million as of December 31, 2006 and 2005, respectively, were pledged as collaterals with the BSP to secure borrowings under rediscounting privileges. In addition, loan receivables from customers amounting to ₱3.8 billion and ₱4.9 billion as of December 31, 2006 and 2005, respectively, have been rediscounted under the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP) and Social Security System (SSS) rediscounting facilities (see Note 15).

Consolidated loans and discounts include loans sold by the Parent Company to SPVs amounting to ₱3.3 billion (see Note 12) and ESB loans sold to CGAM on April 1, 2005 amounting to ₱621.0 million. Investment properties sold by ESB to LNC on April 12, 2005 amounting to ₱98.0 million are included under Investment properties (see Note 11).

In exchange for the loans and investment properties (see Note 11), ESB received SPV Notes and cash of ₱60.0 million and ₱23.1 million, respectively, for the sale of loans and ₱39.2 million and ₱4.2 million, respectively, for the sale of ROPA. On June 24, 2005 and July 8, 2005, the Closing Certificate was signed between ESB and CGAM and ESB and LNC, respectively, to implement and make effective the SPA on loans and investment properties as of April 1, 2005 and April 12, 2005, respectively. Accordingly, ESB received SPV Notes amounting to ₱60.0 million for loans from CGAM and ₱39.2 million for investment properties from LNC. Total loans transferred to CGAM amounted to ₱621.0 million. Investment properties transferred to LNC amounted to ₱98.0 million.

Unquoted debt securities consist of:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
		(In Thousands)		
Structured notes	**₱ 7,539,132**	₱ –	**₱ 7,539,132**	₱ –
Peace bonds	**1,370,079**	1,255,276	**1,370,079**	1,255,276
Home Insurance Guarantee Corp. bonds	**302,444**	302,362	**302,444**	302,362
Global Ispat Holdings, Inc. (GIHI) and Global Steelworks International, Inc. (GSII)	**136,388**	200,836	**136,388**	200,836
Others	**385,306**	788,093	**29,954**	138,093
	₱ 9,733,349	₱ 2,546,567	**₱ 9,377,997**	₱ 1,896,567

Unquoted debt securities include the subordinated notes representing investments in GIHI and GSII which assumed the liabilities of National Steel Corporation (NSC). On October 15, 2004, GIHI and GSII (SPV companies), and the NSC Creditors entered into an agreement which sets forth the terms and conditions upon which the NSC Creditors have agreed to accept zero-interest coupon notes in the aggregate amount of ₱12.3 billion to be issued by SPV companies in settlement of the liabilities of NSC. The zero-interest coupon notes were issued in two tranches, namely, (a) Tranche A Note in the principal amount of ₱2.0 billion and (b) Tranche B Note in the principal amount of ₱10.3 billion, which notes are secured by a first ranking mortgage and security interest over the NSC plant assets and stand-by letters of credit by the SPV companies in accordance with the schedule in the agreement. On October 15, 2004, the Parent Company received Tranche A Note at principal amount of ₱78.3 million and Tranche B Note at principal amount of ₱328.2 million in exchange of the outstanding receivable from NSC of ₱549.5 million. The Parent Company carried the subordinated notes at discounted values using a discount rate of 13.2%. The carrying value of such investments as of December 31, 2006 and 2005 amounted to ₱136.4 million and ₱200.8 million, respectively.

Also included under unquoted debt securities are structured notes that contain embedded derivatives which the Group has assessed to be closely related to the host debt investments. The Group has also assessed that these financial instruments are not quoted in an active market and these structures are mostly principal protected which have interest rate indices as underlying derivatives where the return on the structured notes will not result to at least twice what the market return would be for a contract with the same terms as the host contract and the initial rate of return on the host contract. Given that these structures are not quoted in an active market, their fair values are determined using valuation techniques utilizing generally accepted market valuation models.

Other receivables consist of the following financial assets:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Notes receivable	**₱6,525,228**	₱–	**₱–**	₱–
Advances to subsidiaries, associates, retirement fund and officers (Note 19)	**1,698,034**	1,874,246	**10,992,906**	12,438,568
Accounts receivable	**1,975,312**	2,047,813	**2,767,649**	2,650,369
Accrued interest receivable	**2,213,869**	2,106,399	**2,042,208**	1,955,101
Sales contract receivable	**1,949,026**	1,347,821	**1,486,323**	1,322,273
Returned checks and other cash items	**193,198**	300,852	**190,005**	296,652
Rent receivable	**67,163**	67,163	**67,163**	67,163
Others	**121,365**	76,673	**6,012**	9,266
	₱14,743,195	₱7,820,967	**₱17,552,266**	₱18,739,392

Interest income on Loans and receivables consists of:

	Consolidated			Parent Company		
	2006	2005	2004	**2006**	2005	2004
	(In Thousands)					
Receivables from customers	**₱10,435,699**	₱10,044,900	₱9,167,976	**₱9,596,687**	₱9,897,930	₱8,455,505
Receivables from cardholders	**763,210**	1,088,440	731,310	**–**	–	–
Lease receivables	**646,750**	488,850	253,837	**–**	–	–
	₱11,845,659	₱11,622,190	₱10,153,123	**₱9,596,687**	₱9,897,930	₱8,455,505

BSP Reporting

The nonperforming loans (NPLs) were as follows:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Secured	**₱6,686,703**	₱7,265,064	**₱7,283,303**	₱6,730,102
Unsecured	**4,174,359**	2,998,640	**3,109,450**	2,909,691
	₱10,861,062	₱10,263,704	**₱10,392,753**	₱9,639,793

Generally, NPLs refer to loans whose principal and/or interest is unpaid for thirty (30) days or more after due date or after they have become past due in accordance with existing BSP rules and regulations. This shall apply to loans payable in lump sum and loans payable in quarterly, semi-annual, or annual installments, in which case, the total outstanding balance thereof shall be considered nonperforming.

In the case of receivables that are payable in monthly installments, the total outstanding balance thereof shall be considered nonperforming when three (3) or more installments are in arrears.

In the case of receivables that are payable in daily, weekly, or semi-monthly installments, the total outstanding balance thereof shall be considered nonperforming at the same time that they become past due in accordance with existing BSP regulations, i.e., the entire outstanding balance of the receivable shall be considered as past due when the total amount of arrearages reaches ten percent (10%) of the total receivable balance.

Receivables are classified as nonperforming in accordance with BSP regulations, or when, in the opinion of management, collection of interest or principal is doubtful. Receivables are not reclassified as performing until interest and principal payments are brought current or the loans are restructured in accordance with existing BSP regulations, and future payments appear assured.

Restructured receivables which do not meet the requirements to be treated as performing receivables shall also be considered as NPLs.

Current bank regulations allow banks with no unbooked valuation reserves and capital adjustments required by the BSP to exclude from nonperforming classification those receivables from customers classified as Loss in the latest examination of the BSP which are fully covered by allowance for credit losses, provided that interest on said loans shall not be accrued. Accordingly, NPLs not fully covered by allowance for credit losses as of December 31, 2006 and 2005 follow:

	Consolidated		**Parent Company**	
	2006	2005	**2006**	2005
	(In Thousands)			
NPLs	**₱10,861,062**	₱10,263,704	**₱10,392,753**	₱9,639,793
Less NPLs fully provided with allowance for impairment losses	**3,167,612**	2,575,367	**2,821,816**	2,455,439
	₱7,693,450	₱7,688,337	**₱7,570,937**	₱7,184,354

Restructured loans of the Parent Company as of December 31, 2006 and 2005 amounted to ₱6.8 billion and ₱7.4 billion, respectively.

The Parent Company's loan portfolio includes non-risk loans, as defined under BSP regulations, totaling ₱15.6 billion and ₱19.8 billion as of December 31, 2006 and 2005, respectively.

As of December 31, 2006 and 2005, 66.2% and 65.7%, respectively, of the total loan receivable from customers of the Group are subject to periodic interest repricing. Remaining receivables from customers earn annual fixed interest rates ranging from 0.15% to 49.90% for peso-denominated loans and from 1.75% to 10.5% for foreign currency-denominated loans in 2006 and from 2.0% to 49.9% for peso-denominated loans and from 1.7% to 11.0% for foreign currency-denominated loans in 2005.

The following table shows information relating to loans and receivables (at gross amounts) by collateral:

	Consolidated			
	2006		2005	
	Amount (In Thousands)	**%**	Amount (In Thousands)	%
Secured by:				
Real estate	**₱35,534,814**	**20.24**	₱31,484,283	20.43
Trust receipts	**15,912,498**	**9.06**	17,435,352	11.32
Bank deposits	**11,296,819**	**6.43**	14,335,478	9.30
Chattel	**10,241,457**	**5.83**	12,121,517	7.87
Shares of stock	**4,097,976**	**2.34**	2,232,489	1.45
Mortgage trust indenture	**4,074,573**	**2.32**	5,743,778	3.73
Warehouse receipts	**6,060**	**0.00**	6,887	0.00
Marginal deposit	**–**	**0.00**	28,096	0.02
Others	**2,635,627**	**1.50**	4,045,117	2.63
	83,799,824	**47.72**	87,432,997	56.75
Unsecured	**91,816,518**	**52.28**	66,644,014	43.25
	₱175,616,342	**100.00**	₱154,077,011	100.00

	Parent Company			
	2006		2005	
	Amount (In Thousands)	**%**	Amount (In Thousands)	%
Secured by:				
Real estate	**₱25,236,047**	**16.66**	₱26,645,105	18.64
Trust receipts	**15,912,498**	**10.50**	17,435,352	12.20
Bank deposits	**11,285,418**	**7.45**	14,128,463	9.89
Shares of stock	**4,096,910**	**2.70**	2,230,408	1.56
Mortgage trust indenture	**4,074,573**	**2.69**	5,660,445	3.96
Chattel	**2,942,340**	**1.94**	3,357,027	2.35
Warehouse receipts	**6,060**	**0.00**	6,887	0.00
Margin deposits	**–**	**0.00**	28,096	0.02
Others	**2,635,628**	**1.75**	4,045,117	2.83
	66,189,474	**43.69**	73,536,900	51.45
Unsecured	**85,325,359**	**56.31**	69,391,879	48.55
	₱151,514,833	**100.00**	₱142,928,779	100.00

Information on the concentration of credit (at gross amounts) as to economic activity and industry sub-sectors follow:

	Consolidated			
	2006		2005	
	Amount (In Thousands)	**%**	Amount (In Thousands)	%
Other community, social and personal services	**₱40,367,402**	**22.97**	₱17,924,759	11.63
Wholesale and retail	**27,863,210**	**15.87**	34,158,987	22.17
Financial intermediation, renting and business activities	**22,453,983**	**12.79**	25,316,420	16.43
Manufacturing:				
Consumer goods	**19,345,449**	**11.02**	14,572,055	9.46
Intermediate goods	**16,468,989**	**9.38**	14,538,767	9.44
Capital goods	**14,437,310**	**8.22**	12,020,224	7.80
Transport, storage and communications	**10,273,320**	**5.85**	10,999,100	7.14
Real estate	**8,760,621**	**4.99**	8,337,593	5.41
Electricity, gas and water	**6,895,365**	**3.93**	7,492,051	4.86
Agriculture, hunting and forestry	**2,332,286**	**1.33**	1,799,452	1.17
Construction	**1,430,494**	**0.81**	993,306	0.64
Mining and quarrying	**1,227,037**	**0.70**	1,723,624	1.12
Others	**3,760,876**	**2.14**	4,200,673	2.73
	₱175,616,342	**100.00**	₱154,077,011	100.00

	Parent Company			
	2006		2005	
	Amount (In Thousands)	**%**	Amount (In Thousands)	%
Financial intermediation, renting and business activities	**₱31,800,375**	**20.99**	₱25,399,334	17.77
Wholesale and retail	**25,901,904**	**17.10**	32,617,141	22.82
Manufacturing:				
Consumer goods	**19,090,434**	**12.60**	14,465,580	10.12
Intermediate goods	**13,804,691**	**9.11**	13,475,522	9.43
Capital goods	**13,745,331**	**9.07**	11,313,112	7.92
Other community, social and personal services	**16,144,668**	**10.65**	13,672,395	9.57
Real estate	**8,539,891**	**5.64**	8,063,609	5.64
Transport, storage and communications	**8,504,715**	**5.61**	9,311,319	6.51
Electricity, gas and water	**6,502,022**	**4.29**	7,290,709	5.10
Agriculture, hunting and forestry	**2,223,370**	**1.47**	1,749,660	1.22
Construction	**1,020,353**	**0.67**	682,040	0.48
Mining and quarrying	**1,011,640**	**0.67**	1,388,140	0.97
Others	**3,225,439**	**2.13**	3,500,218	2.45
	₱151,514,833	**100.00**	₱142,928,779	100.00

The BSP considers that credit concentration risk exists when the total loan exposure to a particular industry or economic sector exceeds 30% of the total loan portfolio.

9. **Property and Equipment**

The composition of and movements in this account follow:

	Consolidated				
	2006				
	At Appraised Value	**At Cost**			
	Land	**Buildings**	**Leasehold Improvements**	**Furniture, Fixtures and Equipment**	**Total**
			(In Thousands)		
Cost/Appraised Value					
Balance, at beginning of year	**₱4,500,557**	**₱4,335,489**	**₱464,830**	**₱7,632,313**	**₱12,432,632**
Additions	**–**	**99,198**	**7,513**	**1,568,648**	**1,675,359**
Disposals	**(87,881)**	**(492,117)**	**(3,618)**	**(365,707)**	**(861,442)**
Balance, at end of year	**4,412,676**	**3,942,570**	**468,725**	**8,835,254**	**13,246,549**
Accumulated Depreciation and Amortization					
Balance, at beginning of year	**–**	**1,948,536**	**–**	**5,200,468**	**7,149,004**
Depreciation and amortization	**–**	**117,898**	**114,935**	**910,868**	**1,143,701**
Disposals	**–**	**(54,861)**	**(3,453)**	**(73,297)**	**(131,611)**
Reclassification	**–**	**(749,186)**	**(498)**	**749,684**	**–**
Balance, at end of year	**–**	**1,262,387**	**110,984**	**6,787,723**	**8,161,094**
Net Book Value, at end of year	**₱4,412,676**	**₱2,680,183**	**₱357,741**	**₱2,047,531**	**₱5,085,455**

	Consolidated				
	2005				
	At Appraised Value	At Cost			
	Land	Buildings	Leasehold Improvements	Furniture, Fixtures and Equipment	Total
	(In Thousands)				
Cost/Appraised Value					
Balance, at beginning of year	₱4,447,904	₱3,974,279	₱448,776	₱7,894,939	₱12,317,994
Additions	133,928	384,117	133,329	449,690	967,136
Disposals	(81,275)	(22,907)	(18,467)	(712,316)	(753,690)
Balance, at end of year	4,500,557	4,335,489	563,638	7,632,313	12,531,440
Accumulated Depreciation and Amortization					
Balance, at beginning of year	–	1,777,047	–	5,117,303	6,894,350
Depreciation and amortization	–	173,926	106,479	608,227	888,632
Disposals	–	(2,437)	(7,671)	(525,062)	(535,170)
Balance, at end of year	–	1,948,536	98,808	5,200,468	7,247,812
Net Book Value, at end of year	**₱4,500,557**	**₱2,386,953**	**₱464,830**	**₱2,431,845**	**₱5,283,628**

	Parent Company				
	2006				
	At Appraised Value	At Cost			
	Land	Buildings	Leasehold Improvements	Furniture, Fixtures and Equipment	Total
	(In Thousands)				
Cost/Appraised Value					
Balance, at beginning of year	**₱4,406,236**	**₱3,675,001**	**₱341,251**	**₱6,282,280**	**₱10,298,532**
Additions	**–**	**89,528**	**34,969**	**572,896**	**697,393**
Disposals	**–**	**(4,283)**	**(3,571)**	**(301,693)**	**(309,547)**
Balance, at end of year	**4,406,236**	**3,760,246**	**372,649**	**6,553,483**	**10,686,378**
Accumulated Depreciation and Amortization					
Balance, at beginning of year	**–**	**1,817,510**	**–**	**3,786,784**	**5,604,294**
Depreciation and amortization	**–**	**112,247**	**99,706**	**671,622**	**883,575**
Disposals	**–**	**(249)**	**(3,453)**	**(158,848)**	**(162,550)**
Reclassification	**–**	**(749,186)**	**(498)**	**749,684**	**–**
Balance, at end of year	**–**	**1,180,322**	**95,755**	**5,049,242**	**6,325,319**
Net Book Value, at end of year	**₱4,406,236**	**₱2,579,924**	**₱276,894**	**₱1,504,241**	**₱4,361,059**

	Parent Company				
	2005				
	At Appraised Value	At Cost			
	Land	Buildings	Leasehold Improvements	Furniture, Fixtures and Equipment	Total
	(In Thousands)				
Cost/Appraised Value					
Balance, at beginning of year	₱4,406,236	₱3,581,118	₱393,103	₱6,427,176	₱10,401,397
Additions	–	105,749	64,417	531,364	701,530
Disposals	–	(11,866)	(17,610)	(676,260)	(705,736)
Balance, at end of year	4,406,236	3,675,001	439,910	6,282,280	10,397,191
Accumulated Depreciation and Amortization					
Balance, at beginning of year	–	1,708,822	–	3,816,540	5,525,362
Depreciation and amortization	–	111,126	106,479	640,675	858,280
Disposals	–	(2,438)	(7,820)	(670,431)	(680,689)
Balance, at end of year	–	1,817,510	98,659	3,786,784	5,702,953
Net Book Value, at end of year	**₱4,406,236**	**₱1,857,491**	**₱341,251**	**₱2,495,496**	**₱4,694,238**

The cost of land of the Parent Company, ECN and ESB amounted to ₱2.5 billion, ₱76.5 million and ₱9.0 million, respectively.

10. Investments in Subsidiaries and Associates

This account consists of investments in:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
At equity:				
Acquisition cost of:				
Wholly and majority-owned (Note 2)				
ESB	**₱–**	₱–	**₱2,981,049**	₱2,981,049
PCI Leasing	–	–	**1,854,073**	1,854,073
PCI Capital	–	–	**1,719,483**	1,719,483
ESHC	–	–	**1,351,654**	1,351,654
EBCII	–	–	**1,203,225**	500,000
ECN	–	–	**736,250**	736,250
PCIB Properties	–	–	**891,692**	891,692
Express Padala HK	–	–	**215,282**	215,282
JEFC	–	–	**50,000**	50,000
Equimark	–	–	**44,997**	44,997
Maxicare	–	–	**43,593**	43,593
EDCI	–	–	**40,000**	40,000
PCIB Securities	–	–	**39,177**	39,177
EPCI Cayman	–	–	**38,399**	38,399
PCI Realty	–	–	**33,510**	33,510
PCIB S.p.A.	**–**	–	**32,921**	32,921
Express Padala L.A.	**–**	–	**26,494**	26,494
EPHK	**–**	–	**27,956**	27,956
PCI Insurance	**–**	–	**7,800**	7,800
PCI Automation	**–**	–	**7,443**	7,443
Others	**–**	–	**3,320**	3,320

(Forward)

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
			(In Thousands)	
Significantly owned:				
Jardine Land, Inc. (JLI) (20%)	**₱232,000**	₱232,000	**₱232,000**	₱232,000
Taal Land, Inc. (33%)	**170,382**	170,382	**170,382**	170,382
Medilink Network, Inc. (40%)	**–**	3,000	**–**	–
PCI Travel Corporation (35%)	**4,424**	4,424	**–**	–
Unicorn First Properties (UFP) (35%)	**3,500**	3,500	**3,500**	3,500
	410,306	413,306	**11,754,200**	11,050,975
Accumulated equity in net losses:				
Balance at beginning of year	**(122,534)**	(123,096)	–	–
Equity in net income for the year	**22,739**	562	–	–
Balance at end of year	**(99,795)**	(122,534)	–	–
	310,511	290,772	**11,754,200**	11,050,975
Less allowance for impairment losses (Note 13)	**106,284**	–	**3,255,871**	2,085,391
	₱204,227	₱290,772	**₱8,498,329**	₱8,965,584

On January 18, 2005, the BOD of PCI Leasing approved the declaration of cash dividends at ₱0.20 per share or ₱196.6 million in favor of stockholders of record as of February 1, 2005 and 12.0% stock dividends equivalent to ₱1.2 billion in favor of stockholders of record as of March 23, 2005. Such declaration was approved by SEC on March 10, 2005.

On January 18, 2005, the BOD of PCI Capital approved the declaration of 19.05% stock dividends amounting to ₱200.0 million. Such declaration was approved by BSP on March 10, 2005.

On January 24, 2005, the BOD of ECN declared stock dividends amounting to ₱475.0 million and cash dividends of ₱20 per share or ₱300.0 million to all stockholders of record as of February 1, 2005.

On March 31, 2006 and April 25, 2006, the BOD of PCI Capital approved the declaration of cash dividends in favor of stockholders of record as of March 31, 2006 and April 25, 2006, respectively at ₱0.40 per share or ₱500.0 million, approved by BSP on May 25, 2006 and paid on June 29, 2006, and ₱0.12 per share or ₱150.0 million approved by BSP on November 2, 2006 payable on December 20, 2006, respectively.

On April 4, 2006, the BOD of ECN approved the declaration of cash dividends amounting to ₱400.0 million or ₱20.25 per share paid in two tranches, 50% on May 15, 2006 and the balance on June 15, 2006, in favor of stockholders of record as of December 31, 2005.

On January 17, 2006 the BOD of EIBI approved the declaration of cash dividends at ₱33.33 per share or ₱20.0 million to be distributed to stockholders of record as of January 17, 2006 and to be paid equally in April 17, 2006 and June 30, 2006. On April 25, 2006, the BOD of EIBI approved the declaration of additional cash dividends at ₱83.33 per share or ₱50.0 million to be distributed to stockholders of record as of December 31, 2005 to be paid as follows: ₱15.0 million on May 2, 2006, ₱15.0 million on July 14, 2006 and ₱20.0 million on August 15, 2006.

11. **Investment Properties**

The composition and movements in this account follow:

	Consolidated					
	2006			2005		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
			(In Thousands)			
Cost						
Balance at beginning of year	**₱13,438,147**	**₱6,277,774**	**₱19,715,921**	₱14,430,391	₱6,151,376	₱20,581,767
Additions	**599,600**	**273,739**	**873,339**	585,684	328,547	914,231
Transfers/disposals	**(1,193,555)**	**(438,154)**	**(1,631,709)**	(1,577,928)	(202,149)	(1,780,077)
Balance at end of year	**12,844,192**	**6,113,359**	**18,957,551**	13,438,147	6,277,774	19,715,921
Accumulated depreciation and amortization						
Balance at beginning of year	–	**737,299**	**737,299**	–	625,689	625,689
Depreciation and amortization	–	**205,000**	**205,000**	–	206,253	206,253
Transfers/disposals	–	**(71,923)**	**(71,923)**	–	(94,643)	(94,643)
Balance at end of year	–	**870,376**	**870,376**	–	737,299	737,299
Allowance for impairment losses (Note 13)	–	**211,972**	**211,972**	–	542,260	542,260
Net Book Value	**₱12,844,192**	**₱5,031,011**	**₱17,875,203**	₱13,438,147	₱4,998,215	₱18,436,362

Buildings and improvements of the Group include properties held by SPV.

	Parent Company					
	2006			2005		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
			(In Thousands)			
Cost						
Balance at beginning of year	**₱11,335,855**	**₱5,264,637**	**₱16,600,492**	₱12,271,443	₱5,217,707	₱17,489,150
Additions	**725,419**	**203,513**	**928,932**	467,608	209,052	676,660
Transfers/disposals	**(1,118,848)**	**(314,069)**	**(1,432,917)**	(1,403,196)	(162,122)	(1,565,318)
Balance at end of year	**10,942,426**	**5,154,081**	**16,096,507**	11,335,855	5,264,637	16,600,492
Accumulated depreciation and amortization						
Balance at beginning of year	**–**	**667,541**	**667,541**	–	486,006	486,006
Depreciation and amortization	**–**	**180,192**	**180,192**	–	181,535	181,535
Transfers/disposals	**–**	**(39,479)**	**(39,479)**	–	–	–
Balance at end of year	**–**	**808,254**	**808,254**	–	667,541	667,541
Allowance for impairment losses (Note 13)	–	**123,112**	**123,112**	–	–	–
Net Book Value	**₱10,942,426**	**₱4,222,715**	**₱15,165,141**	₱11,335,855	₱4,597,096	₱15,932,951

The details of the net book value follow:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Real estate properties acquired in settlement of loans and receivables	**₱14,665,907**	₱15,171,105	**₱11,955,845**	₱12,667,694
Bank premises leased to third parties and held for capital appreciation	**3,209,296**	3,265,257	**3,209,296**	3,265,257
	₱17,875,203	₱18,436,362	**₱15,165,141**	₱15,932,951

Investment properties include investment property sold by ESB to LNC on April 12, 2005 amounting to ₱98.0 million.

The aggregate fair values of the investment properties of the Group and the Parent Company are ₱19.0 billion and ₱16.1 billion, respectively, as of December 31, 2006 and ₱19.7 billion and ₱16.6 billion, respectively, as of December 31, 2005.

The fair values of the Group's investment property have been arrived at on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made.

12. **Other Assets**

This account consists of:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Deferred tax assets - net (Note 24)	**₱5,298,287**	₱5,781,329	**₱4,950,985**	₱5,427,283
Real estate properties	**4,522,600**	4,700,608	**583,041**	459,262
Interoffice float items - net	**2,247,833**	3,310,905	**2,125,288**	3,211,309
Prepayments	**267,631**	341,278	**150,622**	284,877
Net pension asset (Note 20)	**54,596**	112,643	**–**	61,416
Assets held for sale	**51,362**	206,295	**–**	167,229
Other investments	**15,252**	19,972	**6,388**	11,719
Receivables from SPVs	**–**	–	**3,336,056**	3,336,056
Miscellaneous (Note 29)	**2,815,624**	2,259,217	**1,649,772**	1,313,095
	15,273,185	16,732,247	**12,802,152**	14,272,246
Less allowance for impairment losses (Note 13)	**3,125,290**	2,363,878	**3,567,008**	2,669,732
	₱12,147,895	₱14,368,369	**₱9,235,144**	₱11,602,514

As of December 31, 2006 and 2005, interoffice float items outstanding for more than 180 days (net debit balance) for which a full provision has been established amounted to ₱1.8 billion and ₱164.1 million, respectively. Management believes that no material unreserved losses will be incurred by the Parent Company on interoffice float items.

In 2005, the Parent Company entered into joint ventures for the development of foreclosed assets to generate profit upon completion of the project. As of December 31, 2006 and 2005, these joint ventures are in the initial stage of development. Properties invested in joint ventures are included under Real estate properties.

Other investments include exchange trading rights. Under the PSE rules, all exchange trading rights are pledged at its full value to the PSE to secure the payment of all debts due to other members of the PSE arising out of or in connection with the present or future members' contracts.

The carrying values of the investment in PSE shares and the exchange trading right in the accounts of PCIB Securities and Armstrong Securities were as follows:

	2006	2005
	(In Thousands)	
AFS investments - PSE shares	**₱28,000**	₱15,000
Exchange trading rights	**7,835**	7,835
	₱35,835	₱22,835

As of December 31, 2006 and 2005, the latest transacted price of the exchange trading right (as provided by the PSE) amounted to ₱5.0 million and ₱3.5 million, respectively. As of December 31, 2006, the market value of the PSE shares based on quoted price is ₱280 per share.

Management believes that adequate allowance for impairment losses has been made on Other Assets and does not anticipate any material adverse effect on the financial statements upon the realization of these assets.

Receivables from SPVs represent the amount due from sale of certain nonperforming assets (NPAs) of the Parent Company to SPVs.

The Parent Company entered into sale and purchase agreements (SPA) under the provisions of Republic Act (RA) No. 9182, "The Special Purpose Vehicle (SPV) Act of 2002," for the sale of its loans and Real and Other Properties Acquired (ROPA) as follows:

Loans and receivables sold to PIO amounted to ₱8.3 billion on November 26, 2004 and ROPA to PIT amounted to ₱2.2 billion on December 15, 2004. On March 15, 2005 and March 28, 2005, the Closing Certificate was signed between the Parent Company and PIO and Parent Company and PIT, respectively, to implement and make effective the SPA on loans and receivables and ROPA. In exchange for the loans and receivables and ROPA, the Parent Company received SPV notes and cash of ₱1.0 billion and ₱100 million, respectively, for loans and receivables; and ₱1.8 billion and ₱350 million, respectively, for ROPA. The SPV Notes are payable over ten years in accordance with the accounts arrangement included in the SPA.

Loans and receivables sold to CGAM amounted to ₱4.8 billion on April 1, 2005. On June 24, 2005, the Closing Certificate was signed between the Parent Company and CGAM to implement and make effective the SPA on loans and receivables. In exchange for the loans, the Parent Company received SPV Notes and cash of ₱560.0 million and ₱325.0 million, respectively.

The more significant terms of the sale are as follows:

a. Certain NPAs of the Parent Company were purchased by the SPV for a total consideration of ₱4.1 billion.

b. The agreed purchase price of the NPAs was as follows:

    i. An initial amount of ₱0.5 billion, booked as part of Accounts Receivable under Other Assets in 2004, was subsequently paid in the same year. For the NPAs sold in 2005, cash of ₱0.3 billion was received.

    ii. The balance of ₱3.3 billion, through issuance of SPV Notes (the Notes), which shall be paid based on a cash flow waterfall arrangement and interest rate of 20% and 50% per annum on the ₱2.7 billion and ₱0.6 billion, respectively, was received.

13. **Allowance for Impairment and Credit Losses**

Changes in the allowance for impairment losses follow:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Balance at beginning of year				
AFS investments	**₱443,388**	₱–	**₱182,434**	₱–
HTM investments	**12,469**	17,696	**–**	15,645
Loans and receivables	**11,426,679**	11,528,181	**9,046,546**	11,263,087
Investments in subsidiaries and associates	**–**	–	**2,085,391**	1,288,849
Investment properties	**542,260**	–	**–**	–
Other assets	**2,363,878**	4,045,310	**2,669,732**	1,371,731
	14,788,674	15,591,187	**13,984,103**	13,939,312
Provisions for impairment and credit losses	**4,127,322**	2,857,922	**4,096,631**	1,996,690
Accounts written off	**(1,144,216)**	(1,334,369)	**(285,884)**	(54,163)
Reversals and other adjustments	**(1,656,696)**	(2,326,066)	**(1,090,526)**	(1,897,736)
Balance at end of year				
AFS investments	**1,176,227**	443,388	**140,000**	182,434
HTM investments (Note 7)	**–**	12,469	**–**	–
Loans and receivables (Note 8)	**11,495,311**	11,426,679	**9,618,333**	9,046,546
Investments in subsidiaries and associates (Note 10)	**106,284**	–	**3,255,871**	2,085,391
Investment properties (Note 11)	**211,972**	542,260	**123,112**	–
Other assets (Note 12)	**3,125,290**	2,363,878	**3,567,008**	2,669,732
	₱16,115,084	₱14,788,674	**₱16,704,324**	₱13,984,103

With the foregoing level of allowance for impairment losses, management believes that the Group has sufficient allowance to cover any losses that the Group may incur from the noncollection or nonrealization of its loans and receivables and other risk assets.

14. **Deposit Liabilities**

This account consists of:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Demand	**₱15,950,754**	₱11,755,328	**₱15,844,053**	₱11,675,256
Savings	**175,780,755**	142,339,247	**169,781,795**	139,346,953
Time	**48,367,741**	52,569,670	**46,337,580**	51,131,946
	₱240,099,250	₱206,664,245	**₱231,963,428**	₱202,154,155

Of the total deposit liabilities of the Group as of December 31, 2006 and 2005, 51.8% and 53.4%, respectively, are subject to periodic interest repricing. Remaining deposit liabilities earn annual fixed interest rates ranging from 0.5% to 4.0% in 2006 and 2005.

Under existing BSP regulations, non-FCDU deposit liabilities of the Parent Company are subject to liquidity reserve equivalent to 11% starting July 15, 2005 (under BSP Circular 491) and statutory reserve equivalent to 10%. In addition, ESB, a thrift bank, is subject to liquidity and statutory reserves equivalent to 2% and 6%, respectively, on its deposit liabilities. As of December 31, 2006 and 2005, the Parent Company and ESB are in compliance with such regulations.

The total liquidity and statutory reserves, as reported to BSP, are as follows:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Cash	**₱7,295,508**	₱6,446,396	**₱7,155,192**	₱6,348,612
Due from BSP	**23,262,456**	7,232,106	**22,611,472**	6,917,169
HTM investments	**7,214,041**	15,734,486	**7,199,228**	15,601,911
	₱37,772,005	₱29,412,988	**₱36,965,892**	₱28,867,692

15. **Bills Payable**

This account consists of borrowings from:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Local banks	**₱5,075,842**	₱2,500,818	**₱–**	₱–
Senior notes	**4,877,178**	5,254,791	**4,877,178**	5,254,791
Foreign banks	**4,542,462**	16,258,421	**4,542,462**	16,258,421
BSP	**791,441**	827,070	**791,441**	827,070
Others	**4,868,934**	4,864,635	**4,114,039**	4,857,885
	₱20,155,857	₱29,705,735	**₱14,325,120**	₱27,198,167

Interbank borrowings with foreign and local banks are mainly short-term borrowings. Peso borrowings are subject to annual fixed interest rates ranging from 4.6% to 12.7% in 2006 and 5.0% to 13.0% in 2005; for foreign denominated borrowings, annual fixed interest rates range from 4.0% to 5.7% in 2006 and 1.9% to 7.0% in 2005.

Interest Expense on Bills payable, borrowings and others consists of:

	Consolidated			Parent Company		
	2006	2005	2004	**2006**	2005	2004
	(In Thousands)					
Bills payable	**₱1,068,438**	₱1,203,030	₱988,403	**₱825,390**	₱847,246	₱927,162
Borrowings	**318,758**	329,206	–	**318,758**	329,206	–
Others (Note 16)	**1,035,615**	1,340,718	1,733,599	**1,035,615**	1,560,056	1,733,599
	₱2,422,811	₱2,872,954	₱2,722,002	**₱2,179,763**	₱2,736,508	₱2,660,761

Bills payable - BSP mainly represent term borrowings availed through normal open market transactions with the BSP. These are collateralized by eligible receivables from customers. Bills payable - others mainly represent funds obtained from DBP, LBP and SSS, which the Parent Company relends to borrowers availing of certain financing programs of these institutions.

On November 23, 2004, the Parent Company's BOD approved the issuance of senior bonds. Relative to this, on February 18, 2005 the Parent Company issued US$100 million, 6.5% senior notes due 2008. The issuance of the bonds under the terms approved by the BOD was approved by the BSP on January 31, 2005.

Among the significant terms and conditions of the issuance of the senior notes are:

a. Issue price at 99.3% of the principal amount;

b. The senior notes bear interest at the rate of 6.5% per annum from and including February 18, 2005 to but excluding February 19, 2008. Interest will be payable semi-annually in arrears on February 19 and August 19 of each year, commencing August 19, 2005, except that the first payment of interest will be in respect of the period from and including February 18, 2005 but excluding August 19, 2005;

c. The senior notes will constitute direct, senior, unconditional, and unsecured obligations of the Parent Company and claims in respect of the notes shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Parent Company under the senior notes shall at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Parent Company, including liabilities in respect of deposits;

d. The Parent Company may redeem the senior notes in whole but not in part at redemption price equal to 100% of the principal amount of the Notes together with accrued and unpaid interest to the date fixed for redemption upon the occurrence of certain changes affecting taxation in the Philippines, as more particularly specified in the covering offering circular;

e. The 2008 senior notes are not guaranteed or insured by the PDIC and are not deposit liabilities of the Parent Company.

16. **Subordinated Notes Payable**

On October 15, 2002, the Parent Company's BOD approved the raising of Lower Tier 2 capital through the issuance in the international capital market of subordinated bonds maturing in 10 years but with a call option exercisable after 5 years subject to the provisions of BSP Circular No. 280. The bonds bear a coupon rate of 9.4% per annum with provision for step-up after five (5) years.

The issuance of the foregoing subordinated notes under the terms approved by the BOD was approved by the BSP under Monetary Board (MB) Resolution No. 1660 dated November 12, 2002, as amended by MB Resolution No. 753 dated May 29, 2003.

Relative to this, on May 16, 2003 and June 5, 2003, the Parent Company issued US$130.0 million and US$70.0 million, respectively, 9.4% subordinated notes due 2013. Among the significant terms and conditions of the issuance of the subordinated notes are:

a. Issue price at 98.7% and 101.5% of their principal amount;

b. The subordinated notes bear interest at the rate of 9.4% per annum from and including May 23, 2003 to but excluding July 1, 2008. Unless the call option is exercised, the interest rate from and including July 1, 2008 to but excluding July 1, 2013 will be reset at the U.S. Treasury rate plus 10.8% per annum. Interest will be payable semi-annually in arrears on January 1 and July 1 of each year, commencing July 1, 2003;

c. The subordinated notes will constitute direct, unconditional, unsecured and subordinated obligations of the Parent Company and will at all times rank *pari passu* and without any preference among themselves but in priority to the rights and claims of holders of all classes of equity securities of the Parent Company including holders of preference shares (if any);

d. The Parent Company may redeem the subordinated notes in whole but not in part at redemption price equal to 100% of the principal amount of the subordinated notes together with accrued and unpaid interest on July 1, 2008, subject to the prior consent of the BSP and the compliance by the Parent Company with the prevailing requirements for the granting by the BSP of its consent therefore;

e. Each noteholder by accepting a 2013 subordinated note will irrevocably agree and acknowledge that (i) it may not exercise or claim any right of set-off in respect of any amount owed to it by the Parent Company arising under or in connection with the subordinated notes and (ii) it shall, to the fullest extent permitted by applicable law, waive and be deemed to have waived all such rights of set-off; and

f. The subordinated notes are not deposits of the Parent Company and are not guaranteed or insured by the Parent Company or any party related to the Parent Company or the Philippine Deposit Insurance Corporation (PDIC) and they may not be used as collateral for any loan made by the Parent Company or any of its subsidiaries or affiliates. Also, the subordinated notes may not be redeemed at the option of the noteholders.

As of December 31, 2006 and 2005, the Parent Company was in compliance with the terms and conditions upon which the subordinated notes have been issued.

17. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2006	2005	**2006**	2005
	(In Thousands)			
Bills purchased - contra	**₱11,977,501**	₱13,496,370	**₱11,952,514**	₱13,476,833
Accounts payable	**3,607,344**	2,902,767	**2,174,173**	1,718,790
Deposits on lease contracts	**1,531,877**	1,332,267	**–**	–
Payment order payable	**867,659**	792,788	**867,659**	792,788
Unearned income and other deferred credits	**712,835**	2,843,981	**111,396**	490,638
Sundry and other credits	**334,580**	284,043	**333,619**	283,201
Margin deposits	**168,084**	222,682	**168,084**	222,682
Withholding tax payable	**160,510**	171,784	**104,912**	113,244
Due to Bangko Sentral ng Pilipinas	**142,887**	51,570	**140,676**	48,845
Derivative liability	**113,112**	397,480	**113,112**	397,480
Deferred tax liability (Note 24)	**111,671**	57,139	–	–
Net pension liability (Note 20)	**39,288**	5,650	**27,177**	–
Miscellaneous	**1,401,205**	516,716	**1,218,636**	1,475,261
	₱21,168,553	₱23,075,237	**₱17,211,958**	₱19,019,762

18. **Maturity Profile of Assets and Liabilities**

The following tables present the assets and liabilities by contractual maturity and settlement dates as of December 31, 2006 and 2005:

	Consolidated					
	2006			2005		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
			(In Thousands)			
Financial Assets						
Cash and other cash items	**₱8,663,488**	**₱–**	**₱8,663,488**	₱7,541,236	₱–	₱7,541,236
Due from BSP	**23,262,456,**	**–**	**23,262,456**	7,232,106	–	7,232,106
Due from other banks	**6,520,845**	**–**	**6,520,845**	4,676,319	–	4,676,319
IBLR and SPURA	**26,428,229**	**1,144,033**	**27,572,262**	16,637,243	1,562,381	18,199,624
Securities at FVPL	**15,533,191**	**7,228,228**	**22,761,419**	10,313,484	15,748,398	26,061,882
AFS investments	**5,766,872**	**5,030,091**	**10,796,963**	3,503,952	14,048,208	17,552,160
HTM investments (Note 7)	**6,703,454**	**23,199,920**	**29,903,374**	16,339,358	16,157,056	32,496,414
Unquoted debt securities classified as loans (Note 8)	**340,493**	**9,674,007**	**10,014,500**	86,582	2,648,270	2,734,852
Loans and receivables - gross (Note 8)	**125,449,373**	**40,152,469**	**165,601,842**	108,231,222	43,110,935	151,342,157
Investments in subsidiaries and associates	**–**	**310,511**	**310,511**	–	290,772	290,772
Other assets:						
Interoffice float items - net (Note 12)	**2,247,833**	**–**	**2,247,833**	3,310,905	–	3,310,905
	220,916,234	**86,739,259**	**307,655,493**	177,872,407	93,566,020	271,438,427
Nonfinancial Assets						
Property and equipment	**1,161,446**	**8,336,685**	**9,498,131**	858,280	8,925,905	9,784,185
Investment properties (Note 11)	**205,000**	**17,882,175**	**18,087,175**	181,535	18,797,087	18,978,622
Goodwill	**–**	**15,680,124**	**15,680,124**	–	15,680,124	15,680,124
Other assets - gross (Note 12)	**13,025,352**	**–**	**13,025,352**	13,421,342	–	13,421,342
	14,391,798	**41,898,984**	**56,290,782**	14,461,157	43,403,116	57,864,273
Less: Allowance for impairment and credit losses (Note 13)			**16,115,084**			14,788,674
Unearned interest and discounts			**2,689,366**			2,462,440
			18,804,450			17,251,114
	₱235,308,032	**₱128,638,243**	**₱345,141,825**	₱192,333,564	₱136,969,136	₱312,051,586

	Consolidated					
	2006			2005		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
			(In Thousands)			
Financial Liabilities						
Deposit liabilities (Note 14)	**₱232,220,116**	**₱7,879,134**	**₱240,099,250**	₱194,733,210	₱11,931,035	₱206,664,245
Bills payable (Note 15)	**11,538,389**	**8,617,468**	**20,155,857**	19,774,196	9,931,539	29,705,735
Deposit on lease contracts	**424,097**	**1,107,780**	**1,531,877**	268,303	1,063,964	1,332,267
Outstanding acceptances	**960,980**	–	**960,980**	615,944	–	615,944
Manager's checks and demand drafts outstanding	**1,422,304**	–	**1,422,304**	912,091	–	912,091
Accrued interest payable	**1,051,145**	–	**1,051,145**	794,639	–	794,639
Subordinated notes payable	–	**9,691,113**	**9,691,113**	–	10,474,797	10,474,797
Other liabilities (Note 17):						
Bills purchased - contra	**11,977,501**	–	**11,977,501**	13,496,370	–	13,496,370
Accounts payable	**3,603,122**	**4,222**	**3,607,344**	2,902,767	–	2,902,767
Derivative liability	**113,112**	–	**113,112**	397,480	–	397,480
Payment order payable	**867,659**	–	**867,659**	792,788	–	792,788
Sundry and other credits	**334,580**	–	**334,580**	284,043	–	284,043
Margin deposits	**168,084**	–	**168,084**	222,682	–	222,682
Due to BSP	**142,887**	–	**142,887**	51,570	–	51,570
	264,823,976	**27,299,717**	**292,123,693**	235,246,083	33,401,335	268,647,418
Nonfinancial Liabilities						
Accrued taxes and other expenses	**3,111,319**	–	**3,111,319**	2,311,484	–	2,311,484
Other Liabilities	**2,313,838**	**111,671**	**2,425,509**	3,538,131	57,139	3,595,270
	₱270,249,133	**₱27,411,388**	**₱297,660,521**	₱241,095,698	₱33,458,474	₱274,554,172

	Parent Company					
	2006			2005		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
	(In Thousands)					
Financial Assets						
Cash and other cash items	**₱8,381,197**	**₱–**	**₱8,381,197**	₱7,199,793	₱–	₱7,199,793
Due from BSP	**22,611,472**	**–**	**22,611,472**	6,917,169	–	6,917,169
Due from other banks	**3,801,286**	**–**	**3,801,286**	3,842,373	–	3,842,373
IBLR and SPURA	**26,588,229**	**1,144,033**	**27,732,262**	16,637,243	1,562,381	18,199,624
Securities at FVPL	**15,393,517**	**7,228,228**	**22,621,745**	10,172,633	15,748,398	25,921,031
AFS investments	**3,799,319**	**4,168,697**	**7,968,016**	1,678,429	13,862,062	15,540,491
HTM investments (Note 7)	**6,441,625**	**23,111,082**	**29,552,707**	16,326,331	15,874,633	32,200,964
Unquoted debt securities classified as loans	**328,508**	**9,330,640**	**9,659,148**	252,769	1,832,084	2,084,853
Loans and receivables - gross (Note 8)	**112,051,475**	**29,804,211**	**141,855,686**	89,035,708	51,808,219	140,843,927
Investments in subsidiaries and associates	**–**	**11,754,200**	**11,754,200**	–	11,050,975	11,050,975
Other assets: (Note 12)						
Interoffice float items - net	**2,125,288**	**–**	**2,125,288**	3,211,309	–	3,211,309
Receivables from SPVs	**–**	**3,336,056**	**3,336,056**	–	3,336,056	3,336,056
	201,521,916	**89,877,147**	**291,399,063**	155,273,757	115,074,808	270,348,565
Nonfinancial Assets						
Investment property (Note 11)	**180,192**	**15,108,061**	**15,288,253**	181,535	15,751,416	15,932,951
Property and equipment	**883,575**	**7,883,720**	**8,767,295**	858,280	8,242,194	9,100,474
Goodwill	**–**	**15,680,124**	**15,680,124**	–	15,680,124	15,680,124
Other assets - gross (Note 12)	**7,340,808**	**–**	**7,340,808**	7,724,881	–	7,724,881
	8,404,575	**38,671,905**	**47,076,480**	8,764,696	39,673,734	48,438,430
Less: Allowance for impairment and credit losses (Note 13)			**16,704,324**			13,984,103
Unearned interest and discounts			**951,382**			1,291,855
			17,655,706			15,275,958
	₱209,926,491	**₱128,549,052**	**₱320,819,837**	₱164,038,453	₱154,748,542	₱303,511,037

	Parent Company					
	2006			2005		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
			(In Thousands)			
Financial Liabilities						
Deposit liabilities (Note 14)	**₱226,557,311**	**₱5,406,117**	**₱231,963,428**	₱192,142,998	₱10,011,157	₱202,154,155
Bills payable (Note 15)	**5,698,032**	**8,627,088**	**14,325,120**	17,266,628	9,931,539	27,198,167
Outstanding acceptances	**960,980**	**–**	**960,980**	615,944	–	615,944
Manager's checks and demand drafts outstanding	**1,293,530**	**–**	**1,293,530**	891,704	–	891,704
Accrued interest payable	**620,818**	**–**	**620,818**	526,999	–	526,999
Subordinated notes payable	**–**	**9,691,113**	**9,691,113**	–	10,474,797	10,474,797
Other liabilities: (Note 17)						
Bills purchased - contra	**11,952,514**	**–**	**11,952,514**	13,476,833	–	13,476,833
Accounts payable	**2,169,951**	**4,222**	**2,174,173**	1,718,790	–	1,718,790
Payment order payable	**867,659**	**–**	**867,659**	792,788	–	792,788
Sundry and other credits	**333,619**	**–**	**333,619**	283,201	–	283,201
Margin Deposits	**168,084**	**–**	**168,084**	222,682	–	222,682
Due to BSP	**140,676**	**–**	**140,676**	48,845	–	48,845
Derivative liability	**113,112**	**–**	**113,112**	397,480	–	397,480
	250,876,286	**23,728,540**	**274,604,826**	228,384,892	30,417,493	258,802,385
Nonfinancial Liabilities						
Accrued taxes and other expenses	**1,851,859**	**–**	**1,851,859**	1,580,717	–	1,580,717
Other Liabilities	**1,462,121**	**–**	**1,462,121**	2,079,143	–	2,079,143
	₱254,190,266	**₱23,728,540**	**₱277,918,806**	₱232,044,752	₱30,417,493	₱262,462,245

19. **Equity**

The Parent Company's capital stock consists of:

	2006	2005	2004
		(In Thousands)	
Common stock - ₱10 par value			
Authorized - 1,000,000,000 shares			
Issued - 727,003,345 shares	**₱7,270,033**	₱7,270,033	₱7,270,033

The Parent Company shares are listed in the PSE.

As of December 31, 2006 and 2005, surplus reserves consist of (in thousands):

	2006	2005	2004
Reserve for trust business	**₱325,219**	₱277,672	₱229,631
Contingencies	**261,428**	261,428	261,428
Self-insurance	**15,000**	15,000	15,000
Other surplus reserves	**4,296**	4,296	4,297
Total	**₱605,943**	₱558,396	₱510,356

Surplus reserves for self-insurance represents the amount set aside to cover for losses due to fire, defalcation by and other unlawful acts of the Parent Company's personnel or third parties.

Parent Company Shares Held by a Subsidiary account represents 78,807,098 shares of the Parent Company purchased by EBCII, its investment house subsidiary. These are carried at acquisition cost of ₱7.47 billion. In the Parent Company financial statements, such shares are shown as advances to subsidiaries and are carried at the same amount. In its letter dated October 25, 2005, the BSP required EBCII to sell the EPCIB shares or consider the reversal of the accounting entries in the books of EPCIB and EBCII pertaining to these transactions as options for retiring the shares. On March 31, 2006, the Parent Company's BOD approved the reversal of the accounting entries in the books of the Parent Company to effect the cancellation of its advances to EBCII. The BOD agreed, with the confirmation of its external legal counsel, that such cancellation is legally feasible and will serve to restore to the Parent Company the shares held by its subsidiary against a corresponding elimination of the Parent Company's advances to EBCII. On August 31, 2006, EBCII accepted the binding offer of Ms. Teresita T. Sy on behalf of the Sy Family and/or their nominees in keeping with the intent of the Parent Company to have the shares sold as early as possible in a manner that assures fairness and transparency, and in compliance with the directive of the BSP. The sale of 78,807,098 common shares of the Parent Company at ₱92.00 per share or a total consideration of ₱7,250,253,016 is payable in cash as follows:

Downpayment on closing date	10%	₱725,025,301.60
8 months from closing date	10%	725,025,301.60
16 months from closing date	10%	725,025,301.60
24 months from closing date	70%	5,075,177,111.20

On September 19, 2006, the Parent Company's BOD accepted the binding offer of Ms. Teresita T. Sy. On September 25, 2006, EBCII entered into a Sale and Purchase of Shares Agreement with SM Investments Corporation, in concert with its affiliates covering the 78,807,098 common shares of the Parent Company. On October 2, 2006, the closing date, subject shares were cross-sold in the PSE subject to the terms approved by the respective BODs of EBCII and the Parent Company.

On November 6, 2006, the respective BOD of the Parent Company and Banco de Oro, Inc. (BDO) approved and endorsed to their respective shareholders a Plan of Merger for the merger of the Parent Company and BDO with BDO as the surviving entity. The merger shall be effected through a swap of shares whereby BDO shall issue 1.8 of its share for each Parent Company's share. The Merged Bank will be known as Banco de Oro - EPCI, Inc.

The Plan of Merger was approved by the respective shareholders of the Parent Company and BDO in separate meetings on December 27, 2006. Thereafter, the Plan of Merger and related documents shall be submitted to SEC and BSP for approval. The Parent Company expects the legal merger to be effected within the first quarter of 2007.

In 2005, ESB's 2004 financial statements were restated to charge against the 2004 beginning Surplus the following: (a) capital deficiency of MDB as of December 31, 2003 amounting to ₱764.0 million (and include the 2004 restated results of operations amounting to ₱293.5 million in the 2004 results of operations of the merged entity); and (b) unamortized capitalized losses of MDB in 2004 amounting to ₱198.6 million (and reverse the amortization of such capitalized net losses in 2004 amounting to ₱39.7 million).

On January 18, 2005, the Parent Company's BOD approved the declaration of cash dividends at the rate of sixty centavos (₱0.60) per share or ₱436.2 million. Such declaration was approved by BSP on April 1, 2005.

The determination of the Parent Company's compliance with regulatory requirements and ratios is based on the amount of the Parent Company's unimpaired capital (regulatory capital) as reported to the BSP, which is determined on the basis of regulatory accounting practices which differ from PFRS in some respects.

Specifically, under existing banking regulations, the combined capital accounts of each commercial bank should not be less than an amount equal to ten percent (10%) of its risk assets. Risk assets is defined as total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the MB of the BSP.

Under BSP Circular No. 360, effective July 1, 2003, the capital-to-risk assets ratio (CAR) is to be inclusive of a market risk charge. Using this formula, the CAR of the Group was 15.5% and 11.3% as of December 31, 2006 and 2005, respectively, while that of the Parent Company was 11.2% and 10.0% (as restated), respectively.

In compliance with BSP regulations, 10% of the Parent Company's profit from trust business is appropriated to surplus reserve. This annual appropriation is required until the surplus reserves for trust business equals 20% of the Parent Company's authorized capital stock.

20. **Retirement Plans**

The Group has separate funded noncontributory defined benefit retirement plans covering substantially all its officers and regular employees. Under these retirement plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

The Group's annual contribution to the retirement plan consists of a payment covering the current service cost, amortization of the unfunded actuarial accrued liability and interest on such unfunded actuarial liability.

The following table shows the actuarial valuation results of the Parent Company and some of its subsidiaries as of January 1, 2006 and 2005:

		January 1, 2006				
		Actuarial Assumptions				
	Date of Actuarial Valuation Report	Average Remaining Working Life	Expected Return on Assets	Salary Rate Increase	Discount Rate	Future Pension Increases
Parent Company	January 1, 2006	15	9%	5%	11%	–
PCI Leasing	January 1, 2006	15	9%	5%	11%	–
ECN	January 1, 2006	26	9%	12%	12%	–
ESB	January 1, 2006	14	9%	5%	11%	–
PCI Capital	January 1, 2006	14	9%	5%	11%	–
EIBI	January 1, 2006	14	9%	5%	11%	–
PCIB Securities	January 1, 2006	11	9%	5%	11%	–
PCI Automation	January 1, 2006	14	9%	5%	11%	–
EDCI	January 1, 2006	15	9%	5%	11%	–
Maxicare	January 1, 2006	30	11%	13%	12%	–

		January 1, 2005				
		Actuarial Assumptions				
	Date of Actuarial Valuation Report	Average Remaining Working Life	Expected Return on Assets	Salary Rate Increase	Discount Rate	Future Pension Increases
Parent Company	January 1, 2005	15	9%	5%	14%	–
PCI Leasing	January 1, 2006	15	9%	5%	14%	–
ECN	January 1, 2006	26	11%	10%	12%	–
ESB	January 1, 2006	14	9%	5%	14%	–
PCI Capital	January 1, 2006	14	9%	5%	14%	–
EIBI	January 1, 2006	15	9%	5%	14%	–
PCIB Securities	January 1, 2006	11	9%	5%	14%	–
PCI Automation	January 1, 2006	14	9%	5%	14%	–
EDCI	January 1, 2006	15	9%	5%	14%	–
Maxicare	January 1, 2006	30	11%	13%	12%	–

Discount rates used to arrive at the present value of the obligation of the Parent Company and some of its subsidiaries as of December 31, 2006 and 2005 are as follows:

	December 31	
	2006	2005
Parent Company	*7%*	11%
PCI Leasing	**7%**	11%
ECN	**8%**	12%
ESB	**7%**	11%
PCI Capital	**7%**	11%
EIBI	**7%**	11%
PCIB Securities	**7%**	11%
PCI Automation	**7%**	11%
EDCI	**7%**	11%
Maxicare	**7%**	12%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

The prepaid retirement cost recognized in the Group and the Parent Company's statement of condition is as follows (in thousands):

	Consolidated		**Parent**	
	2006	2005	**2006**	2005
Present value of funded obligation	**₱3,370,883**	₱1,691,015	**₱3,053,866**	₱1,478,560
Fair value of plan assets	**(1,474,584)**	(1,189,181)	**(1,183,969)**	(950,039)
	1,896,299	501,834	**1,869,897**	528,521
Unrecognized transition liability	**(416,806)**	(555,654)	**(416,460)**	(555,279)
Unrecognized actuarial losses	**(1,503,510)**	(58,692)	**(1,426,260)**	(34,658)
Unrecognized actuarial assets due to ceiling test	**8,709**	5,519	–	–
Net pension liability (asset)	**(₱15,308)**	(₱106,993)	**₱27,177**	(₱61,416)

Net pension liability (asset) is included in the statement of condition as follows (in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	2005
Net pension asset	**(₱54,596)**	(₱112,643)	**(₱–)**	(₱61,416)
Net pension liability	**39,288**	5,650	**27,177**	–
	(₱15,308)	(₱106,993)	**₱27,177**	(₱61,416)

The movements in the prepaid retirement cost recognized in the Group and the Parent Company's statement of condition follow (in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
Balance at beginning of year	**(₱106,993)**	(₱48,831)	**(₱61,416)**	₱–
Retirement expense	**348,856**	363,960	**318,757**	349,147
Contribution paid	**(257,171)**	(422,122)	**(230,164)**	(410,563)
Balance at end of year	**(₱15,308)**	(₱106,993)	**₱27,177**	(₱61,416)

Changes in the present value of the defined benefit obligation are as follows (in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
Balance at beginning of year	**₱1,691,015**	₱1,384,391	**₱1,478,560**	₱1,253,712
Interest cost	**186,972**	193,815	**162,641**	175,520
Current service cost	**127,127**	99,496	**102,799**	85,172
Benefits paid	**(216,398)**	(192,524)	**(205,169)**	(166,483)
Actuarial loss	**1,582,167**	205,837	**1,515,035**	130,639
Balance at end of year	**₱3,370,883**	₱1,691,015	**₱3,053,866**	₱1,478,560

The movements in the fair value of plan assets recognized follow (in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
Balance at beginning of year	**₱1,189,181**	₱771,396	**₱950,039**	₱559,613
Expected return on plan assets	**108,046**	70,985	**85,503**	50,365
Contribution paid by employer	**257,171**	422,122	**230,164**	410,563
Benefits paid	**(216,398)**	(192,524)	**(205,169)**	(166,483)
Actuarial gains	**136,584**	117,202	**123,432**	95,981
Balance at end of year	**₱1,474,584**	₱1,189,181	**₱1,183,969**	₱950,039

The Group and the Parent Company expects to contribute ₱581.8 million and ₱553.4 million, respectively, to its defined benefit pension plan in 2007.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
Debt instruments	**73%**	71%	**71%**	70%
Investments in real estate	**11%**	14%	**14%**	18%
Equity instruments	**10%**	7%	**10%**	7%
Other assets	**6%**	8%	**5%**	5%

The Group and the Parent Company opted to adopt the prospective approach in accounting for transition liability of ₱694.3 million and ₱694.1 million, respectively, when it adopted PAS 19 in 2005. Such amount is being amortized over five (5) years beginning January 1, 2005.

The amounts included in Compensation and Fringe Benefits in the Group and Parent Company's statements of income are as follows (in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
Current service cost	**₱127,127**	₱99,496	**₱102,799**	₱85,172
Interest cost	**186,972**	193,815	**162,641**	175,520
Expected return on plan assets	**(108,046)**	(70,985)	**(85,503)**	(50,365)
Amortization of transition liability	**138,850**	138,850	**138,820**	138,820
Net actuarial gain (loss) recognized during the year	**764**	(703)	**–**	–
Effect of asset ceiling test	**3,189**	3,487	**–**	–
	₱348,856	₱363,960	**₱318,757**	₱349,147
Actual return on plan assets	**₱243,690**	₱188,188	**₱208,936**	₱146,346

Amounts for the current and previous years are as follows (in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
Present value of funded obligation	**₱3,370,883**	₱1,691,015	**₱3,053,866**	₱1,478,560
Fair value of plan assets	**(1,474,584)**	(1,189,181)	**(1,183,969)**	(950,039)
Deficit	**1,896,299**	501,834	**1,869,897**	528,521
Experience adjustment on plan assets	**(136,584)**	(117,202)	**(123,432)**	(95,981)
Experience adjustment on plan liabilities	**526,439**	(184,967)	**530,713**	(212,336)

21. **Lease Contracts**

The Parent Company leases the premises occupied by some of its branches, including those of its subsidiaries. The lease contracts are for periods ranging from 1 to 20 years and are renewable at the Group's option under certain terms and conditions. Various lease agreements include escalation clauses, most of which bear an annual rent increase of 5% to 10%. As of December 31, 2006 and 2005, the Group has no contingent rent payable.

Total rent expense (included under Occupancy and other equipment-related expenses) incurred by the Group amounted to ₱702.2 million ₱603.1 million and ₱581.5 million in 2006, 2005 and 2004, respectively, of which ₱521.5 million, ₱502.1 million and ₱495.5 million in 2006, 2005 and 2004, respectively, was incurred by the Parent Company.

Future minimum lease rentals payable under non-cancelable operating leases follow:

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
	(In Thousands)			
Within one year	**₱299,142**	₱267,120	**₱271,613**	₱251,085
After one year but not more than five years	**838,684**	853,559	**833,314**	836,591
After more than five years	**219,564**	233,367	**182,739**	233,367
	₱1,357,390	₱1,354,046	**₱1,287,666**	₱1,321,043

The Group has entered into commercial property leases on the Group's surplus offices. These non-cancelable leases have remaining non-cancelable lease terms of between 1 and 15 years.

Total rent income earned (included under Other operating income) by the Group amounted to ₱124.6 million, ₱110.2 million and ₱128.1 million in 2006, 2005 and 2004, respectively, of which ₱141.5 million, ₱128.2 million and ₱138.0 million in 2006, 2005 and 2004, respectively, were earned by the Parent Company.

Future minimum rentals receivable under non-cancelable operating leases are as follows:

	Consolidated		Parent	
	2006	2005	**2006**	**2005**
	(In Thousands)			
Within one year	**₱97,990**	₱99,551	**₱94,597**	₱95,393
After one year but not more than five years	**137,860**	145,993	**137,860**	137,043
After more than five years	**7,459**	7,612	**7,459**	7,612
	₱243,309	₱253,156	**₱239,916**	₱240,048

22. **Other Operating Income**

This account consists of:

	Consolidated			Parent Company		
	2006	2005	2004	**2006**	2005	2004
	(In Thousands)					
Gain on disposal of investment properties	**₱926,181**	₱487,459	₱83,394	**₱848,215**	₱389,649	₱82,895
Trust fees (Note 25)	**621,243**	629,570	724,335	**621,243**	629,570	724,335
Rent of investment properties and equipment (Note 21)	**571,714**	599,095	128,140	**141,536**	128,221	137,996
Gain on sale of property and equipment	**106,953**	90,961	34,085	**89,355**	85,809	26,947
Dividends	**100,457**	150,163	61,479	**1,120,052**	460,635	1,156,607
Rent from safety deposit boxes	**25,688**	19,401	19,831	**24,911**	19,401	19,831
Others	**1,071,172**	861,482	1,642,870	**78,754**	461,553	494,523
	₱3,423,408	₱2,838,131	₱2,694,134	**₱2,924,066**	₱2,174,838	₱2,643,134

23. **Other Expenses**

This account consists of:

	Consolidated			Parent Company		
	2006	2005	2004	**2006**	2005	2004
			(In Thousands)			
Transaction dues	**₱474,337**	₱386,981	₱458,219	**₱174,621**	₱178,744	₱174,561
Insurance - PDIC	**422,581**	398,752	376,991	**407,350**	378,603	354,417
Litigation and assets acquired	**376,679**	327,131	360,982	**321,718**	298,283	297,357
Professional fees	**382,341**	263,906	254,204	**174,614**	146,220	152,071
Communication	**342,045**	364,903	373,567	**235,857**	274,259	261,825
Entertainment, amusement and recreation (EAR) (Note 24)	**291,031**	198,787	170,872	**262,787**	174,431	148,876
Freight	**286,177**	140,863	28,672	**263,265**	128,269	20,791
Traveling	**220,107**	216,037	199,442	**137,810**	128,502	120,153
Advertising	**219,676**	570,121	486,507	**69,195**	81,708	52,979
Stationery and Office Supplies	**207,409**	193,792	174,061	**127,738**	126,054	93,060
Fuel and Lubricant	**187,103**	182,563	165,253	**142,144**	138,936	126,839
Assessment Fees	**141,417**	147,571	138,932	**141,206**	147,351	138,708
Others	**1,553,563**	575,584	508,465	**918,456**	388,528	371,349
	₱5,104,466	₱3,966,991	₱3,696,167	**₱3,376,761**	₱2,589,888	₱2,312,986

24. **Income and Other Taxes**

Under Philippine tax laws, the RBU of the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as Taxes and Licenses in the statement of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax or GRT and documentary stamp taxes. Income taxes include the corporate income tax, as discussed below, and final taxes paid at the rate of 20%, which is a final withholding tax on gross interest income from government securities and other deposit substitutes.

Under current tax regulations, the Regular Corporate Income Tax (RCIT) rate is 32%. Interest allowed as a deductible expense is reduced by an amount equivalent to 38% of interest income subjected to final tax. In addition, current tax regulations provide for the ceiling on the amount of EAR that can be claimed as a deduction against taxable income. Under the regulation, EAR allowed as deductible expense for a service company like the Parent Company is limited to the actual EAR paid or incurred but not to exceed 1% of net revenue. The regulations also provide for Minimum corporate Income Tax (MCIT) of 2% on modified gross income and allow net operating loss carry over (NOLCO). The Parent Company and Group MCIT and NOLCO may be applied against the Parent Company's and Group's income tax liability and taxable income, respectively, over a three-year period from the year of inception.

RA No. 9337, An Act Amending National Internal Revenue Code, provides that the RCIT rate shall be 35% until December 31, 2008. Starting January 1, 2009 the RCIT rate shall be 30%. The interest allowed as a deductible expense is reduced by 42% (formerly 38%) of interest income subjected to final tax under the 35% corporate tax regime and 33% under the 30% corporate tax regime. It also provides for the change in GRT rate from 5% to 7%. However, such amendments were the subject of a temporary restraining order by the Supreme Court. On October 8, 2005, the Supreme Court ruled that RA No. 9337 is constitutional and effective on November 1, 2005.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 7.5%. RA No. 9294, which became effective in May 2004, provides that the income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10% income tax.

Provision for (benefit from) income tax consists of:

	Consolidated			Parent Company		
	2006	2005	2004	**2006**	2005	2004
			(In Thousands)			
Current*	**₱1,052,770**	₱664,896	₱768,759	**₱569,363**	₱493,068	₱366,524
Deferred	**503,115**	1,511,540	(1,844,489)	**476,298**	1,210,387	(1,924,393)
	₱1,555,885	₱2,176,436	(₱1,075,730)	**₱1,045,661**	₱1,703,455	(₱1,557,869)

* Includes income taxes of foreign subsidiaries and branches

Components of the net deferred tax assets (included in Other Assets) follow:

	Consolidated		Parent	
	2006	2005	**2006**	2005
		(In Thousands)		
Credited to operations				
Tax effects of:				
Allowance for impairment losses	**₱4,811,267**	₱4,103,747	**₱4,571,780**	₱3,817,815
NOLCO	**766,849**	1,933,046	**634,508**	1,828,595
Unamortized past service costs	**308,637**	297,067	**302,655**	292,580
Capitalized interest	**(100,133)**	(102,904)	**(100,133)**	(102,904)
Lease income/expense differential	**97,965**	(35,344)	**78,641**	93,475
Investment properties	**22,602**	(159,105)	**104,357**	(159,105)
Others	**(47,313)**	135,909	**(62,416)**	48,357
MCIT	**16,820**	187,320	–	186,877
	5,876,694	6,359,736	**5,529,392**	6,005,690
Charged against equity				
Revaluation increment in property	**(578,407)**	(578,407)	**(578,407)**	(578,407)
	₱5,298,287	₱5,781,329	**₱4,950,985**	₱5,427,283

Components of the net deferred tax liabilities (included in Other Liabilities) follow:

	Consolidated		Parent	
	2006	2005	**2006**	2005
		(In Thousands)		
Credited to operations				
Tax effects of:				
Lease income/expense differential	**₱148,581**	₱128,839	**₱–**	₱–
Allowance for impairment losses	**(91,140)**	(74,712)	**–**	–
Unamortized past service costs	**(1,008)**	(223)	**–**	–
Fair value increase of investment properties	**(1,317)**	–	**–**	–
Others	**10,674**	(8,187)	–	–
	65,790	45,717	**–**	–
Charged against equity			**–**	–
AFS unrealized gain	**45,881**	11,422	**–**	–
	₱111,671	₱57,139	**₱–**	₱–

The Parent Company and certain subsidiaries did not recognize deferred tax assets on the following temporary differences:

	Consolidated		Parent	
	2006	2005	**2006**	2005
		(In Thousands)		
NOLCO	**₱6,289,722**	₱2,449,625	**₱5,697,607**	₱2,143,843
Allowance for impairment losses	**1,930,428**	368,174	**–**	–
Accrued leave credits	**374,501**	349,501	**374,501**	349,501
MCIT	**233,896**	6,213	**217,156**	–
Others	**–**	71,653	**–**	71,653
	₱8,828,547	₱3,245,166	**₱6,289,264**	₱2,564,997

Management believes that it is not likely that these temporary differences will be realized in the future.

A reconciliation between the statutory income tax and provision for (benefit from) income tax follows:

	Consolidated			Parent Company		
	2006	2005	2004	**2006**	2005	2004
Statutory income tax	**35.00%**	32.50%	32.00%	**35.00%**	32.50%	32.00%
Tax effects of:						
Nondeductible expenses	**27.62**	6.28	7.77	**61.27**	7.72	27.46
FCDU income	**(28.73)**	(20.96)	(51.90)	**(50.41)**	(25.77)	(93.35)
Tax-exempt and tax-paid income	**(25.90)**	(12.55)	(32.55)	**(54.22)**	(15.43)	(47.35)
Nondeductible interest expense	**4.60**	3.48	17.89	**8.08**	4.28	13.86
Others - net	**18.51**	35.00	(48.01)	**36.98**	38.80	(127.45)
Provision for (benefit from) income tax	**31.10%**	43.75%	(74.80%)	**36.70%**	42.10%	(194.83%)

Income tax payable included under Accrued Taxes and Other Expenses amounted to ₱344.6 million and ₱302.3 million for the Group and ₱76.6 million and ₱89.9 million for the Parent Company as of December 31, 2006 and 2005, respectively. Allowable EAR of the Parent Company for tax deduction amounted to ₱188.5 million and ₱175.8 million (included in Other expenses in the statement of income) in 2006 and 2005, respectively.

The details of the Group's NOLCO and MCIT follow:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
NOLCO				
2003	₱1,211,421	₱1,211,421	₱–	2006
2004	316,198	–	316,198	2007
2005	3,193,948	–	3,193,948	2008
2005	3,910,006	–	3,910,006	2010
2006	1,320,592	–	1,320,592	2009
	₱9,952,165	₱1,211,421	₱8,740,744	

(Forward)

Inception Year	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
MCIT				
2003	₱28,316	₱28,316	₱–	2006
2004	80,503	–	80,503	2007
2005	84,714	–	84,714	2008
2006	85,499	–	85,499	2009
	₱279,032	₱28,316	₱250,716	

The details of the Parent Company's NOLCO and MCIT follow:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
		(In Thousands)		
NOLCO				
2003	₱1,182,806	₱1,182,806	₱–	2006
2004	94,530	–	94,530	2007
2005	2,670,856	–	2,670,856	2008
2005	3,910,006	–	3,910,006	2010
2006	1,137,242	–	1,137,242	2009
	₱8,995,440	₱1,182,806	₱7,812,634	
MCIT				
2003	₱27,694	₱27,694	₱–	2006
2004	73,385	–	73,385	2007
2005	72,809	–	72,809	2008
2006	70,962	–	70,962	2009
	₱244,850	₱27,694	₱217,156	

25. **Trust Operations**

Securities and other properties (other than deposits) held by the Parent Company in fiduciary or agency capacities for clients (and beneficiaries) are not included in the accompanying statement of condition since these are not assets of the Parent Company.

Government securities with total face value of ₱808.7 billion and ₱981.8 million as of December 31, 2006 and 2005, respectively, are deposited with the BSP in compliance with existing banking regulations relative to the trust functions of the Parent Company. The carrying values of the government securities with the BSP amounted to ₱827.2 billion and ₱986.2 million as of December 31, 2006 and 2005.

Additionally, a certain percentage of the Parent Company's trust income is transferred to Surplus Reserve until such reserve for trust functions amounts to 20% of the Parent Company's authorized capital stock. No part of such Surplus Reserve shall at any time be paid out as dividends.

Also, in accordance with BSP regulations, the common trust funds managed by the Parent Company's trust department maintain reserve deposit account with the BSP and government securities to meet the reserve requirement on peso-denominated common trust funds and other similarly managed funds. As of December 31, 2006 and 2005, the balance of the BSP reserve deposit account amounted to ₱78.0 million and ₱2.7 billion, respectively, while government securities amounted to ₱22.1 million and ₱3.0 billion, respectively.

26. **Segment Information**

The Group's operating businesses are organized and managed separately according to the nature of services provided and the different markets served with a segment representing a strategic business unit. The Group's business segments are as follows:

Consumer and Retail Banking - principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit card facilities and fund transfer facilities;

Commercial Banking - principally handling commercial customers' deposits, and providing products and services to its commercial middle market customers, mainly small-medium-sized enterprises;

Corporate Banking - principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;

Investment Banking - principally arranging structured financing, and providing services relating to privatizations, initial public offerings, mergers and acquisitions; and

Treasury - principally providing money market, trading and treasury services, as well as the management of the Parent Company's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale banking.

These segments are the basis on which the Group reports its primary segment information. Other operations of the Group comprise the operations and financial control groups. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged against or credited to business segments based on a pool rate, which approximates the marginal cost of funds.

Segment information of the Group for the year ended December 31, 2006, 2005 and 2004 follows:

	2006						
	Consumer and Retail Banking	**Commercial Banking**	**Corporate Banking**	**Investment Banking**	**Treasury**	**Others**	**Total**
Gross income	**₱7,987,313**	**₱5,246,980**	**₱3,640,728**	**₱440,851**	**₱10,260,664**	**₱4,552,176**	**₱32,128,712**
Segment result	**₱4,534,605**	**₱919,902**	**₱1,030,771**	**₱299,885**	**₱3,528,486**	**₱441,466**	**₱10,755,115**
Unallocated costs							**5,775,637**
Profit from operations							**4,979,478**
Equity in net income of associates							**22,739**
Income before tax							**5,002,217**
Income tax expense							**(1,555,885)**
Minority interest							**(181,153)**
Net income for the year attributable to the Parent Company							**₱3,265,179**
Other Information							
Segment assets	**₱46,323,463**	**₱54,133,155**	**₱53,963,305**	**₱3,077,024**	**₱111,857,861**	**₱50,657,824**	**₱320,012,632**
Intra-segment assets							**4,850,617**
Investments in associates							**204,227**
Unallocated assets							**20,074,349**
Total assets							**₱345,141,825**
Segment liabilities	**₱43,412,080**	**₱48,340,215**	**₱43,566,943**	**₱2,970,873**	**₱112,087,482**	**₱47,282,928**	**₱297,660,521**
Other Segment Information							
Depreciation and amortization	**₱789,190**	**₱40,034**	**₱7,420**	**₱5,745**	**₱54,653**	**₱502,095**	**₱1,399,137**

	2005						
	Consumer and Retail Banking	Commercial Banking	Corporate Banking	Investment Banking	Treasury	Others	Total
Gross income	₱7,459,910	₱5,450,925	₱3,214,859	₱477,074	₱7,931,032	₱4,074,487	₱28,608,287
Segment result	₱3,816,821	₱1,344,352	₱335,259	₱253,277	₱2,804,568	₱1,852,955	₱10,407,232
Unallocated costs							5,433,512
Profit from operations							4,973,720
Equity in net income of associates							562
Income before tax							4,974,282
Income tax expense							(2,176,436)
Minority interest							(99,461)
Net income for the year attributable to the Parent Company							₱2,698,385
Other Information							
Segment assets	₱45,362,395	₱58,662,288	₱48,732,627	₱2,906,429	₱90,754,073	₱38,696,397	₱285,114,209
Intra-segment assets							3,310,904
Investments in associates							290,772
Unallocated assets							23,335,701
Total assets							₱312,051,586
Segment liabilities	₱43,865,620	₱55,192,788	₱39,590,955	₱2,494,470	₱93,630,618	₱39,779,721	₱274,554,172
Other Segment Information							
Depreciation and amortization	₱685,945	₱36,917	₱7,558	₱5,795	₱58,069	₱532,642	₱1,326,926

	2004						
	Consumer and Retail Banking	Commercial Banking	Corporate Banking	Investment Banking	Treasury	Others	Total
Gross income	₱7,855,150	₱4,895,093	₱2,923,139	₱500,796	₱4,601,389	₱3,660,155	₱24,435,722
Segment result	₱1,670,258	₱1,152,074	₱557,852	₱262,597	₱1,647,054	₱2,102,419	₱7,392,254
Unallocated costs							5,932,394
Profit from operations							1,459,860
Equity in net income of associates							(21,748)
Income before tax							1,438,112
Income tax benefit							1,075,730
Minority interest							(101,762)
Net income for the year attributable to the Parent Company							₱2,412,080
Other Information							
Segment assets	₱47,774,060	₱58,585,980	₱56,602,288	₱1,798,903	₱74,226,071	₱36,218,402	₱275,205,704
Intra-segment assets							2,387,584
Investments in associates							4,660,552
Unallocated assets							23,270,007
Total assets							₱305,523,847
Segment liabilities	₱45,980,876	₱55,215,867	₱45,874,590	₱1,747,559	₱81,353,909	₱32,795,181	₱262,967,982
Other Segment Information							
Depreciation and amortization	₱571,570	₱12,533	₱6,966	₱5,212	₱57,748	₱672,517	₱1,326,546

27. Commitments and Contingent Liabilities

In the normal course of business, the Group enters into various commitments and incurs contingent liabilities that are not presented in the accompanying financial statements. The Group does not anticipate any material losses as a result of these commitments and contingent liabilities.

The following is a summary of the commitments and contingent liabilities at their equivalent peso contractual amounts as of December 31, 2006 and 2005:

	Consolidated		Parent	
	2006	2005	**2006**	2005
	(In Thousands)			
Trust department accounts (Note 25)	**₱73,226,292**	₱109,694,557	**₱73,226,292**	₱109,694,557
Unused commercial letters of credit	**9,884,944**	8,182,676	**9,884,944**	8,167,676
Inward bills for collection	**9,803,298**	3,078,970	**9,803,298**	3,078,970
Guarantees issued	**2,668,030**	443,320	**2,668,030**	443,320
Committed credit line	**1,043,326**	625,603	**1,043,326**	625,603
Late deposits/payments received	**647,541**	665,908	**638,260**	660,259
Outward bills for collection	**514,647**	846,962	**512,988**	846,777
Traveler's check unsold	**123,003**	136,590	**123,003**	136,590
Confirmed export letters of credit	**25,445**	22,791	**25,445**	22,791
Others	**63,159**	3,526	**60,642**	404

The Group has pending claims and/or is a defendant in legal actions arising from normal business activities including sale of a subsidiary. Management and its legal counsel believe that these actions are without merit or that the ultimate liability, if any, resulting from such actions will not materially affect the Group's financial position.

The Parent Company has received tax assessments from the Bureau of Internal Revenue on two industry issues. In addition, the Parent Company has pending tax assessments from the BIR on FCDU taxation, which is also an industry issue. The Parent Company, through its tax counsels, is contesting these assessments and pre-assessments on the ground that the factual situations were not considered which, if considered, will not give rise to material tax deficiencies.

28. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

In the ordinary course of business, the Group has loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI). Existing banking regulations limit the amount of individual loans to DOSRI, 70% of which must be secured, to the total of their respective deposits and book value of their respective investments in the Group. In the aggregate, loans to DOSRI generally should not exceed the respective total regulatory capital or 15% of total loan portfolio, whichever is lower.

BSP Circular No. 423 dated March 15, 2004 amended the definition of DOSRI accounts. The following table shows information relating to the loans, other credit accommodations and new guarantees classified as DOSRI accounts under regulations existing prior to said circular, and new DOSRI loans, other credit accommodations granted under said circular as of December 31, 2006 and 2005 (amounts in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	2005
Total outstanding DOSRI accounts	**₱905,635**	₱1,037,822	**₱905,635**	₱1,037,822
Percent of DOSRI accounts granted prior to effectivity of BSP Circular No. 423 to total loans	**0.25%**	0.58%	**0.29%**	0.62%
Percent of DOSRI accounts granted after effectivity of BSP Circular No. 423 to total loans	**0.26%**	0.10%	**0.30%**	0.10%
Percent of DOSRI accounts to total loans	**0.52%**	0.67%	**0.60%**	0.73%
Percent of unsecured DOSRI accounts to total DOSRI accounts	**19.37%**	16.96%	**19.37%**	16.96%
Percent of past due DOSRI accounts to total DOSRI accounts	–	–	–	–
Percent of nonaccruing DOSRI accounts to total DOSRI accounts	**17.87%**	15.32%	**17.87%**	15.32%

On January 31, 2007, BSP Circular No. 560 was issued providing the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said circular, the total outstanding exposures to each of the bank's subsidiaries and affiliates shall not exceed 10% of bank's net worth, the unsecured portion of which shall not exceed 5% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20% of the net worth of the lending bank. BSP Circular No. 560 is effective February 15, 2007.

The following table shows information relating to the loans, other credit accommodations and guarantees, as well as availments of previously approved loans and committed credit lines not considered DOSRI accounts prior to the issuance of said circular but are allowed a transition period of two years from the effectivity of said circular or until said loan, other credit accommodations and guarantees become past due, or are extended, renewed or restructured, whichever comes later (amounts in thousands):

	Consolidated		Parent	
	2006	2005	**2006**	2005
Total outstanding non-DOSRI accounts granted prior to BSP Circular No. 423	**₱11,384,258**	₱15,151,472	**₱11,384,258**	₱15,151,472
Percent of unsecured non-DOSRI accounts granted prior to BSP Circular No. 423 to total loans	**6.48%**	9.83%	**7.51%**	10.60%
Percent of past due non-DOSRI accounts granted prior to BSP Circular No. 423 to total loans	–	–	–	–
Percent of nonaccruing non-DOSRI accounts granted prior to BSP Circular No. 423 to total loans	**6.01%**	8.27%	**6.97%**	8.92%

Other related party transactions entered into under the normal course of business include the availment of computer services, securities and currency trading, insurance brokerage and management contract services rendered by certain member companies of the Group.

The significant intercompany transactions and outstanding balances of the Group were eliminated in consolidation.

Total interest income on DOSRI loans amounted to ₱120.2 million, ₱193.0 million and ₱1.8 million in 2006, 2005 and 2004, respectively.

Deposit liabilities of associates and other related parties amounted to ₱31.4 million and ₱31.7 million as of December 31, 2006 and 2005, respectively. Related interest expense amounted to ₱0.1 million both in 2006 and 2005.

The retirement fund of the Parent Company's employees amounting to ₱1,111.3 million and ₱950.0 million as of December 31, 2006 and 2005, respectively, is being managed by the Parent Company's Trust Banking Group.

The following table shows the related party transactions included in the consolidated financial statements:

			Elements of Transaction				
			Statement of Condition Amount		Statement of Income Amount		
Related Party	Relationship	Nature of Transaction	**2006**	2005	**2006**	2005	2004
			(In Thousands)				
Gratuity Fund	Retirement Fund	Advances to subsidiaries, associates and related parties	**₱11,952**	₱4,530	**₱–**	₱–	₱–
JLI	Associate	Loans receivable	**6,034**	36,204	**–**	–	–
		Accrued interest receivable	**88**	538	**–**	–	–
		Interest income	**–**	–	**521**	5,384	5,446

The remuneration of directors and other members of key management of the Group and Parent Company are as follows:

	Consolidated			**Parent Company**		
	2006	2005	2004	**2006**	2005	2004
	(In Thousands)					
Short-term benefits	**₱267,267**	₱228,464	₱207,330	**₱201,411**	₱172,417	₱157,597
Post-employment benefits	**35,280**	40,654	17,735	**32,050**	38,990	7,130
	₱302,547	₱269,118	₱225,065	**₱233,461**	₱211,407	₱164,727

29. **Derivative Financial Instruments**

The table below shows the fair values of derivative financial instruments, recorded as derivative assets or derivative liabilities, together with the notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding as of December 31, 2006 and 2005 and are not indicative of either market risk or credit risk.

	2006			
	Assets	**Liabilities**	**Average Forward Rate**	**Notional Amount**
	(In Thousands)			(In Thousands)
Freestanding derivatives:				
Currency forwards*				
BOUGHT:				
JPY	**₱–**	**₱987**	**118.60**	**765,000**
GBP	**632**	**–**	**1.96**	**2,800**
USD	**–**	**110,600**	**49.64**	**196,352**
EUR	**447**	**–**	**1.31**	**3,300**
Others	**202**	**–**	**–**	**17,237**
SOLD:				
USD	**148,507**	**–**	**49.53**	**317,200**
JPY	**2,480**	**–**	**118.34**	**1,175,000**
EUR	**–**	**1,166**	**1.31**	**4,400**
Others	**118**	**359**	**–**	**7,530**
Interest rate swap**	**–**	**–**	**–**	**30,000**
Embedded derivatives***	**8,684**	**–**	**–**	**20,000**
	₱161,070	**₱113,112**		

	2005			
	Assets	Liabilities	Average Forward Rate	Notional Amount
	(In Thousands)			(In Thousands)
Freestanding derivatives:				
Currency forwards*				
BOUGHT:				
JPY	₱6,355	₱–	119.41	₱–
USD	230	321,135	56.16	225,658
EUR	240	2,796	1.19	7,440
GBP	–	182	1.74	175
Others	19	185	–	10,028
SOLD:				
USD	131,010	–	53.11	82,818
JPY	6,796	2,625	118.12	1,675
GBP	1,458	–	1.76	850
Others	1,991	57	–	2,414
Interest rate swap**	–	–	–	30,000
Embedded derivatives***	–	70,500	–	90,000
	₱148,099	₱397,480		

* The notional amounts pertain to the original currency except for the 'Others', which represent the equivalent US$ amounts of other currencies.

** Under the swap agreement, the Parent Company pays a fixed swap rate of 9.85% and receives a floating rate based on an interest benchmark. As of December 31, 2006 and 2005, the outstanding notional amount is ₱30.0 million, with an insignificant fair value.

*** These include credit default swaps and optionalities with no close economic relationship with the host structured debt instruments. As of December 31, 2006 and 2005, the outstanding notional amounts of these derivatives amounted to ₱20.0 million and US$90.0 million, respectively, with underlying instruments such as credit linkage to reference entities and interest rate indices.

Embedded derivatives of hybrid instruments that are classified or designated as at FVPL are not bifurcated. Where the hybrid instruments are not classified or designated as at FVPL, but the embedded derivatives are deemed to be clearly and closely related to the economic risks and characteristics of the host contracts, no bifurcation of the derivatives is applied.

30. **Financial Performance**

EPS amounts attributed to equity holdings of the Parent Company were computed as follows (in thousands, except EPS):

	2006	2005	2004
a. Net income attributable to equity holders of the Parent Company	**₱3,265,179**	₱2,698,385	₱2,412,080
b. Weighted average number of outstanding common shares of the Parent Company	**668,060**	648,196	648,196
c. Basic EPS (a/b)	**₱4.89**	₱4.16	₱3.72

As of 2006, 2005 and 2004, there were no shares of stocks that have a dilutive effect on the basic EPS of the Group.

The following basic ratios measure the financial performance of the Group:

	2006	2005	2004
Where average equity and average asset include revaluation increment and goodwill, respectively			
Return on average equity (ROE)	**8.22%**	6.40%	5.84%
Return on average assets (ROA)	**1.01%**	0.83%	0.83%
Where average equity and average asset exclude revaluation increment and goodwill, respectively			
ROE	**14.40%**	10.57%	11.65%
ROA	**1.06%**	0.88%	1.04%
Net interest margin on average earning assets	**4.31%**	4.35%	4.21%

For purposes of computing ROE and ROA, average of month-end balances of equity and assets, respectively, were used.

31. **Notes to Cash Flows Statements**

The following is a summary of certain non-cash investing activities that relate to the analysis of the statement of cash flows:

	Consolidated			**Parent Company**		
	2006	2005	2004	**2006**	2005	2004
			(In Thousands)			
Unrealized gain (loss) on AFS	**₱697,814**	₱563,563	₱54,560	**₱596,517**	₱548,127	(₱5,979)
Additions to investment properties in settlement of loans	**864,694**	914,231	–	**920,287**	676,660	–

The amount of IBLR and SPURA considered as cash and cash equivalents follows:

	Consolidated			**Parent Company**		
	2006	2005	2004	**2006**	2005	2004
			(In Thousands)			
IBLR and SPURA	**₱27,572,262**	₱18,199,624	₱17,364,767	**₱27,732,262**	₱18,199,624	₱19,858,767
Less IBLR and SPURA not considered as cash and cash equivalents	**1,144,033**	2,093,001	12,053,935	**1,144,033**	2,093,001	12,053,935
	₱26,428,229	₱16,106,623	₱5,310,832	**₱26,588,229**	₱16,106,623	₱7,804,832

32. **Other Matters**

The BODs of ESB and MDB approved the Plan of Merger of ESB and MDB (with ESB as the surviving corporation) on November 23, 2004 and November 18, 2004, respectively. Thereafter, the shareholders of ESB and MDB approved such Plan of Merger on November 23, 2004 and December 6, 2004, respectively. Under the Plan of Merger, owing to the capital deficiency of MDB, ESB will not issue any shares of stock to the shareholders of MDB.

On December 28, 2004, the BSP approved the merger between ESB and MDB subject to certain administrative conditions, which include, among others, submission to the BSP of the Philippine Deposit Insurance Corporation's (PDIC's) written consent to the merger. Among others, the incentives approved by the BSP follow:

a. Conversion of the MDB Head Office and the 13 MDB branches closed in 2004 into ESB branches and their relocation within a period of one year from date of merger;

b. Transfer of all rights, privileges, immunities, permits, licenses, franchises and powers of MDB to ESB except for (a) the FCDU license, which has been revoked by BSP effective March 7, 2004 and (b) the trust license provided that the merged bank should comply first with all the prerequisites under Circular No. 348 dated August 20, 2002;

c. ESB will retain MDB's trust license with the required trust duties of at least ₱500,000 in MDB's name on deposit with BSP to be transferred to ESB;

d. Amortization of all merger costs, including retrenchment costs for a period not exceeding five years;

e. Capital infusion by the Parent Company of ₱1.0 billion into ESB;

f. Conversion of the Parent Company's outstanding interbank call loans and advances granted to MDB into ESB common shares subject to compliance with the procedural requirements and various bank regulatory ceilings and subject to the SEC approval;

g. Temporary relief for six months from the compliance with the prescribed capital adequacy ratio and the 20% ceiling on the nonperforming loans to total loans ratio if such ratios are not complied with as a result of the merger;

h. Revaluation of bank premises, improvements and bank equipment, with the appraisal increment forming part of capital provided that the merged bank will meet the existing capital requirement after all the adjustments are taken up in the books of accounts of the merged bank but before considering appraisal increments;

i. Access to rediscounting window up to a ceiling of 150% of adjusted capital accounts for a period of one year, reckoned from the date of merger, provided the merged bank meets the required net worth to risk assets ratio and all of the other requirements for rediscounting; and

j. Any right or privilege granted to MDB under its Rehabilitation Plan previously approved by the Monetary Board (MB) or under any special authority granted by the MB shall continue to be in effect.

   On December 29, 2004, the SEC approved the Articles and Plan of Merger of MDB and ESB.

   On January 19, 2005, the PDIC gave consent to the merger of ESB and MDB subject to the following conditions:

   a. MDB shall submit a certification to PDIC within 30 days from PDIC notification of its consent to the merger, that its depositors and creditors have been given notice of the i) merger proposal; ii) full implications of ESB's absorption of MDB's deposits liabilities; iii) depositors' option to either withdraw their deposits from MDB or maintain their accounts with ESB as surviving entity; and

b. Letter of Guaranty from the Parent Company, which wholly owns ESB, that part of the committed fresh capital infusion in the amount of ₱1.0 billion would be immediately infused into ESB to assure funding for any withdrawal of MDB deposits and payment of MDB's other liabilities as they fall due.

Pursuant to the Plan of Merger, the effective date of merger was December 29, 2004, the date the SEC approved the Articles and Plan of Merger. The merger constituted a tax-free reorganization and has been accounted for under the pooling of interest method.

On April 7, 2006, the Board Audit Committee of ESB, pursuant to the specific authority granted to it by its BOD, approved the equity restructuring of ESB. Equity restructuring is available to a non-distressed corporation seeking to eliminate the deficit in its capital account by applying against it a portion of capital paid in excess of par value equivalent to the deficit.

On April 20, 2006, the MB of the BSP in its Resolution No. 513, decided to interpose no objection to the request of ESB for equity restructuring of its capital accounts, subject to the following conditions:

1. The equity restructuring must be disclosed in all subsequent financial statements of ESB for a period of at least three (3) years; and
2. ESB shall submit to the BSP the SEC's approval of the equity restructuring, within five banking days from ESB's receipt thereof.

On June 26, 2006, the SEC approved the equity restructuring wiping out ESB's deficit as of December 31, 2005 amounting to ₱731.6 million against the Capital Paid in Excess of Par Value amounting to ₱1,671.7 million. Provided, that the remaining ₱940.1 million Capital in Excess of Par Value shall not be used to wipe out losses that may be incurred in the future without prior approval of the SEC.

33. **Subsequent events**

On January 23, 2007, the Parent Company's BOD resolved to fold its subsidiary, ECN, into the Parent Company or into the surviving entity resulting from the merger between the Parent Company and BDO, as may be appropriate, for reasons of cost efficiency and economies of scale.

On February 22, 2007, the Parent Company's BOD granted Management the authority and discretion to determine the manner and time of the implementation of the following corporate actions, taking into consideration the best interest of the Parent Company and subject to applicable statutory and regulatory requirements:

1. The sale or disposal of the Parent Company's equity investments in certain publicly listed and non-listed corporations, the engagement of the services of a broker to handle the equity placement of the listed shares, and the engagement of the services of an investment/portfolio manager to implement the sale and disposition of the non-listed shares;
2. The sale or dissolution of certain non-operating non-stock companies;
3. The consolidation, integration or merger of its two (2) IT company subsidiaries, PCI Automation and EDCI, with the latter as the surviving entity;
4. The consolidation, integration, or merger of Equitable Exchange, Inc. with its parent company EBC Investments, Inc., once the merger between BDO and the Parent Company receives approval from the appropriate regulatory bodies; and
5. The consolidation, integration, or merger of PCI Capital and EBC Capital Corporation with the merged Banco de Oro-EPCI Inc., after the latter receives the necessary approvals from the appropriate regulatory bodies.

Also, on February 2, 2007, the BOD of ECN approved the declaration of cash dividends amounting to ₱846.0 million or ₱42.84 per share, payable on or before April 15, 2007 to all stockholders of record as of December 31, 2006.

BOARD OF DIRECTORS

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Teodoro B. Montecillo
Member

* *The Board of Directors of Equitable PCI Bank accepted with regret the resignation of Mr. Buenaventura effective January 1, 2007*

Winston F. Garcia
Vice Chairman

Ferdinand Martin G. Romualdez
Vice Chairman

Fulgencio S. Factoran Jr.
Director

Peter D. Garrucho Jr.
Director

Ramon J. Jabar
Director

Reynaldo P. Palmiery
Director

Jesus G. Tirona
Director

Sabino E. Acut Jr.
Corporate Secretary

Antonio C. Pacis
Member

Alberto V. Reyes
Member

MANAGEMENT COMMITTEE

Rene J. Buenaventura
President & CEO

Walter C. Wassmer
Senior Executive Vice President

Antonio N. Cotoco
Senior Executive Vice President

Gerard Lee B. Co
Executive Vice President

Bienvenido M. Juat Jr.
Executive Vice President

Eduardo J. Katigbak Jr.*
Executive Vice President

Ricardo V. Martin
Executive Vice President

Sergio Ll. Naranjilla Jr.
Executive Vice President

Dennis B. Velasquez
Executive Vice President

Aristotle L. Villaraza
Executive Vice President

Marvin V. Fausto
Senior Vice President

Jonathan C.B. Go
Senior Vice President

Rebecca S. Torres
Senior Vice President

Clarissa G. Ocampo
Executive Adviser for Corporate Planning

** Served until December 31, 2006*

SENIOR OFFICERS *

CHAIRPERSON
Corazon S. de la Paz

PRESIDENT & CEO
Rene J. Buenaventura

SENIOR EXECUTIVE
VICE PRESIDENTS
Antonio N. Cotoco
Walter C. Wassmer

EXECUTIVE
VICE PRESIDENTS
Gerard Lee B. Co
Bienvenido M. Juat, Jr.,
Treasurer
Eduardo J. Katigbak, Jr.
Ricardo V. Martin,
Chief Financial Controller
Dennis B. Velasquez
Aristotle L. Villaraza

SENIOR
VICE PRESIDENTS
Ursula A. Alano,
Deputy Treasurer
Shirley S. Ang
Manolo C. Arzadon
Antonina M. Cabuyadao
Ramon S. David
Marvin V. Fausto,
Trust Officer
Lesmes L. Garate
Jonathan C.B. Go
Nenita C. Indiongco
Jeanette S. Javellana
Emerenciana H. Luistro
Annie H. Ngo
Virgilio C. Pamatmat
Jose Pastor Z. Puno
Domingo A. Ramos, Jr.
Ricardo V. Reynoso, Jr.
Arsenio L. Severino
Richard Benedict S. So
Grace A. Sumalpong
Robert W. Sy
Rebecca S. Torres,
Chief of Staff
Edward G. Wenceslao
Ma. Teresita Susana L. Yap

FIRST VICE PRESIDENTS
Gerard M. Aguirre
Maritess B. Antonio
Victor C. Arboleda
Onofre D. Avellanosa
Rita V. Buendia
Ma. Evangeline A. Buhay
Marilou L. Cesario
Susie S. Cham
Noel D. Dizon
Rolando D. Esguerra
Paul A. Evora III
Belinda C. Fernandez
Renato S. Gongora
Myrianne Joan D. Gonzales
Ma. Elena L. Jao
Ma. Cecilia G. Lantin
Norman Lee
Alan David L. Matutina
Merceditas P. Montesclaros
Jose G. Nuguid
Maria Rhoda B. Orsolino
Jose Alfredo G. Pascual
Cerwina Elenore A. Santos
Ma. Theresa S. Simbul
Virginia N. Sy
Edwin R. Tajanlangit
Rosola A. Vivas
Joy T. Yap
Margaret L. Yu

VICE PRESIDENTS
Belinda C. Abad
Jocelyn D. Agas
Regina Flor V. Alba
Melissa A. Alcantara
Ma. Milagros R. Alindogan
Maria Carina S. Antonio
Layne Y. Arpon
Flor Melissa P. Artillaga
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Marites A. Bautista
Mary Assumpta Gail C. Bautista
Pedro C. Bautista, Jr.
Maria Eleanor B. Briones
Bernard M. Carague
Aurora M. Castro
Leticia T. Chua
Milagros K. Chua
Peter D. Clemente
Elizabeth E. Coronel
Edna Christine P. Cruz
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Albert G. Dizon
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Lamberto B. del Fonso, Jr.
Alexander G. Francisco
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Judy L. Go
Patrick Warren D. Go
Francisco Javier E. Jose
Rafael Martin C. Lara
Cesar F. Lazo
Estela L. Lim
Maurice D. Lim
Gertrudes J. Lumain
Roy Allan V. Magturo
Angelita C. Manulat
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Ma. Bella C. Paguiligan
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Romeo J. Pulido, Jr.
Victorina S. Ros
Emily D. Samoy
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Gregorio C. Severino
Celia M. Sotto
Alejandro R. Sumayao
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Divina N. Tan
Marites L. Tan
Richard R. Tan
Don Elecci B. Torno
Rosanna F. de Vera
Francisco B. Vista, Jr.
Antonio Juan C. Yñiguez,
Compliance Officer
Aimee A. Yu
Alice C. Yu

ASSISTANT
VICE PRESIDENTS
Kara Q. Abrogar
Jose Emilio M. Alcalde
Allen D. Alcantara
Rogelio C. Alcantara
Edgardo L. Alcaraz
Susan G. Almendral
Apollo R. Alquiza
William A. Amelliam
Leticia L. Ang-Ley
Elpidio R. Angeles, Jr.
Ma. Ophelia R. Angeles
Apolinario E. Aquino
Ronald C. Arceo
Aldamuel S. Armonio
Susan Marie J. Atienza
Jerome I. Austria
Chona M. Azucena
Francisco DC. Bacierto, Jr.
Janet B. Bagnes
Gerardo I. Banzon
Regina Anne S. Basilio
Rodora V. Bautista
Lizza G. Baylon
Edgardo F. Blanco
Evangeline G. Borja
Ramon B. Borja
Ma. Eloisa S. Britanico
Carlos L. Buenaventura
Julius O. Buendia
Benilda G. Cabardo
Victor Geronimo S. Calo
Emmanuel A. Camua
Cheryl A. Capili
Ma. Corazon N. Casanova
Marilou N. Cayanan
Veronica T. Chan Go
Anthony W. Chi-hung
Christine T. Chow
Maria Clara D. Chua
Riasa A. Chua
Salva Fe S. Cirilos
Lorie S. Co
Joselito B. Cobarrubias
Raul B. Cruz
Zosimo C. Dimacuha
Ma. Lirio E. Du
Ma. Fe H. Dy
Francis Javier P. Ejercito
Joel M. Escala
Samuel C. Esguerra
Elizabeth G. Estrada
Ma. Elena J. Fernandez
Marirose A. Fernando
Dominador J. Francisco
Marcelita I. Geollegue
Rommel S. Gomez
Gerardo Gabriel A. Gregorio
Lalaine C. de Guzman
Agnes F. Jamias
Marietta M. Jamilla
Armando P. Jardeleza
Tomas K. Javier
Simeon S. Jumaquio
Michelette S. Legaspi
Lilian Leslie T. Lim
Alberto V. Lizares
Vicente T. Lopez
Ramon R. Loreto, Jr.
Nelia R. Lumanog
Joseph Gerard E. Mabilog
Vivian D. Malonjao
Rebecca C. Marcelo
Carina M. Matute
Ariel T. Melo
Maria Socorro P. Meñez
Vicente L. Miciano, Jr.
Dalisay S. Molas
Francis Ali B. Morales
Mary Ann R. Munar
Jasmine E. Navarra
Who B. Olandez
Josefa P. Ortiz
Rebecca C. Paguia
Arnaldo Emerito E. Palad
Jocelyn T. Paz
Cyrus M. Polloso
Geraldine S. Punzalan
Raoul L. Reniedo
Evangeline P. Reyes
Joseph Nestor T. Reyes
Pamela Ann S. Reyes
Roberto H. Reyes
Antonio D. Roña
Ma. Consuelo S. Ruffy
Maria Rosario L. Salazar
Arsenia S. Santos
Maria Lourdes T. Santos
Ma. Corazon L. Simbulan
Ronaldo J. Soriano
Catherine C. Tan
Grace C. Tan
Diosdado R. Teh
Marilyn G. Tin
Ma. Rosita J. Tinio
Margarita M. Tobias
Lourdes S. Turno
Josephine G. Valdez
Blandina Uvyhilda B. Vicente
Glicerio C. Vicente
Luzviminda M. Vidal
Raul B. Vivas
Adora A. Yanga
Shakira C. Yu
Noel Z. Yuseco
Paulino L. Yusi

EXECUTIVE ADVISER
FOR CORPORATE
PLANNING
Clarissa Emerita G. Ocampo

** As of December 31, 2006*

SENIOR OFFICERS SUBSIDIARIES & AFFILIATES

ARMSTRONG SECURITIES, INC.

President
ELEANOR M. HILADO

EBC INSURANCE BROKERAGE, INC.

President
SERGIO LL. NARANJILLA JR.

First Vice President & General Manager
LEONEL M. MERCADO

Assistant Vice President & Marketing Head
MARIVIC S. ROJAS

EBC MANAGEMENT, INC.

President
SERGIO LL. NARANJILLA JR.

EBC INVESTMENTS, INC.

President
SERGIO LL. NARANJILLA JR.

EBC STRATEGIC HOLDINGS CORPORATION

President
SERGIO LL. NARANJILLA JR.

EQUITABLE CARDNETWORK, INC.

Officer-in-Charge
DENNIS B. VELASQUEZ

Senior Vice President
MARILI M. TIOSECO

First Vice Presidents
MA. OPHELIA LL. CAMIÑA
RICARDO M. CELESTINO
HARRISON C. GUE

Vice Presidents
CESARIO C. DAYEGO
TERESITA M. SILBOR
PHILLIP L. SO

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BENEDICT BELTRAN
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EDMUND S. CHAN
ANNA MARIE CRUZ
LILY ANN C. CUENCO
MARC ANDRE P. HERNANDO
CAROLINE S. LABRADOR
ROBERTO MANALANSAN
SUSAN P. MIRANDA
ARNOLD STEPHEN SANIANO
RICHARD WENCESLAO

EQUITABLE EXCHANGE, INC.

Chairman
BIENVENIDO M. JUAT JR.

President
ROBERTO E. LAPID

Directors
URSULA A. ALANO
BELINDA C. FERNANDEZ
EDWARD G. WENCESLAO

Compliance Officer
JOSE G. NUGUID

Acting Treasurer
RENATO G. OÑATE

EQUITABLE SAVINGS BANK

President & CEO
RAMON S. DAVID

Executive Vice President
JONATHAN C.B. GO

Assistant Vice Presidents
MA. CRIZELDA T. ARAMBULO
MA. ALMA RUTH M. PARAISO

EXPRESS PADALA INTERNATIONAL, INC.

President
RENE J. BUENAVENTURA

MAXICARE HEALTHCARE CORPORATION

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ROBERTO K. MACASAET, M.D.

President & CEO
JOSE PASTOR Z. PUNO

Treasurer
SERGIO LL. NARANJILLA JR.

Assistant Treasurer/ Vice President
RONALD G. BASAS

Senior Vice President
JOSEPHINE AGUILAR

Vice President
VICTOR TANJUAKIO

Assistant Vice President
CHRISTIAN CRISTOBAL

Corporate Secretary
EDUARDO DE LOS ANGELES

Assistant Corporate Secretary
MARTIN P. SAMSON

PCIB SECURITIES, INC.

President & CEO
ERLASTER C. SOTTO

Senior Vice President & General Manager
GABRIEL U. LIM

Assistant Vice Presidents
NILO C. SAMPAYO
MA. CAROLINA T. SANTANA

PCI CAPITAL CORPORATION

President & CEO
ERLASTER C. SOTTO

Senior Vice President
GABRIEL U. LIM

First Vice Presidents
ELEANOR M. HILADO
ARNOLD E. OLIVA

Vice President
NOEMI T. VILLANUEVA

PCI LEASING AND FINANCE, INC.

President & CEO
MANOLO C. ARZADON

Senior Vice President
ROBERTO E. LAPID

First Vice President
VICENTE C. RALLOS

Vice Presidents
MARLO R. CRUZ
CONSTANTE C. LAPUZ
RENATO G. OÑATE

Assistant Vice Presidents
ROSARIO C. CRISOSTOMO
FLORECITA R. GONZALES
DANTE B. JULIAN
MA. THERESA M. SORIANO

PHILAM EQUITABLE LIFE ASSURANCE COMPANY, INC.

President & CEO
STEPHEN J. CLARK

Vice Presidents
CHRIS A. CABOGNASON
CYNTHIA B. NONO

Senior Assistant Vice President
JESSELYN V. OCAMPO

Assistant Vice Presidents
BLESILDA S. BESABE
IMELDA L. FORTUGALEZA
DINAH P. OGATIS

SUBSIDIARIES AND AFFILIATES

ARMSTRONG SECURITIES, INC.
Equitable PCI Bank Towers
Makati Avenue cor. H.V. Dela Costa St.
Makati City
Tel. 8407000

EBC INSURANCE BROKERAGE, INC.
Equitable PCI Bank Tower II
Makati Ave. cor. H.V. Dela Costa St.
Makati City
Tel. 878-4535
loc. 2467 / 2454 / 2111

EBC INVESTMENTS, INC.
Equitable PCI Bank Towers,
Makati Ave. cor. H.V. Dela Costa St.,
Makati City
Tel. 8407000 loc. 2111

EBC STRATEGIC HOLDINGS CORPORATION
Equitable PCI Bank Bldg.
262 Juan Luna St.,
Binondo, Manila
Tel. 8407000 loc. 6566

EQUITABLE CARD NETWORK, INC.
203 Salcedo Street,
Legaspi Village Makati City
Tel. 8125861 to 67

EQUITABLE DATA CENTER, INC.
Equitable PCI Bank Tower II,
Makati Ave. cor. H. V. Dela Costa St.,
Makati City
Tel. 8407000

EQUITABLE EXCHANGE, INC.
Equitable PCI Bank Tower I,
Makati Ave. cor. H.V. Dela Costa St.,
Makati City
Tel. 8784395

EQUITABLE PCI BANK CAYMAN, LTD.
Coutts Cayman Ltd., P.O. Box 707
Georgetown, Grand Cayman
Caymand Islands
Tel. 1-345-9454777

EQUITABLE SAVINGS BANK, INC.
G/F Equitable PCI Bank Bldg. 2
Ortigas Ave. cor. Roosevelt St.
Greenhills, San Juan, MM
Tel. 7267799

EXPRESS PADALA INTERNATIONAL, INC.
(formerly EBC Interlink Int'l., Inc.)
Equitable PCI Bank Bldg.
262 Juan Luna St.,
Binondo, Manila
Tel. 8407000 loc. 6566

JARDINE EQUITABLE FINANCE CORPORATION
222 JDI Bldg., Gil Puyat Avenue
Makati City
Tel. 8407000 loc. 6566

MAXICARE HEALTHCARE CORPORATION
19th Flr., Medical Plaza Makati
Amorsolo cor. Dela Rosa Sts.
Legaspi Vill., Makati City
Tel. 8120561

PCI CAPITAL CORPORATION
Equitable PCI Bank Tower I,
Makati Ave. cor. H. V. Dela Costa St.,
Makati City
Tel. 8407000

PCI LEASING AND FINANCE, INC.
PCI Leasing Centre, Corinthian Gardens
Ortigas Ave., Quezon City
Tel. 6356416

PCIB PROPERTIES, INC.
Equitable PCI Bank Tower I,
Makati Ave. cor. H. V. Dela Costa St.,
Makati City
Tel. 8407000 loc. 6566

PCIB SECURITIES, INC.
Equitable PCI Bank Tower I,
Makati Ave. cor. H. V. Dela Costa St.,
Makati City
Tel. 8407000

PHILAM EQUITABLE LIFE ASSURANCE CORPORATION
9th Flr., Equitable PCI Bank Tower II
Makati Ave., cor. H.V. Dela Costa St.
Makati City
Tel. 8912613

PROPERTY CARE, INC.
Equitable PCI Bank Tower II,
Makati Ave. cor. H. V. Dela Costa St.,
Makati City
Tel. 8407871

STRATEGIC PROPERTY HOLDINGS, INC.
Equitable PCI Bank Bldg.
262 Juan Luna St.,
Binondo, Manila
Tel. 8407000 loc. 6566

THE SIGN OF THE ANVIL, INC.
Equitable PCI Bank Tower I,
Makati Ave. cor. H. V. Dela Costa St.,
Makati City
Tel. 8407000

INTERNATIONAL REMITTANCE OFFICES

SUBSIDIARY OFFICES

HONG KONG

EXPRESS PADALA (HK) LTD.
Shops 332-333, 3/F Worldwide Plaza
19 Des Voeux Road, Central, Hong Kong
Tels. (00852) 2877-3776, 2877-3534
Fax No. (00852) 2845-0712

EXPRESS PADALA (HK) LTD.
Shop 246, 2/F Worldwide Plaza
19 Des Voeux Road, Central, Hong Kong
Tel. (00852) 2525-4936

EXPRESS PADALA (HK) LTD.
Shop 232, 2/F Worldwide Plaza
19 Des Voeux Road, Central, Hong Kong
Tels. (00852) 2525-5629,
2525-4268 (00852) 2525-7160
Fax No. (00852) 2526-9025

EXPRESS PADALA (HK) LTD.
Shop 159, G/F Lik Sang Plaza
269 Castle Peak Road, Tsuen Wan
New Territories, Hong Kong
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Fax No. (00852) 2414-7938

EXPRESS PADALA (HK) LTD.
Shop 19, G/F Richland Garden
138 Wu Chui Road. Tsuen Mun
New Territories, Hong Kong
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Fax No. (00852) 2441-1703

MACAU

EXPRESS PADALA (MACAU) LTD.
Tin Tac Bldg. Rua Dos Cules
No. 6, R/C, Macau
Tels. (00853) 373-324, 374-385
Fax No. (00853) 374-394

ITALY

EXPRESS PADALA (ITALIA)
SpA BOLOGNA
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40121 Bologna, Italia
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Fax No. (0039051) 248-759

EXPRESS PADALA (ITALIA)
SpA - FLORENCE
Via San Zanobi 5-7/R
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Fax No. (0039055) 462-0636

EXPRESS PADALA (ITALIA)
SpA - MESSINA
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98123 Messina, Italia
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EXPRESS PADALA (ITALIA)
SpA - MILAN
Via Santa Maria Segreta 6
20123 Milano, Italia
Tel. (003902) 725-2161
Fax No. (003902) 862-795

EXPRESS PADALA (ITALIA)
SpA - ROME
Via Vicenza 5/A, Interior 2A
00185 Roma, Italia
Tel. (003906) 445-7724,
446-0395, 446-3956
Fax No. (003906) 446-0393

EXPRESS PADALA (ITALIA)
SpA - TORINO
Via San Pio V. 7/B
10125 Torino, Italia
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Fax No. (0039011) 668-0085

GERMANY

EQUITABLE PCI
EXPRESS PADALA
(Deutschland), GmbH
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Fax No. (004969) 720-07070

UNITED STATES

EXPRESS PADALA (U.S.A.), INC.
Headquarters 2365 S. Azusa Ave.
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Tel. (00800) 472-3252
Fax No. (00866) 372-3252

EXPRESS PADALA (U.S.A.), INC.
LA-Vermont
215 South Vermont Avenue
Los Angeles, California 90004
Tel. (001213) 229-4404
Fax No. (001213) 229-0893

EXPRESS PADALA (U.S.A.), INC. – SF
4815 Mission St.
San Francisco, California
94122 USA
Tel. (001415) 587-9495 to 97
Fax No. (001415) 587-9498

REPRESENTATIVE OFFICES

FRANCE

EQUITABLE PCI BANK PARIS
25 Boulevard des Capucines
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GREECE

EQUITABLE PCI BANK ATHENS
24 Kifissias Ave., Ambelokipi
Athens, 11525 Greece
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Fax No. (0030210) 748-0937

ISRAEL

EQUITABLE PCI BANK ISRAEL
4th Flr. Shop 4412 New Tachana
Merkazit, 108 Levinsky St.
Tel Aviv, 66052 Israel
Tel. (009723) 639-0163 / 537-9294
Fax No. (009723) 687-0150

DESK OFFICES

SAUDI ARABIA

EQUITABLE PCI BANK RIYADH
Al Rajhi Express Padala Center
Al Rajhi Banking & Inv't. Corp.
2/F Batha Shopping Center
P.O. Box 28 CR 96 Riyadh, KSA
Tel. (09661) 405-0694, 404-3188
Fax No. (09661) 405-3591

EQUITABLE PCI BANK JEDDAH
Al Rajhi Express Padala Center
Al Rajhi Banking & Inv't. Corp.
Mezzanine Flr. Queen's Bldg.
Jeddah, KSA
Tels. (009662) 644-1000 ext. 215,
284 / 642-7151
Fax No. (009662) 643-8542

EQUITABLE PCI BANK ALKHOBAR
Al Rajhi Express Padala Center
Al Rajhi Banking & Inv't. Corp.
King Saud St., P.O. Box 1362,
Alkhobar 31952 KSA
Tel. (009663) 898-6629, 894-3898
Fax No. (009663) 864-9758

BRANCH DIRECTORY

METRO MANILA BRANCHES

2nd Avenue-Grace Park
Baliuag Transit Bldg.
199 Rizal Ave. Ext. cor. 2nd Avenue, 1400 Caloocan City
Fax 3618934
Tels. 3646286 / 3642221
3668625

8th Avenue-Grace Park
Rizal Avenue Extension
Grace Park, Caloocan City
Fax 3611299 / 3611622
Tels. 3635674 / 3635665
3611626 / 3635628

9th Avenue-Grace Park
414 Rizal Avenue Extension
Grace Park, 1400
Caloocan City
Fax 3649148
Tels. 3611208 / 3611215
3657308 / 3633581

11th Avenue-Grace Park
1619 Rizal Ave. Ext. cor.
11th Ave. 1400
Caloocan City
Fax 3611421
Tels. 3661978 / 3661927
3661980 / 3612098

A. Arnaiz-San Lorenzo
L & R Bldg.
1018 A. Arnaiz Ave.
Makati City
Fax 8430522
Tels. 8877670 / 8430533
8443045

A. de Jesus-EDSA
474 Edsa cor. B. Serrano
and A. De Jesus Sts.
1403 Cal. City
Fax 3633845
Tels. 3665638 To 39
3668714 / 3667462

A. Linao-Paco
1635-1641 Dart St.
Paco Manila
Fax 5360357
Tels. 5256521 / 5360359
5241455 / 5360358

A. Santos-South Express
Units E & F
8385 Dr. A. Santos Ave.
Parañaque, Metro Manila
Fax 8294179
Tels. 8262932 / 8294178 to 82

ABS CBN Mother Ignacia St.
Stall No. 25, South Wing
Ground Floor ELJCC Bldg.
Sgt. E.A. Esguerra Ave.
Corner Mother Ignacia St.
Quezon City
Fax 9256736
Tels. 9256731 / 4111090
9256732 / 9256735
9201411

Acropolis-E. Rodriguez Jr.
Grd. Flr. ACO Bldg.
191 E. Rodriguez Jr. Ave.
Bagumbayan, Quezon City
Fax 4404368
Tels. 4404371 / 4404370
4404372 / 6384556

ADB Avenue-Ortigas
Robinson's PCI Bank Tower
ADB Ave., Ortigas Center
1600 Pasig City
Fax 6342119
Tels. 6342131 / 6342125
6342116 / 6366642

Adriatico-San Andres St.
Adriatico Executive Center
Adriatico St., Ermita, Manila
Fax 5235866
Tels. 5367514 / 5367517

Agno-Banawe
202-204 Banaue
cor. Agno Sts.
1103 Quezon City
Fax 7124742
Tels. 4136471 / 4136470
7819811

Aguirre-BF Parañaque
RGM Building
326 Aguirre Avenue
B.F. Homes, Parañaque
Fax 8250045
Tels. 8250043 / 8250044
8202731 / 8202730

Alabang Town Center
G/F, New Entertainment Complex, Alabang Town Center, Ayala Alabang
Muntinlupa City
Tels. 7720152 / 7720153
7720151

Alfaro-Salcedo Village
PCCI Bldg., 118 Alfaro St.
Salcedo Village
1227 Makati City
Fax 8176635
Tels. 8152988 / 8153016
8153014 / 8172617

Almanza Uno - Las Pinas
Along Alabang-Zapote Road
(near SM Southmall)
Almanza Uno, Las Pinas
Tel No. 801-6357 / 801-6359
801-6399 / 801-6414

Amoranto-Banawe
650 N. S. Amoranto Ave.
1114 Sienna, Quezon City
Fax 7124702
Tels. 7112633 / 4159864
7123947 / 4159865
7819812

Anonas-Kamias
Anonas St. cor. K6 St.
East Kamias
1102 Quezon City
Fax 9220460
Tels. 9122408 / 9226603
9155315 / 4265623

Asia Tower-Paseo
G/F Asia Tower, cor.
Paseo De Roxas and
Benavidez Sts.
1229 Makati City
Fax 7509888
Tels. 7506888 / 8410382
8410384 / 8410385
8410245

Atrium-Makati Avenue
G/F Atrium of Makati Bldg.
Makati Ave., Makati City
Fax 8114281
Tels. 8114456 / 8114282
8114283 to 86

Aurora Blvd.-Annapolis
Annapolis St.
cor. Aurora Blvd. Cubao
1109 Quezon City
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Tels. 9125381 / 9123331
9129125 / 4377838
9129371

Ayala Triangle 1
GM-B (G/F) Tower 1
Ayala Triangle, Ayala Ave.
Makati City
Fax 8919897
Tels. 8919950 / 8919896
8919948 to 50

Bagtican-Pasong Tamo
Unit 102 G/F Pryce Center
Cond. 1179 Chino Roces Ave.
cor. Bagtican St.
San Antonio Vill., Makati City
Fax 8991063
Tels. 8991059 / 8991061
8991052 / 8991053

Balintawak-EDSA
Unit 17-19 ANPN Plaza
Km. 12 EDSA, Balintawak
Quezon City
Fax 4555806
Tels. 3309622 / 4555807
3309623

Bambang-Rizal Avenue
1607 Alvarez St., cor. Rizal
Ave. Sta. Cruz 1003 Manila
Fax 7117734
Tels. 4936160 / 7118811
7427258

Batangas St.-Rizal Avenue
2200 Rizal Ave.
cor. Batangas St.
Sta. Cruz, Manila
Telefax 7313671
Tels. 731-5962 / 7313667
4936172 / 7418734

Beacon Plaza-Shaw Blvd.
UG 105 - 106 Beacon Plaza
Shaw Blvd., cor. Ideal St.
Mandaluyong City
Fax 7261107
Tels. 7262364 / 7262314
7262450 / 7262372
7237445

Bel Air-Gil Puyat
Country Space 1 Cond. Bldg.
Sen. Gil Puyat Ave.
Bel-Air Village
1209 Makati City
Fax 8152013
Tels. 8152012 / 7510238
8923276

Better Living-Bicutan
43 Doña Soledad Ave.
Better Living Subd.
Don Bosco, Parañaque
Fax 8236338
Tels. 8246767 / 8246770
8246771

Bicutan-South Super Highway
Columbian Motors
Compound, Km.16 West
Service Road, South Super
Hi-way, Bicutan 1700
Parañaque, Metro Manila
Fax 8233932
Tels. 8235486 / 8236965

Big R-Robinson's Novaliches
Level 1 Big R Lobby
Robinson's Place Novaliches
Quirino Highway, Q.C.
Fax 9354890
Tels. 9354895 / 9354892
9354891

Blue Ridge-Katipunan
Upper Ground Floor Level
Marmico Bldg.
223 Katipunan Rd.
Brgy. Milagrosa
Quezon City
Fax 4379178
Tels. 4379198 / 9131350
9958753

Blumentritt-San Juan
Lot 11-B, Blk. 127
Blumentritt cor. Sto Toribio Sts.
San Juan, Metro Manila
Fax 7441277
Tels. 7237360 / 7277951
7443464 / 7271931
7239540

Brixton Hill-G. Araneta
G/F ILO Bldg.,
195 G. Araneta Ave.
Quezon City
Fax 7143547
Tels. 7147688 / 7143988
7153005 / 4144683
7141570

Broadway Centrum-Aurora Blvd.
Br. Centrum Cond.
Aurora Blvd., cor. Doña Juana
Rodriguez St., 1112 Valencia
Quezon City
Fax 7244821
Tels. 7269372 / 7274522
7233107

C. Palanca-Quiapo
132 Carlos Palanca St.
Quiapo, Manila
Fax 7336329
Tels. 7336334 / 7336342
7336337 / 7338971

Capitol-Pasig
Shaw Blvd.,
cor. Danny Floro St.
Pasig City
Fax 6363824
Tels. 6341330 / 6340280
6341328 / 6388242

Carmen Planas-Padre Rada
1033-1035 C. Planas St.
1012 Tondo, Manila
Fax 2451648
Tels. 2452240 / 2452323
2430193

Central Market-V. Fugoso
117 V. Fugoso St. cor. Sulu St.
1003 Sta. Cruz, Manila
Telefax 7350664
Tels. 7343048 / 7343610

Century Park-Adriatico
Century Park Hotel cor.
Adriatico & Vito Cruz Sts.
1004 Malate, Manila
Fax 5251607
Tels. 4006632 / 5369085
5242829

Clavel-Elcano
706-708 Elcano St.
1006 Binondo, Manila
Fax 2426019
Tels. 2426057 / 2429656
2429650 / 2446887
2426395

Coastal Road-Uniwide
Roxas Blvd., Parañaque
Metro Manila
Fax 8790088
Tels. 8790086 / 8790084
8790090

Cordillera-Quezon Ave.
Quezon Ave.
cor. Cordillera St.
Quezon City
Fax 7317286
Tels. 7317285 / 7317284
4132316 / 4123785

Dasmariñas St.-Binondo
PCI Bank Bldg.
Dasmariñas St.
Binondo 1006 Manila
Fax 2429438
Tels. 2429413 / 2429415
2429389 / 2429395
2429436

Dela Rosa-Rada
Ace Bldg.,cor. Dela Rosa &
Rada Sts., Legaspi Village
1229 Makati City
Fax 8172323
Tels. 8154163 / 8134912
8933644 / 8938770
8931495

Dian-Gil Puyat
G/F Equitable PCI Bank Bldg.
Sen. Gil Puyat Avenue cor.
Dian St., Makati City
Fax 8453239
Tels. 8444244 / 8891564
8442554 / 8432529

Domestic Road-Pasay
Caltex Compound
NAIA cor. Domestic Road
1300 Pasay City
Fax 8512210
Tels. 8515361 / 8512242
8515360 / 8512230

Don Antonio-Commonwealth
Don Antonio Sports Center
Don Antonio Heigths Subd.
Quezon City
Fax 9313215
Tels. 9315212 / 9311359
9512125

Don Jose-Fairview
Units 2&3, CPE Bldg.1
Lot 9 Blk.11 Don Mariano
Marcos Ave. Fairview
Quezon City
Fax 4287150
Tels. 9303738 / 4287192
9303738

Doña Manuela 5-Las Piñas
G/F R-A-J Villafuerte Bldg.
279 Alabang-zapote Road
Las Pinas, Metro Manila
Fax 8748671
Tels. 8748674 / 8716101
8748645 / 8748603
8748632 / 8748607

DPC Place-Chino Roces
G/F (Unit 102) of DPC Place
2322 Chino Roces Ave.
Makati City
Fax 8898625
Tels. 8898689 / 8898626
8898687 - PABX

Eastwood City-Libis
Portion Of Unit D,
G/F Techno Plaza One Orchard
Road Eastwood City
Libis, Quezon City
Fax 4401797
Tels. 6673160 / 6673054

EDSA East-Kalookan
L&E Bldg., EDSA cor. Gen.
Concepcion St. Kalookan City
Fax 3305832
Tels. 3678751 / 3305834
3305835 / 3677336
3628317

Enterprise Center-Ayala Ave.
3rd Level (Near Escalator
Access To Ayala Ave.), Tower 1
The Enterprise Center
6766 Ayala Ave., Makati City
Fax 8865500
Tels. 8865498 / 8865499

Equitable PCI Tower 1
PCI Bank Bldg., Tower I
Makati Ave. cor. H. V. Dela
Costa St., 1227 Makati City
Fax 8784640
Tels. 8784631 / 8784642
8784641 / 8784637
8784638 8407974

España-Blumentritt
2101-2103 Espana Ave.
cor. Blumentritt St.
1008 Sampaloc, Manila
Fax 7315101
Tels. 7413274 / 7328016
7416709 / 7413274

Evangelista-Makati
Evangelista St.
cor. Gen. Lacuna St. Bangkal
1233 Makati City
Fax 8449278
Tels. 8931810 / 8449276
8882497

Forest Hills-Novaliches
Lot 2 D 1 Quirino Ave.
Novaliches, Quezon City
Fax 9371152
Tels. 4173432 / 9370989
9371313 / 9354636

Gandara-Soler
1268 Soler St.
cor. S. Padilla St.
1006 Binondo, Manila
Fax 2448041
Tels. 2448097 / 2448039
2476887

Glori-Del Monte
627 Del Monte Ave.
San Franciso Del Monte
Quezon City
Fax 3656804
Tels. 3677159 / 3678526
3656801 to 02

Greenhills Shopping Center
PCI Bank Bldg.,
Greenhills Shopping Center
San Juan, Metro Manila
Fax 7242065
Tels. 7233312 / 7210515
7233316

Harrison Plaza-A. Mabini
G/F Mabini Wing
Harrison Plaza
A. Mabini St., Malate
Telefax 4043824
Tel. 4043823

Hemady-Aurora Blvd.
708 Aurora Blvd.
cor. Hemady St.
New Manila 1110
Quezon City
Fax 7218665
Tels. 7246185 / 7242506
7248909

Heroes Hill-Quezon Ave.
1052 Quezon Ave.
1103 Quezon City
Fax 3724917
Tels. 4133779 / 3724916
3724936

Herrera St.-Salcedo Village
Unit # 2, G/f, Chatham House
Herrera St., cor. Valero &
San Agustin Sts.
Salcedo Village, Makati City
Fax 8434297
Tels. 8434365 / 8434265
8434231 / 8434310

IBM Plaza-Libis
G/F IBM Plaza, Eastwood City
E. Rodriguez Jr., Ave.
Libis, Quezon City
Fax 4210528
Tels. 3951017 / 4210530
4210201 / 9958538

Intramuros-Magallanes Drive
G/F Chamber of Commerce
Bldg., #3 Magallanes Drive
Intramuros, Manila
Fax 5277574
Tels. 5257633 / 5277964
5278585 / 5210397

Jaka II-Legaspi St.
G/F 150 Jaka II Bldg.
Legaspi St., Legaspi Village
1229 Makati City
Fax 8178657
Tels. 8170160 / 8935625
8172970

Juan Luna-Binondo Center
262 Juan Luna St.
Binondo, Manila
Fax 2430252 / 2430222
Tels. 2415946 / 2430229
2415774 / 2415769
2415782

Kalentong-Shaw Blvd.
56 Shaw Blvd.
1550 Mandaluyong City
Fax 5323420
Tels. 5317044 / 7181404
5341959

Kamias Road
Trinidad Bldg., Kamias Road
cor. K-J St., Quezon City
Fax 4264417
Tels. 4264414 / 4264418
9297965

Karuhatan-McArthur Highway
Km.13 McArthur Highway
1441 Karuhatan
Valenzuela, Metro Manila
Fax 2914783
Tels. 2914784 To 85
2921711 / 2911828

La Fuerza Plaza-Chino Roces
Unit 14, La Fuerza Plaza
Chino Roces Ave., Makati City
Fax 8937851
Tels. 8671549 / 8937859
8107134

La Huerta-Parañaque
0422 Quirino Ave.
Corner J. Ferrer St.
La Huerta, Parañaque
Metro Manila
Fax 8296005
Tels. 8261087 / 8262368

Lapu Lapu-Northbay
North Bay Blvd. Ext. cor.
Lapu-Lapu Ave.
1485 Navotas, Metro Manila
Fax 2821014
Tels. 2816460 / 2816665
2821015 to 16

Leveriza-Libertad
212 Libertad St., Pasay City
Metro Manila
Fax 8331149
Tels. 8318190 / 8331143
8315889 / 8314977

Libertad-Taft
MCF Bldg. 2250 Taft Ave.
cor. College Road, Pasay City
Fax 5519238
Tels. 8333069 / 8333069
8316630 / 8327216

Ligaya-Boni Ave.
654 Boni Ave.
1550 Mandaluyong City
Fax 7462747
Tels. 5340570 / 5343133
5343134

Loyola Heights-Katipunan
Ground & 2nd Floors
St. Mark's Realty Bldg.
Katipunan Ave.
cor. B. Gonzales St.
Loyola Heights, Quezon City
Fax 4260237
Tels. 4266546 / 4348546
4260201 / 4348580

Luzon St.-Masangkay
Masangkay cor. Luzon St.
Tondo, Manila
Fax 2545056
Tels. 2524456 / 2521149
2548296 / 2540032
2562360

M. de Santos-Ilaya
632 M. de Santos St.,
Manila
Fax 2431827
Tels. 2431826 / 2431831
2431830 / 2431829
2431828

Makati Avenue-Ayala
L. V. Locsin Bldg.
Ayala Ave. cor. Makati Ave.
1228 Makati City
Fax 8404529
Tels. 8177180 / 8187286
8164051 - PABX
8177455 - PABX

Makati Cinema Square
Makati Cinema Square
Pasong Tamo
1229 Makati City
Fax 8442641
Tels. 8111447 / 8111523
8111458 / 8441990

Malabon-Rizal Avenue
694 Rizal Ave.1404 Malabon
Metro Manila
Fax 2815346
Tels. 2810995 / 2810536
2810538 / 2810949
2812478

Malanday-McArthur Highway
Km.17 McArthur Highway
Malanday, 1405 Valenzuela
Metro Manila
Fax 4437541
Tels. 4437539 / 4437540
2770111

Manuela Metropolis-Alabang
Unit G 33, Manuela
Metropolis South
Superhighway, Alabang
Interchange, Muntinlupa City
Fax 8072289
Tels. 8072290 / 8072285
8072286 / 8072288
8072291

Marcos-Sumulong Highway
Kingsville Commercial Arcade
Marcos Highway 1870
Antipolo, Rizal
Fax 6454934
Tels. 6681296 / 6455323
6458156 / 6455323

Marikina-J. P. Rizal
265 Jose Rizal St. Sta. Elena
1800 Marikina City
Fax 6461796
Tels. 6461798 / 6461799
6463717

Marulas-McArthur Highway
Lot 16 & 17 McArthur
Highway, Valenzuela
Metro Manila
Fax 2932711
Tels. 2916089 / 2916058
2916046 / 2932708
2932710

BRANCH DIRECTORY

Masangkay-C. M. Recto
1029-1031 JP Bldg.
Masangkay cor. Tronqued St.
Sta. Cruz, Manila
Fax 2440186
Tels. 2440185 / 2441806
2441808 / 2443056

Matalino-Diliman
G/F, J & L Bldg. Matalino St.
Diliman, Quezon City
Fax 4342768
Tels. 9219956 / 4342763
4342764

Mayon-N. Roxas
No. 241 Mayon Ave.
cor. Nicanor Roxas St.
1161 Quezon City
Fax 7402058
Tels. 7402118 / 7438939
7438936

MC Home Depot-Fort Bonifacio
G/F (CS 183) MC Home
Depot-Fort Bonifacio Branch
32nd St. cor. Bonifacio Ave.
Fort Bonifacio, Global City
Taguig
Fax 8187905
Tels. 8152463 / 8181972

Medical Plaza-Legaspi Village
Unit 101, G/F Medical Plaza
Makati, Amorsolo St.
cor. dela Rosa St.
Legaspi Village, Makati City
Fax 8132585
Tels. 7505547 / 7505545
8132739 / 8864247

Meralco Center-Ortigas
Meralco Compund
Ortigas Ave. 1604
Pasig City
Fax 6316360
Tels. 6225809 / 6315853
4210530

Metro Point Mall-Pasay
Unit 102 G/F Metro Point Mall
EDSA cor. Taft Ave.
Pasay City
Fax 8333758
Tels. 8335072 / 8335607

Mindanao Avenue-Congressional
Congressional Avenue Ext.
cor. Mindanao Avenue
Quezon City
Fax 9252627
Tels. 9252626 / 9252630
4552394 / 9252629

Morning Star-Gil Puyat
G/F Morning Star Center Bldg.
347 Sen. Gil J. Puyat Ave.
Makati City
Fax 8998265
Tels. 8903148 / 8998242
8903152 To 53

N. Roxas-Banawe
Unit 397-A & Unit 71-F
Banawe cor. N. Roxas St.
Quezon City
Fax 7433459
Tels. 7437545 / 7437552
7437545

NAIA 1
Arrival Area, Ninoy Aquino
International Airport
N. Aquino Ave.
1705 NAIA Parañaque
Metro Manila
Fax 8320117
Tels. 8796201 / 87714056
87714057 / 8771109
loc. 4056

Neptune-Makati Ave.
101 Neptune St.
cor. Makati Ave. 1209
Makati City
Fax 8972174
Tels. 8966062 / 8972694
8972718 / 8978483

New Farmers Plaza-EDSA
3F Concourse Area
New Farmers Plaza Edsa
Araneta Center, Quezon City
Fax 9950206
Tels. 9950207

New Manila-E. Rodriguez Sr.
Unit 1G & 2E
284 Doña Anita Bldg.
E. Rodriguez Sr. Ave.
Quezon City
Fax 4106654
Tels. 4106655 / 7243188
7274988 / 4106651
4106656

New Sta. Lucia East-Cainta
Sta. Lucia East Grand Mall
Marcos Highway
cor. Felix Ave. 1900
Cainta, Rizal
Fax 6815171
Tels. 6815296 / 6815172

New York-EDSA
EDSA cor. New York St.
Cubao 1111 Quezon City
Fax 4373645
Tels. 9123670 / 9957747

Notre Dame-Aurora Blvd.
Aurora Blvd., cor. Notre Dame
St. Cubao 1110 Quezon City
Fax 9119833
Tels. 9135025 / 9135020
9119108

One Corporate Plaza-A. Arnaiz
845 One Corporate Plaza Bldg.
Pasay Road, Makati City
Fax 8135808
Tels. 8135817 / 8135811
8129001

Ortigas 1-Exchange Road
G/F PSE Center, Exchange
Road, Ortigas Commercial
Complex, Pasig City
Fax 6363728
Tels. 6352902 to 05
6363729 / 6366153
6366154

Ortigas Avenue-Greenhills
EBC Bldg., Ortigas Ave.
cor. Roosevelt Ave., Greenhills
San Juan, Metro Manila
Fax 7212574
Tels. 7224238 / 7267656
7227244 / 7267653
7213641 / 7227237

Ortigas Avenue-Pasig
New Rosario Ortigas
Commercial Arcade
42 Ortigas Ave., Pasig City
Fax 9167454
Tels. 9167455 / 6405271
6405272 / 6433995

Ortigas Avenue-San Juan
Units 102-103 Sunrise Cond.
Ortigas Avenue 1500
San Juan, Metro Manila
Fax 7249405
Tels. 7211909 / 7215024
7219180

Ortigas Avenue Ext.-Cainta
Units 7-9 Fairtrade
Commercial Center
Ortigas Ave. Extension
Cainta, Rizal
Fax 6586575
Tels. 6566581 / 6567690
6609663

Ortigas-EDSA
SEC Bldg., EDSA
cor. Florida St.
Mandaluyong City
Fax 7210224
Tels. 7210224 / 7275161
7253163

Pacific Star-Makati
G/F Pacific Star Bldg.
Sen. Gil Puyat Ave.
cor. Makati Ave., Makati City
Fax 8115225
Tels. 8115568 / 8115938 to 41
8115567 / 8133731

Padre Faura-A. Mabini
A. Mabini cor. Padre Faura Sts.
1000 Ermita, Manila
Fax 5234879
Tels. 5233173 / 5280157
5258928

Parañaque Cable-A. Santos
Parañaque Cable TV Bldg.
8210 Dr. A. Santos Ave.
Parañaque
Fax 8201617
Tels. 8201614 / 8201615
8201620 / 8201621

Parañaque-N. Aquino Ave.
JJM Bldg., 2 N. Aquino Ave.
Sto. Nino, Parañaque
Metro Manila
Fax 854-4792
Tels. 854-4789 / 8544835
854-4791

Pasay-EDSA
507 EDSA cor. B. Garcia St.
1300 Pasay City
Fax 8314493
Tels. 8317741 / 8336832
8336834

Paseo-Equitable PCI Tower
Equitable Bank Tower
8751 Paseo de Roxas
Makati City
Fax 8860015
Tels. 8860016 / 8130299
8860010 to 12

Paseo-Gil Puyat
EBC Bldg., Paseo de Roxas
cor. Gil Puyat Ave.
Makati City
Fax 8976149
Tels. 8953949 / 8950055
8950059 / 8909531

Pasig Blvd. Ext.-Rosario
Along Pasig Blvd. Ext.
Rosario, Pasig City
Fax 6419174
Tels. 6415828 / 6427936
6428406 to 09

Paso de Blas-North Expressway
97 Paso de Blas 1400
Valenzuela, Metro Manila
Fax 2940697
Tels. 2940699 / 4321209
4441752 / 2940699

PCI Leasing Centre
PCI Leasing Centre
Ortigas Ave., Quezon City
Fax 6361758
Tels. 6318683 / 6361758

Pedro Gil-A. Mabini
1567-1571 Salud Bldg.
Pedro Gil cor. A. Mabini St.
Ermita, Manila
Fax 4007364
Tels. 4007363 / 525-6121
5219506

Perea-Paseo
G/F Universal Re Bldg.
106 Paseo de Roxas
Makati City
Fax 8162220
Tels. 8171845 / 8179980
8186355 / 8159032

Philamlife Ave.-Las Piñas
Alabang-Zapote Road
Pamplona Tres, 1740 Las Piñas
Metro Manila
Fax 8743892
Tels. 8728167 / 8740325
8744252 / 8743809

Pioneer Highlands-Madison
Unit 01 (Facing Madison St.)
Lower G/F Globe Telecom
Plaza 1 Bldg. Pioneer
cor. Madison Sts.
Mandaluyong City
Fax 7463805
Tels. 6347933 / 7463806
7460081

Pitimini-Roosevelt
EBC Bldg. Roosevelt Ave.
cor. Pitimini St.
SFDM, Quezon City
Fax 3725987
Tels. 4126138 / 3725987
4121745 / 3725988

Plaza Calderon-Pedro Gil
G/F Unit C, Harmonic Seven
Bldg., 2332-2334 Pedro Gil
cor. Vesta St., Sta. Ana
Manila
Fax 5646548
Tels. 5626816 / 5626841
5634803

Plaza Sta. Cruz-Dasmariñas St.
377 Plaza Sta. Cruz
1003 Sta. Cruz, Manila
Fax 7333018
Tels. 7333001 / 7333003
7333004 / 7343812

POEA-EDSA
POEA Bldg.
EDSA cor. Ortigas Ave.
Mandaluyong City
Fax 7245966
Tels. 7245943

Port Area-South Harbor
13th St. cor. Atlanta St.
South Harbor
1018 Port Area, Manila
Fax 5270695
Tels. 5270717 / 5270793
5211302

President's Avenue-BF Parañaque
President's Ave.
cor. J. Elizalde St., BF Homes
Parañaque, Metro Manila
Fax 8508571 / 8508572
Tels. 8091677 / 8420895
8094976 / 8427395

Pres. Quirino-Taft
G/F FFW Bldg.
1943 Taft Ave., Malate, Manila
Fax 5232640
Tels. 5262654 / 5232657
5264068

Pritil-Tondo
1815 N. Zamora St.
1012 Tondo, Manila
Fax 2545248
Tels. 2525762 / 2551050
2545028 / 2525899

Project 7-EDSA
Lobby of EPCIB
Balintawak Branch ANPN
Plaza, Km 12, EDSA,
Balintawak, Quezon City
Fax 3301708
Tels. 3301657 / 3301713
3301707

Q.I.-E. Rodriguez Sr.
G/F Ablaza Bldg.
117 E. Rodriguez Ave.
Quezon City
Fax 7328290
Tels. 7401091 / 7401906
7421340 / 4111091

Quiapo-Quezon Blvd.
Quezon Blvd.
1001 Quiapo, Manila
Fax 7336040
Tels. 7336249 / 7340477
to 787350953

Quinta Market-Quiapo
Quezon Blvd.
cor. C. Palanca St.
Quiapo, Manila
Fax 7359592
Tels. 7359591
7359593 to 95

R. Salas-Roxas Boulevard
S & L Bldg., Roxas Blvd.
cor. Romero Salas St.
Ermita, Manila
Fax 4508297
Tels. 5248469 / 4508300

Redemptorist Road-Baclaran
Redemptorist Road, Baclaran
Parañaque, M. M.
Fax 8320042
Tels. 8525169 / 8332844
8538326

Reina Regente-C.M. Recto
C.M. Recto
cor. Reina Regente
Binondo Manila
Fax 2447318
Tels. 2457141 / 2443965
2443993 to 94

Reliance St.-EDSA
G/F Paragon Plaza
EDSA cor. Reliance St.
Mandaluyong City
Fax 6389069
Tels. 6389070 / 6389066
6389072

Reposo-Makati
EBC Bldg., J.P. Rizal
cor. N. Garcia (Formerly
Reposo) Makati City
Fax 8978652 / 962437
Tels. 8978655 / 8978648 to 51
8961790

Richville Center-Ayala Alabang
Richville cor. Centre Inc.
1314 Commerce Ave. Ext.
Fax 8978655
Tels. 8093868 / 8044201
8093322 - PABX

Robinson's Galleria-Ortigas
Robinson's Galleria
Ortigas Ave. 1602
Quezon City
Fax 6329866
Tels. 9105484 / 6329821
6339215

Robinsons-Metro East
Level 1 (L1 160 & 162)
Robinson's Metro East
Marcos Highway, Pasig City
Fax 6829114
Tels. 6829112 / 6829117
6829115

Robinson's Place-Cainta
EPCIBank Taytay-National
Highway Branch
Korte Rosario Restaurant
Taytay National Highway
Ilog Pugad, Brgy. San Juan
Taytay Rizal
Telefax 6557891
Tels. 6557891 / 6558144
6601939

Robinson's Place-Manila
G/F Robinson's Mall
Pedro Gil cor. M. Orosa Sts.
Ermita, Manila
Fax 5367898
Tels. 5256430 / 5367963
5367901 / 5367902

Rockwell Center-Makati
Lot 3 Block 7 Rockwell Drive
Rockwell Center, Poblacion
Makati City
Fax 7298816
Tels. 8981746 / 8981742 to 43
7298814 / 8990815

Ronquillo-Sta. Cruz
Unit I, G/f Carmen Bldg.
Ronquillo St., Sta Cruz
Manila
Fax 7359302
Tels. 7359303 / 7349015
7359303 to 06

Rufino-Ayala
G/f Rufino Bldg.
Ayala Ave. Cor Herrera St.
1226 Makati City
Fax 8124214 / 8124243
Tels. 8154536 / 8131358
8101439

Rustan's-Cubao
RC-01A, Times Square Ave.
near cor. Gen. Roxas St.,
Araneta Center
1109 Quezon City
Fax 4385564
Tels. 4383350 / 4385565
9958572

Salcedo St.-Legaspi Village
EBC Bldg., 203 Salcedo St.
Legaspi Village, Makati City
Fax 8126144
Tels. 8126145 / 8125873
8125874

Sales St.-Raon
545 Sales St.,
cor. G. Puyat St.
1016 Sta. Cruz, Manila
Fax 7336673
Tels. 7337961 / 7337656
7336679 / 7337866
7337785

San Miguel Center-Ortigas
G/F SMPPI Corporate
Centre Bldg., St. Francis Ave.
1554 Mandaluyong City
Fax 6387002
Tels. 9100976 / 9110977
6387001

San Sebastian-C. M. Recto
2070 C.M. Recto St.
1008 Sampaloc, Manila
Fax 7369059
Tels. 7348889 / 7349682
7330267 / 7346679

Sangandaan-Kalookan
No. 628 A. Mabini St. 1408
Sangandaan, Caloocan City
Telefax 2852738
Tels. 2852737 / 2885525
2885540 / 2853776

Scout Albano-Quezon Avenue
1488 Quezon Ave.
1103 South Triangle
Quezon City
Fax 4108092
Tels. 3731611 / 4108093
3723321

Scout Tobias-Timog
35-A Timog Ave.
Quezon City
Fax 4101940
Tels. 3740732 / 4101939
3714363 / 3743167

Sct. Limbaga-T. Morato
102 & 103 The Forum
Tomas Morato Ave.
cor. Scout Limbaga St.
1103 Quezon City
Fax 9289671
Tels. 9281982 / 9281945
9226623

Severino-C. M. Recto
Cor. C.M. Recto Ave. &
Severino Sts.
1001 Quiapo, Manila
Fax 7339819
Tels. 7331094 / 7334126

Shangri-La Plaza Mall-EDSA
Unit #129-a, Level 1
Shangri-La Plaza Mall
EDSA cor. Shaw Blvd.
Mandaluyong City
Fax 6334187
Tels. 6382692 / 6876944
6334187

Shaw Blvd.-Stanford
EBC Bldg., Shaw Blvd.
cor. Stanford St.
Mandaluyong, Metro Manila
Fax 7238707
Tel. 7238705

Sienna-Del Monte
409 Del Monte Ave.
1114 Sienna, Quezon City
Fax 3671641
Tels. 4149000 / 4149001
4147373 / 3671642
3671640

Singalong-Pedro Gil
1080 cor. Pedro Gil &
Singalong Sts. 1007
Paco, Manila
Fax 5253249
Tels. 5237290 / 5230541
5213647 / 5257644
5257640

Sixto Antonio-Pasig
Sixto Antonio Ave.
cor. R. Bedaña St.
Pasig City
Fax 6410619
Tels. 6410610 / 6410620
6404957

SM City-Fairview
SM City Fairview
Quirino Highway
cor. Regalado Ave.
Fairview, Quezon City
Telefax 4171056
Tels. 9350688 / 4179022
9350688 / 9389259

SM North EDSA
SM Center Complex
North EDSA 1105
Quezon City
Fax 9286932
Tels. 9272090 / 9296509
9278645 / 4566578
4566579

Soler-Reina Regente
1087 Soler St., Manila
Fax 2435827
Tels. 2441166 / 2441144
2441146 / 2441165

St. Ignatius-Katipunan
134 Katipunan Ave.
St. Ignatius Village
Quezon City
Fax 4371215
Tels. 4371211 / 4371213
4371212 / 9128177

St. James-A. Santos
Dr. A. Santos Ave.
Sucat, 1700 Parañaque
Metro Manila
Fax 8269401
Tels. 8203446 / 8208211
8208210

Sto. Cristo-Binondo
565 & 567 Sto. Cristo St.
Binondo, Manila
Telefax 2420333
Tels 2448955 / 2448954
2448078

Sto. Niño St.-Roosevelt
284 Roosevelt Ave.
San Francisco del Monte
1105 San Antonio
Quezon City
Fax 3722310
Tels. 4111475 / 4108079 / 80
3722310 / 3747901

Strata 100-Ortigas
G/F, Strata 100 Bldg.
Emerald Avenue, Pasig City
Fax 6327084
Tels. 6383670 / 6327375
6312851 / 6316154
6331250

Sumulong-Marikina
Amang Rodriguez Ave.
Metro Manila
Fax 6469650
Tels. 6462041 / 6479933
6462061/6422414

T. Alonzo-Arranque
733 T. Alonzo St., Manila
Fax 7369493
Tels. 7334648 / 7334657
7334653 / 7334655

T. Alonzo-Ongpin
Unit 564 & 566, Gel Tower
T. Alonzo Street , Manila
Telefax 7331459
Tels. 7331483 / 733-9556
7331461

T. Morato-Kamuning
cor. Kamuning &
Tomas Morato, Quezon City
Fax 4161809
Tels. 9278907 / 4161810
4161808 / 9204724

Tabora-M. de Santos
817 Tabora St.
1006 Binondo, Manila
Fax 2447404
Tels. 2446201 / 2446833
2440198 / 2424189

Taytay-National Highway
Korte Rosario Restaurant
Taytay National Highway
Ilog Pugad, Brgy. San Juan
Taytay, Rizal
Fax 658-6575
Tels. 6586574 / 6606870
6586574 / 2863495
2864262

BRANCH DIRECTORY

Tierra Nueva-Alabang
Sycamore Arcade
Alabang-Zapote National
Road 1702 Alabang
Muntinlupa City
Fax 8070660
Tels. 8421406 / 8423255

Times Plaza-U. N. Avenue
Unit G-2B, Times Plaza Bldg.
Taft Ave. cor. U.N. Ave.
Ermita, Manila
Fax 4041447
Tels. 4041403 / 4041430
5219792

Timog-EDSA
No.134 Timog Ave.
Quezon City
Fax 9284263
Tels. 9284269 / 9229031

T. M. Kalaw-Luneta
707 T. M. Kalaw St.
cor. Churruca St.
Ermita, Manila
Fax 5254868
Tels. 5256590 / 5244849
5258378 / 5211266

Tutuban Centermall-C.M. Recto
M1-B055 B, G/F Centermall
Bldg., Tutuban Center
C.M. Recto Ave., Manila
Fax 2524236
Tels 2544503 / 2524236

U. N. Avenue-J. Bocobo
EBC Bldg., U.N. Ave.
cor. J. Bocobo St.,
Ermita Manila
Fax 5252003
Tels. 5249661 to 65
5212721 / 5246530
5252033

Valle Verde-E. Rodriguez Jr.
Unit 7&8 Cathay Builder's
Corp. Bldg., E. Rodriguez Jr.
Ave. cor. Carlo J. Caparas St.
Bo. Ugong, Pasig City
Fax 6711296
Tels. 6711271 / 6710523
9143350 / 6711609
6711863

Villa Mendoza-A. Santos
cor. Villa Mendoza Subd.
Road & Dr. A. Santos Ave.
1700 Parañaque
Metro Manila
Fax 8266487
Tels. 8200019 / 8255871
8265789

Villar-Salcedo Village
Eurovilla 111 Condominium
Villar St., cor. Alfaro St.
1227 Makati City
Fax 8941049
Tels. 8941048 / 8125070
8181681

Virgo Drive-Northbay
Melandrea III Bldg.
Northbay Blvd.
Near cor. Virgo Drive
Navotas M.M.
Fax 2821009
Tels. 2829801 / 2837740
2829802 to 04

Visayas Avenue-Project 6
57 Visayas Ave.
(near Sanville Subdivision)
Quezon City
Fax 9278710
Tels. 9277373 / 4557220

Vito Cruz-Taft
Bankard Bldg., 2422 Taft Ave.
1004 Malate, Manila
Telefax 5260034
Tels. 5247926 / 5227369
5211205

Waltermart-Makati
2nd Floor, 790 Waltermart
Center Makati, Chino Roces
Avenue cor. Arnaiz Avenue
Makati City
Telefax 8873367
Tels. 8871560 / 8446561

Washington-Gil Puyat
G/F Keystone Bldg.
220 Gil Puyat Ave.
Makati City
Fax 8932183
Tels. 8932180 / 8441325
8440045

West Avenue-Del Monte
40 West Ave.
1104 West Triangle
Quezon City
Fax 3714669
Tels. 4128049
3714672 to 73
4128048

West Trade Center-West Avenue
Unit #1, G/F West Trade
Center, West Ave.
Quezon City
Fax 4158949
Tels. 9253446 to 48
4158947 / 4264214

Ylaya-Padre Rada
940-942 Ilaya St.
Tondo Manila
Fax 2450107
Tels. 2421110 / 2450283
2421652 / 2455478

Zaragosa-Carmen Planas
921 Carmen Planas St.
cor. Zaragosa St.
Tondo, Manila
Fax 2455207
Tels. 2434879 / 2434882
2434881

LUZON BRANCHES

A. Banzon-Balanga
Antonio Banzon St.
2100 Balanga, Bataan
Telefax 7914205
Tels. (047) 2372070
(047) 2372150

A. Mabini-Biñan
Rey Bldg., A. Mabini St.
Poblacion 4024
Biñan, Laguna
Fax (049) 5119926
Tels. (049) 5119924
5117788 / 5116386

Abanao Square-Baguio
Abanao Square, Abanao
cor. Zandueta Sts. Baguio City
Fax (074) 4422791
Tels. (074) 3043567
4426027 / 4426028

Aguinaldo Highway-Dasmarinas
G/F Digital Bldg.
Gen. Emilio Aguinaldo
Highway, Dasmariñas Cavite
Fax (046) 8502214
Tels. (046) 8502212
8504041 to 42

Alaminos-Pangasinan
Marcos Avenue, Palamis
Alaminos, Pangasinan
Fax (075) 5515632
Tels. (075) 5515691-92
5515615 / 5527106

Alexander-Urdaneta
Alexander St., Poblacion
2428 Urdaneta, Pangasinan
Fax (075) 5682615
Tels. (075) 6242403
5688238 / 5688241
6242837

Antorcha-Balayan
Antorcha St., Balayan
Batangas
Fax (043) 9211059
Tels. (043) 2114686
9211059 / 9213974

Apalit-Pampanga
G/F Quintos Bldg.
McArthur Highway
San Vicente, Apalit Pampanga
Telefax (045) 8791248
Tels. (045) 8791247
3028510

Aparri-Rizal St.
Rizal cor. Balisi (Macanaya)
Aparri, Cagayan
Fax (078) 8228779
Tels. (078) 8228304
8882516 / 8882011

Bacoor-Aguinaldo Highway
Gen. E. Aguinaldo Highway
Panapaan, Bacoor, Cavite
Fax (046) 4176752
Tels. (046) 4173169 /
4172998

Bagbaguin-Sta. Maria
Gov. Halili Ave., Bagbaguin
Sta. Maria, Bulacan
Fax (044) 6414131
Tels. (044) 6412099
6411799 / 6411899
6412851

Balagtas-McArthur Highway
McArthur Highway
Brgy. San Juan
3016 Balagtas, Bulacan
Fax (044) 6934342
Tels. (044) 6932960
6931685 / 6933406

Balibago-Angeles City
G/F Lawrence Plaza
Mcarthur Highway
near cor. Charlot St. Balibago
Angeles City
Fax (045) 6257647
Tels. (045) 6257775
8924187 / 8924230

Balintawak St.-Laoag
cor. Rizal & Balintawak Sts.
2900 Laoag City, Ilocos Norte
Fax (077) 7714021
Tels. (077) 7720315
7720121 / 7721123

Bangued-Abra
Unit 12, The Rosario Bldg.
Taft St. cor. Magallanes St.
2800 Bangued, Abra
Fax (074) 7528093
Tels. (074) 7525274
7528094 / 6620001

Batac-Washington
Aoigan Bldg.
Washington St., Batac 2906
Ilocos Norte
Fax (077) 7923375
Tels. (077) 7923092
6171556 / 6711038

Bay City Mall-Batangas City
Unit T-9, G/F Bay City Mall
D. Silang cor. C. Tirona &
P. Burgos Sts., Batangas City
Tels. (043) 7236900 /
7231200 / 7238900

Binakayan-Kawit
1497 Natioanal Road
Binakayan 4104 Kawit, Cavite
Fax (046) 4345676
Tels. (046) 4344575
4344585 / 4345984

Bonifacio St.-Tuguegarao
Bonifacio St.,
Tuguegarao, Cagayan
Fax (078) 8440708
Tels. (078) 8462691
8442124 /8441352
8442405 / 8441912

Cabuyao-J. P. Rizal
G/F Lim-Bell Business Center
J.P. Rizal St., Cabuyao Laguna
Fax (049) 5314335
Tels. (049) 5314108
5314109 / 5314362

Caceres-Naga
E. Angeles cor. Caceres Sts.
Naga City, Camarines Sur
Fax (054) 8111232
Tels. (054) 4731215
8111234 / 4733136

Calapan-J. P. Rizal
J. P. Rizal St., 5200 Calapan
Oriental Mindoro
Fax (043) 2884666
Tels. (043) 2884104
4411540 / 4411553

Candelaria-Rizal St.
Rizal cor. Valle Sts.
Candelaria, Quezon
Fax (042) 5859092 / 7417085
Tels. (042) 7411326 to 27
7411084 to 85
7411463 / 7411465

Candon-National Highway
National Hi-way cor. Abaya St.
2710 Candon, Ilocos Sur
Fax (077) 7426410
Tels. (077) 7424157
7426551

Carmen-Pangasinan
McArthur Highway
Carmen East 2441
Rosales, Pangasinan
Telefax (075) 5822925
Tels. (075) 5827372
5827305 / 5822836

Castro-Laoag
Pichay Bldg., J. P. Rizal
cor. A. Castro Sts., Laoag City
Telefax (077) 7716098
Tels. (077) 7716098
7715433 / 7720266

Cauayan-Isabela
G/F Omega Cinema Maharlika
Highway Cauayan, Isabela
Fax (078) 6522421
Tels. (078) 6521289
6521290 / 6522330

Centennial-Clarkfield
Centennial Road
Clark Special Eco. Zone
Balibago, 2009
Angeles City, Pampanga
Fax (045) 5995667
Tels. (045) 5993487
5995666 / 5995668
8934107 / 8934149

C.M. Recto-Lipa
131 C. M Recto St.
4217 Lipa City, Batangas
Fax (043) 7561515
Tels. (043) 7562313
7566848 / 7566847

Concepcion-Tarlac
L. Jaena cor. L. Cortes Sts.
San Nicolas 2316
Concepcion, Tarlac
Fax (045) 9230034
Tels. (045) 9230792
9230630

Congreso-Malolos
Paseo del Congreso
San Agustin 3000
Malolos, Bulacan
Telefax (044) 7910631
Tels. (044) 7916286
7919241 / 6623411

Daet-Camarines Norte
J. Lukban cor. Moreno Sts.
Poblacion Daet
Camarines Norte
Telefax (054) 7214300
Tels. (054) 4402500
5712956 / 7214300
4402488

Daraga-Rizal St.
Rizal St., 4501 Daraga, Albay
Fax (052) 8240272
Tels. (052) 8241858
8241992 / 4833729

Dasmariñas Techno Park-Cavite
Governor's Drive
Brgy. Paliparan I
Dasmariñas, Cavite
Fax (046) 9722175
Tels. (02)5298138 / 5298137

Dolores-San Fernando
Mcarthur Highway
Dolores 2000
San Fernando, Pampanga
Fax (045) 9615286
Tels. (045) 8600884
9612907 / 9634084

Enriquez-Lucena
Enriquez cor. Evangelista St.
Lucena City
Fax (042) 3737799
Tels. (042) 3737798
3737793 / 3737792

EPZA-Cavite
Cavite EPZA Compound
4106 Rosario, Cavite
Fax (046) 4372642
Tels. (046) 4372643
4376866 / 4376267

F. Tañedo-Tarlac City
F. Tanedo cor. Juan Luna St.
Tarlac City
Fax (045) 9821299
Tels. (045) 9827790
9821298

FCIE Dasmariñas-Cavite
Governor's Drive
Brgy. Langkaan
Dasmariñas, Cavite
Fax (046) 4021134
Tels. (046) 4021133
4021135

Fernandez-Dagupan City
A. B. Fernandez Ave.
2400 Dagupan City
Pangasinan
Fax (075) 5222791
Tels. (075) 5155909
5152469 / 5222792
5235441

Gateway Business Park-Cavite
Gateway Business Park
C. Delos Reyes Ave.
4107 Gen. Trias, Cavite
Fax (046) 4330178
Tels. (046) 4330278
4330180 / 4330179

Gen. Luna-Naga
Gen. Luna St.
4400 Naga City
Camarines Sur
Fax (054) 4737913
Tels. (054) 8112157
4738498 / 4739016
8118091

Governor's Drive-Carmona
Motorola Phils., Inc Compound
Carmona National Road
Bo. Maduya 4116
Carmona, Cavite
Telefax (046) 6992124
Tels. (046) 4301773
4303270 / 2425208
(Laguna Line)

Hagonoy-Bulacan
G/F Ang Puso ng Hagonoy
Shopping Center Plaza
Hagonoy, Bulacan
Telefax (044) 7933519
Tels. (044) 7933519
7933518 / 7933520

Highway 1-Iriga
Contreras Bldg., cor. Highway
and Ortigas St., San Roque
4431 Iriga City, Camarines Sur
Fax (054) 4560069
Tels. (054) 6550305
2993649 / 6550343
2992380 / 2992329

Ilagan-Isabela
Along Maharlika Highway
Calamagui 2nd Ilagan, Isabela
Fax (078) 6223503
Tels. (078) 6222653
6223603

Imus-Aguinaldo Highway
G/F DCR Building, Aguinaldo
Highway, 4103 Imus, Cavite
Fax (046) 4713214
Tels. (046) 8757242
4710989 / 4711089
8757243

J. Luna-Tarlac City
J. Luna St. near cor.
McArthur Tarlac, Tarlac
Fax (045) 9823192
Tels. (045) 9829005
9825539 / 9823119

J. Orosa-Bauan
J. Orosa St., 4201
Bauan, Batangas
Fax (043) 7271515
Tels. (043) 7271514

J. P. Rizal-Baliwag
J. P. Rizal St. San Jose
Baliwag, Bulacan
Fax (044) 7661225
Tels. (044) 7661224
7663172 / 6732562

Kumintang-Batangas City
National Highway
Brgy. Kumintang Ilaya
Batangas City, Batangas
Fax (043) 7231698
Tels. (043) 7230197
7234579 / 9800433

La Trinidad-Benguet
S & B Bldg., Km. 4 Balili
2601 La Trinidad, Benguet
Telefax (074) 4221092
Tels. (074) 4221093
4222461 / 3091517

Lingayen-Pangasinan
80 Avenida Rizal East
Lingayen, Pangasinan
Fax (075) 5428003
Tels. (075) 6621283
5428004 / 6621284

Lipa-Rotonda
C.M. Recto Ave., Lipa City
Fax (043) 7563898
Tels. (043) 7562869
9814757 / 7562808
9814316 / 7570820 to 21

M. Belen-Silang
194 J. Rizal cor. M. Belen St.
Silang, Cavite
Telefax (046) 4141048
Tels. (046) 4141643 to 44
4142108 to 09
4141047 to 48

Magsaysay-Baguio
G/f Golden Court Bldg.
258 Magsaysay Ave.
Baguio City
Fax (074) 4438138
Tels. (074) 4438137
4449924 / 4435028

Maharlika Road-Cabanatuan
Maharlika Road
near cor. Sanciangco St.
Cabanatuan City
Fax (044) 4643946
Tels. (044) 4633985
4633408 / 4633264

Malhacan-Meycauayan
Brgy. Northern Hills
Malhacan, Meycauayan
Bulacan
Fax (044) 6953131
Tels. (044)6953144
6953927 / 2283766
6953143

Marilao-McArthur Highway
Unit I-3 Cecilia Commercial
Complex Abangan Norte
McArthur Highway
3019 Marilao, Bulacan
Telefax (044) 7113405
Tels. (044) 7113405
7111609 / 2996883

Megacenter Mall-Cabanatuan
Unit 49-B Upper G/F
Megacenter Mall
Gen. Tinio & Melencio Sts.
Cabanatuan City
Telefax (044) 4633271
Tels. (044) 4633143
4633160 / 4633285

Miranda-Angeles City
Pcib Bldg., Miranda St.
Angeles City, Pampanga
Fax (045) 8887373
Tels. (045) 8877712
8877378 / 8877242
3234103 / 8880102
(02) 2468373

Muñoz-Nueva Ecija
T. Delos Santos St.
3119 Muñoz, Nueva Ecija
Fax (044) 4560356
Tels. (044) 4560892
4560893 / 4560123

NE Pacific Mall-Cabanatuan
Ground Level, Unit CM-2
NE Pacific Mall, Km.111
Maharlika Highway
Cabanatuan City, Nueva Ecija
Telefax (044) 4642026
Tels. (044) 4642026
4642025

Nepo Mart-Angeles City
G/F Angeles Business Center
Teresa Ave., Nepo Mart
Complex Angeles City
Fax (045) 322-4478
Tels. (045) 8888335
3224478 / 8886119
8881522

North-Calamba Crosssing
Calamba Crossing National
Highway 4027
Calamba, Laguna
Fax 5454706 to 08
Tels. (049) 5455981
(049) 5454709
5208847

Obando-J. P. Rizal
J.P. Rizal St. Barangay
Catanghalan, Obando
Bulacan
Fax (044) 2940689
Tels. (044) 2922775
2940690 / 2943784

Olivarez Plaza-Los Baños
Olivarez Plaza Cinema &
Supermarket Complex along
National Highway
Brgy. Batong Malake
Los Baños
Fax (049) 5366355
Tels. (049) 5366357
5366358 / 5208363
5364765

Olongapo-Rizal Avenue
2043 Rizal Ave., 20th Place
West Bajac Bajac 2200
Olongapo City, Zambales
Fax (047) 2222250
Tels. (047) 2229473
2223974 / 2245063

P. Burgos-Batangas City
Rizal Ave. cor. P. Burgos St.
4200 Batangas, Batangas City
Fax (043) 7235974
Tels. (043) 7235975 to 77

P. Burgos-Cavite City
cor. P. Burgos & P. Julio Sts.
Caridad, 4100 Cavite City
Fax (046) 4310755
Tels. (046) 4310257
4310143

Pacita-San Pedro
G/F M. Allen Bldg., Km. 31
Old National Highway
San Pedro, Laguna
Fax 8684998
Tels. 8684994 / 5202859
8682130 / 8684997

Paniqui-Tarlac
M. H. Del Pilar St.
McArthur Highway
2307 Paniqui, Tarlac
Fax (045) 9310298
Tels. (045) 9311843
9311808 / 9310355

Perez-Dagupan City
Perez Blvd, 2400
Dagupan City, Pangasinan
Fax (075) 522-4474
Tels. (075) 5224624
5227830 / 5155201

Plaza Burgos-Guagua
Yabut Bldg., Plaza Burgos
2003 Guagua, Pampanga
Telefax (045) 9000194
Tels. (045) 9000213
9004454 / 9010629

Plaza Maestro-Vigan
G/F Plaza Maestro
Commercial Complex
Burgos & Florentino Sts.
Vigan City, Ilocos Sur
Telefax (077) 7223934
Tels. (077) 7223968
7223974 / 7223967
7223930

BRANCH DIRECTORY

Poblacion-Sta. Maria
M. De Leon St., Poblacion
3022 Sta. Maria, Bulacan
Telefax 6414725
Tels. (044) 6411548
(044) 6411578

Pulilan Junction-Bulacan
Doña Remedios Highway
Pulilan Junction
Pulilan Bulacan
Fax (02) 2998329
Tels. (044) 6702112
(044) 6760225

Puregold-Clarkfield
Puregold Duty Free
(Expansion) Bldg.
Claro M. Recto Highway
Clark Special Economic Zone
Clark Field, Pampanga
Fax (045) 5993283
Tels. (045) 5993287
5993284 / 5993285

Quezon Avenue-Lucena
Quezon Ave. cor. Profugo St.
Lucena City, Quezon
Fax (042) 3735930
Tels. (042) 7103468
7104176 / 7102916

Rizal Avenue-Puerto Princesa
261 Rizal Ave., 5300
Puerto Princesa City
Palawan
Fax (048) 4344243
Tels. (048) 4344244
4332491 / 4344242

Rizal St.-Legaspi City
Rizal St., 4500
Legaspi City, Albay
Fax (052) 4807361
Tels. (052) 4807956
8202413 / 2146356

Rizal St.-San Pablo
G/F Farcon Bldg.
Rizal Ave. cor. Lopez Jaena St.
San Pablo City
Fax (049) 5611881
Tels. (049) 5611880
5611882 to 85

Robinson's Place-Dasmariñas Cavite
Level 1 Robinson's Place-Dasmariñas, Aguinaldo
Highway cor. Governor's
Drive, Dasmariñas Cavite
Fax (046) 4162062
Tels. (046) 8521989
8521990 / 4162063

Robinson's Place-Lipa
Level 1, Space L1-177
Robinson's Place-Lipa
Lipa Highway, Lipa City
Batangas
Fax (043) 7573063
Tels. (043) 7573062
4042018

Robinson's Place-Sta. Rosa
Level 1, Space 014 (G/F Level)
Robinson's Sta. Rosa
Sta. Rosa National Highway
Sta. Rosa, Laguna
Tels. (049) 5344485
5344484 / 5344486

Robinson's Starmills-Pampanga
Level 1, Seaport Gate Lobby
Robinson's Starmills Pampanga
Olongapo-gapan Road
San Fernando City, Pampanga
Telefax (045) 6363527
Tels. (045) 6363527
6363528

Roxas-Isabela
23 Osmeña Road
Bantug Mallig Plain 3320
Roxas, Isabela
Telefax (078) 6427166
Tels. (078) 642-7166
642-8638 / 6428636

Rustan's-Laguna Technopark
G/F Rustan's
Sta. Rosa Bldg. (North Wing)
Laguna Technopark
Ayala Land, Brgy. Don Jose
Sta. Rosa, Laguna
Fax (049) 5208455
Tels. 5413074 / 5413075

Salvador-Guimba
Afan Salvador St.
3115 Guimba, Nueva Ecija
Fax (044) 6112058
Tels. (044) 6110056
6110058 / 9430212

San Agustin-San Fernando
McArthur Highway
Bgy. San Agustin
San Fernando, Pampanga
Telefax (045) 9635194
Tels. (045) 9635194
9635193 / 9635241

San Carlos-Pangasinan
Palaris St., 2420
San Carlos, Pangasinan
Fax (075) 5324522
Tels. (075) 5324522
5323845

San Fernando-La Union
Quezon Ave. 2500
San Fernando, La Union
Fax (072) 7001388
Tels. (072) 2420239
2424789
7001387 / 7001392
2424643

San Jose-Nueva Ecija
Maharlika Road 3121
San Jose City, Nueva Ecija
Fax (044) 5111527
Tels. (044) 9471376
9472998-99

San Juan-Batangas
Marasigan cor. Kalayaan Sts.
cor. San Juan, Batangas
Fax (043) 5754287
Tels. (043) 5754287
5754319 / 3413029

San Juan St.-Virac
San Juan cor. Rizal Sts.
4800 Virac, Catanduanes
Fax (052) 8111717
Tels. (052) 8112229 to 31
8111434

San Rafael-Bulacan
Km. 60 Cagayan Valley Road
Cruz na Daan, San Rafael
Bulacan
Fax (044) 6771548
Tels. (044) 6771551
6771545 / 6771549
6771550

Sanciangco-Cabanatuan
Sanciangco St.
Cabanatuan City
Fax (044) 4630020
Tels. (044) 4640909
4635853 / 6003251

Santiago-Isabela
Maharlika Highway
cor. Quezon Ave. Victory
Norte Santiago City, Isabela
Fax (078) 6828245
Tels. (078) 6825946
6828592 / 6827414
6824060 / 6827439

Session Road-Baguio
G/F National Life Bldg.
Session Road, Baguio City
Fax (074) 4422583
Tels. (074) 4438201
4423818 / 4438202

Sindalan-San Fernando City
Palm Bldg., McArthur
Highway, Sindalan
San Fernando City, Pampanga
Fax (045) 8600278
Tels. (045) 6364113
6364114

Solano-Nueva Vizcaya
National Highway
Solano Nueva Vizcaya
Telefax (078) 3267754
3267283

Sorsogon-Rizal St.
Jomil Bldg., Rizal St.
Sorsogon, Sorsogon
Fax (056) 2112100
Tels. (056) 2112391
2111821 / 4215110

Sta. Cruz-Laguna
Along Regidor St.
Sta. Cruz, Laguna
Fax (049) 8080226
Tels. (049) 8080238
8080239 / 8080229
8080233 / 8080241

Sta. Rosa-South Express
National Road
Pulong, Sta. Cruz 4026
Sta. Rosa, Laguna
Telefax (02) 8864738
Fax (049) 8372941
Tels. (02) 5208198
5390295

Sto. Tomas-Batangas
Maharlika Highway
San Antonio
Sto. Tomas, Batangas
Fax (043) 7786361
Tels. (043) 3180388
7780535

Tabaco-Albay
Along Ziga Ave.
Tabaco, Albay
Fax (052) 4877777
Tels. (052) 4877755
4877744

Tagaytay - Rotonda
Farblyn Tower, Emilio
Aguinaldo Highway,
Tagaytay
Tel No. (046) 413-0355
413-0352 / 413-0353

Talavera-Nueva Ecija
Maharlika Highway,
Talavera, Nueva Ecija
Fax (044) 4111276
Tels. (044) 9511422
4111738 / 9511401

Tanauan-A. Mabini
A. Mabini St., Tanauan
4232 Batangas
Fax (043) 7782137
Tels. (043) 7782682
7782137 / 7780438
4050710 / 4050711

Times Square-Subic
420 Rizal Highway Subic Bay
Freeport Zone, 2200
Olongapo City, Zambales
Fax (047) 2527420
Tels. (047) 2522939
2527070 / 2527050

Tinio-Gapan
Tinio St., 3105 Gapan
Nueva Ecija
Fax (044) 4862288
Tels. (044) 4862235
4860556 / 4860305
4863345 / 6040266

Vigan-Quezon Avenue
cor. Bonifacio St.
& Quezon Ave. 2900
Vigan, Ilocos Sur
Fax (077) 7222582
Tels. (077) 7221780
7221781 / 7222581

Waltermart-Calamba
G/F Waltermart Calamba
Real St., Barangay Real
Calamba, Laguna
Fax (049) 5457250
Tels. (049) 5457252
5457251 to 55

Waltermart-Sta. Rosa
San Lorenzo Drive
cor. Balibago Road. Brgy.
Balibago 4026
Sta. Rosa, Laguna
Telefax (049) 8374977
Tels. (049) 8374976
5344630 / 5344631
(02) 5208683

Zamora-Meycauayan
Zamora St., Barrio Calvario
Meycauayan, Bulacan
Fax (044) 8409140
Tels. (044) 2283133
2283907 / 2283648
8403718 / 8401386

VISAYAS BRANCHES

A.S. Fortuna-Mandaue
Units 3 & 4, Mirhan Bldg.
A.S. Fortuna St.
cor. 8 Road Drive
Mandaue City, Cebu
Fax (032) 3461532
Tels. (032) 3437095
4161567 / 3461532
3437095

Allen-Catbalogan
del Rosario St. cor. Allen Ave.
6700 Catbalogan, Samar
Fax 055) 5439110
Tels. (055) 2515477
3561706 / 2515541

Araneta-Bacolod
Araneta cor. Gonzaga Sts.
6100 Bacolod City
Negros Occidental
Telefax (034) 4341233
Tels. (034) 4341233
4342754 / 4342751
4342753 / 4342752

Banilad-Cebu City
G/F PDI Condominium
Archbishop Reyes Ave.
Banilad, Cebu City
Fax (032) 2340182
Tels. (032) 2340186
2340184 / 2340189
4162077

Binalbagan-Negros Occidental
Biscom Compound
Binalbagan, Negros
Occidental
Fax (034) 3888270
Tels. (034) 3888258
742-8470

Bogo-Cebu
P. Rodriguez
cor. San Vicente Sts.
6010 Bogo, Cebu City, Cebu
Telefax (032) 2512032
Tels. (032) 2512030
4348900

Borromeo-Cebu City
Magallanes cor. Borromeo Sts.
Cebu City
Fax (032) 2538823
Tels. (032) 2556165
2563583 / 2537449

Burgos-Ormoc
Cor. Burgos & Rizal Sts.
Ormoc City, Leyte
Fax (053) 5619759
Tels. (053) 2554894
2557948 / 2554894

C. P. Garcia Ave.-Tagbilaran
C. P. Garcia Ave.
cor. H. Grupo St.
6300 Tagbilaran City, Bohol
Fax (038) 2353373
Tels. (053) 4114921
5019890

Cabahug-Cadiz
Cabahug St. 6121 Cadiz
Negros Occidental
Fax (034) 4930510
Tels. (034) 4930479
4930667

Capitol Shopping-Bacolod
Benigno Aquino Drive
Capitol Shopping, Bacolod City
Negros Occidental
Fax (034) 4353211
4342446
Tels (034) 4345057
4342448 / 4353216
4334484 / 4353212

Cebu-Ayala Center
S#185 Retail Level 1
South Entry, Ayala Center
Cebu, Cebu Busines
Park, Cebu City
Fax (032) 2339620
Tels. (032) 2339621
2339623 / 2339627

Central-Iloilo
Iznart Street
(Lot 317-B-2-A-1)
5000 Iloilo City, Iloilo
Telefax (033) 3377210
Tels. (033) 3350417
3351105 / 3377210

Colon-Dumaguete
Colon St. fronting Bldg. V
of City Public Market,
Poblacion, Dumaguete City
Telefax (035) 2254462
Tels. (035) 2254462
2255022 / 2254787
4227513 / 2257660

Downtown-Roxas City
Roxas Ave.
Roxas City, Capiz
Fax (036) 6210054
Tels. (036) 6211888
6210210 / 6210112

EPZA-Mactan
Mactan - EPZA Compound
6000 Lapu-lapu City, Cebu
Fax (032) 3403912
Tels. (032) 3412250 / 60
3403700 / 4955151

Escalante-Negros Occidental
National Highway, Escalante
Negros Occidental
Fax (034) 4540125
Tels. (034) 4540124
7247022

F. Gonzales-Cebu City
F. Gonzales
cor. Magallanes Sts.
Cebu City
Fax (032) 2532245
Tels. (032) 2536266 /
2532246 / 4148088

F. Ramos-Cebu City
143 F. Ramos St.
6000 Cebu City, Cebu
Fax (032) 2551515
Tels. (032) 2550959
2536545 / 4125808

Fuente Osmeña-Cebu City
Fuente Osmeña Rotunda
Cebu City
Fax (032) 2554035
Tels. (032) 2554034
2554036

Gatuslao-Bacolod
26 & 28 Gov. V. Gatuslao St.
Bacolod City, Negros
Occidental
Fax (034) 4333378
Tels. (034) 4333464 to 66

Goldenfield-Bacolod
Goldenfield Commercial
Complex, Araneta Highway
Singcang, Bacolod City
Negros Occidental
Fax (034) 4351495
Tels. (034) 4330509
4343738 / 433-0511

Gorordo-Cebu City
Gorordo Ave., Lahug 6000
Cebu City, Cebu
Fax (032) 2314054
Tels. (032) 2313067
2330001 / 2335767

Gov. Villavert-Antique
Carretas cor. Solana St.
Panay Islands
5700 San Jose, Antique
Fax (036) 5408398
Tels. (036) 3202002
3201814 / 5407770

Hilado-Bacolod
Hilado cor. F.Y. Manalo Sts.
6100 Bacolod City
Negros Occidental
Telefax (034) 4351441
Tels. (034) 4332007
4347698 / 4323365

Hinigaran-Negros Occidental
Aguinaldo cor. Rizal Sts.
Hinigaran, 6106
Negros Occidental
Telefax (034) 3917794
Tels. (034) 3917795
7407384

Iloilo-Quezon St.
Lots 3 & 5 Quezon St.
Iloilo City
Fax (033) 3370870
Tels. (033) 3350595
3350594 / 3350597

Iznart-Iloilo
Iznart St., 5000
Iloilo City, Iloilo
Fax (033) 3350669
Tels. (033) 3369019
3377795 / 3351301

Jaro-Iloilo
Arguelles cor. Rizal Sts.
Jaro, Iloilo City, Iloilo
Fax (033) 3208172
Tels. (033) 3297092
3208171 / 3295290

Juan Luna-Cebu City
Gokongwei Bldg.
Juan Luna
cor. Lapu-lapu Sts., 6000
Cebu City, Cebu
Fax (032) 2536861
Tels. (032) 2544693
4121800

Kabankalan-Negros Occidental
Guanzon St. Kabankalan
6111 Negros Occidental
Fax (034) 4712246
Tels. (034) 4712146
4712147
4712146

Kalibo - Aklan
Along XIX Martyrs Street,
Kalibo, Aklan
Telefax (036) 268-8610
Tels. (036) 2688612 / 2688613
2627000 / 2688611

Lacson-Bacolod
Lacson cor. Galo Sts.
6100 Bacolod City
Negros Occidental
Fax (034) 4354531
Tels. (034) 4354531 to 32
4333451

Ledesma-Iloilo
Ledesma St. 5000
Iloilo City, Iloilo
Telefax (033) 3363315
Tels. (033) 3381387
3351117

Magallanes-Cebu City
Magallanes cor. Plaridel Sts.
6000 Cebu City
Fax (032) 2538572
Tels. (032) 2548467
2551728 / 4123398

Mandalagan-Lacson
G/F Sta. Clara Estate Building
Lacson St., Mandalagan
Bacolod City
Fax (034) 4412443
Tels. (034) 4411151
4410216

MEZ II-Lapu lapu City
Unit 204 NGA Bldg. 2
Pueblo Verde
MEZ II, Basak, Lapu lapu City
Fax (032) 3415833
Tels. (032) 3415833
341-5834 / 341-5835

North Reclamation-Cebu City
Blk. 20-A cor. Port Centre Ave.
& San Jose de la Montaña
North Reclamation Area
Cebu City
Fax (032) 2320328-29
Tels. (032) 2320321-24

North Road-Cebu
National Highway
Labogon Mandaue City, Cebu
Fax (032) 3451061
Tels. (032) 3451017 to 18
3451090 / 3453394

North-Mandaue
National Highway
Mandaue City
Fax (032) 3461061
Tels. (032) 3455991
3455993 / 3462180

Oppus-Maasin
Tomas Oppus St.
6600 Maasin
Southern Leyte
Fax (053) 3812032
Tels. (053) 3812572
3812495 / 5708585

Osmeña Blvd.-Cebu City
Osmeña Blvd.
cor. Ma. Cristina St.
6000 Cebu City, Cebu
Fax (032) 2530659
Tels. (032) 2544654
2542803 / 2544643

Rosario-Lacson
Lot 296-B-7, Lacson St.
cor. Rosario St., Bacolod City
Negros Occidental
Fax (034) 4330234
Tels. (034) 4337991 to 93
4332654

Salazar-Tacloban
Salazar St. Tacloban City
Leyte 6500
Fax (053) 3256672
Tels. (053) 3255094
3212728 / 3212985

San Carlos-Negros Occidental
S. Carmona St. cor. Rizal St.
San Carlos City
Negros Occidental
Fax (034) 3125657
Tels. (034) 3125140
3125263 / 7299581

Silay-Figueroa
Figueroa cor. Rizal St.
Silay City, 6116
Negros Occidental
Telefax (034) 4953787
Tels. (034) 4953787
7149149

SM City-Iloilo
Lower G/F Unit No. 73
SM City Iloilo
Benigno Aquino Ave.
Jaro-West Diversion
Mandurriao, Iloilo City
Fax (033) 3200123
Tels. (033) 3200215
3200247 / 3200745

South-Mandaue
National Highway
6014 Mandue City, Cebu
Fax (032) 3467915
Tels. (032) 3460101
3452458 / 3464689

Tabo-an-Cebu City
T. Abella St.
San Nicolas Central
6000 Cebu City
Fax (032) 2611378
Tels. (032) 2614423
2614422 / 2611377
2614421

Tacloban-Rizal Avenue
Roqson Bldg. Rizal Ave.
cor. P. Burgos St. 6500
Tacloban City, Leyte
Fax (053) 5238075
Tels. (053) 5238015
5230366 / 3214265

Valeria-Iloilo
Valeria cor. Solis Sts.
5000 Iloilo City, Iloilo
Fax (033) 3364467
Tels. (033) 3364465
3379219 / 3379257

Victorias-Negros Occidental
Poblacion Victorias
6119 Negros Occidental
Fax (034) 3992746
Tels. (034) 3992746
3993616 / 3993617

BRANCH DIRECTORY

MINDANAO BRANCHES

Agdao-Davao City
Lapu-lapu St., 8000 Agdao
Davao City, Davao Del Sur
Fax (082) 3003024
Tels. (082) 2216205
305-9111

Alunan Highway-Tacurong
Alunan Highway, 9800
Tacurong Sultan Kudarat
Telefax (064) 2003035
Tels. (064) 4770207
2003134 / 4770055

Bajada-Davao City
Ana Socorro Building
J.P. Laurel St., Bajada
Davao City
Fax (082) 3009814
Tels. (082) 2244137
3055778 / 3008975

Bangoy-Davao City
R. Magsaysay Ave.
cor. Bangoy St., 8000 Davao
City, Davao Del Sur
Fax (082) 2211251
Tels. (082) 2214480
2272802 / 2272113
8407329 ext. 0187

Bankerohan-Davao City
Nicolas I Bldg., Quirino Ave.
8000 Davao City
Davao Del Sur
Telefax (082) 2214365
Tels. (082) 3055804
2214951 / 2214365

C. M. Recto-Davao City
383 Claro M. Recto St.
Davao City 8000
Fax (082) 2263147
Tels. (082) 2210671
2277351 / 2278591
2263703 / 2263723

Cogon-Cagayan de Oro
Pres. S. Osmeña cor. Ramon
Chavez Sts., Cogon 9000
Cagayan De Oro
Misamis Oriental
Fax (08822) 724567
(088) 8565702
Tels. (08822) 724568 / 726412
(088) 8563728

Del Pilar-Iligan
B.C. Labao cor. Del Pilar St.
Iligan City
Telefax (063) 2239450
Tels. (063) 2239446
2239447 / 2239448

Digos-Rizal Avenue
Rizal Avenue, Zone II
Digos, Davao Del Sur
Fax (082) 5534764
Tels. (082) 5537439
5532931

Dipolog-Quezon Avenue
Quezon Ave., 9100 Dipolog
City Zamboanga Del Norte
Fax (065) 2128164
Tels. (065) 2122341
2128163 (dial up)
2122339

F. S. Pajares-Pagadian
F. S. Pajaras Ave., Pagadian
City 7016 Zamboanga Del Sur
Fax (062) 2141744
Tel. (062) 2141745

Gaisano-Butuan
G/F, Unit 1-14, Gaisano
Butuan, J. Aquino Blvd.
cor. J. Rosales Ave.
Butuan City, Agusan del Norte
Fax (085) 8151868
Tels. (085) 8151867
3417827 / 3418078

**Gingoog-
National Highway**
Nat'l Highway, 9014
Gingoog City
Misamis Oriental
Telefax (088) 8610201
Tels. (088) 8611104
(08842) 7595 / 7313
8610460

Ipil-Zamboanga
National Highway, Ipil
Zamboanga Del Sur
Telefax (062) 3332380
Tel. (062) 3332380

Isulan-National Highway
#075 National Highway
Kalawag 2, Isulan
Sultan Kudarat
Fax (064) 4710015
Tels. (064) 4710026
2013247

Jaycee Avenue-Midsayap
Jaycee Ave., Midsayap
North Cotabato 9410
Fax (064) 2298327
Tels. (064) 2297589
2297590

KCC Mall-General Santos
Unit 018
G/F KCC Mall of Gensan
Jose Catolico Sr. Ave.
General Santos City
Cotabato
Telefax (083) 3022958
Tels. (083) 3017327
3017330 / 5529808

Kabacan-Rizal Avenue
Rizal Ave., National Highway
9407 Kabacan
North Cotabato
Telefax (064) 2482118
Tels. (064) 2482119
2482432

Kidapawan-Quezon Blvd.
Quezon Blvd., 9400
Kidapawan North Cotabato
Telefax (064) 2881687
Tels. (064) 2783018
2881689 / 2783018

Lapasan-Cagayan de Oro
C. M. Recto Highway
Lapasan, 9000 Cagayan de
Oro City, Misamis Oriental
Fax (088) 8563234
Tels. (088) 8563233
8563235 / (08822) 725253

Mabini St.-Mati
Rizal cor. Mabini Sts.
8200 Mati, Davao Oriental
Telefax (087) 3883336
Tels. (087) 3883219

Magallanes St.-Surigao
Magallanes cor. San Nicolas
Sts. 8400 Surigao City
Fax (086) 8260293
Tels. (086) 231-7226
2317541 / 826-3425
2317270

Makakua-Cotabato
Makakua St.
9600 Cotabato City
Maguindanao
Fax (064) 4212713
Tels. (064) 4214980
4212069 / 4214934
4215819

**Mayor Jalardon -
Zamboanga City**
Mayor Jalardon Avenue,
Brgy. Canelar,
Zamboanga City
Tel No. (062) 991-0924
992-3892

Montilla-Butuan
Montilla Blvd.
near cor. Lopez Jaena St.
Butuan City,
Agusan del Norte
Telefax (085) 3427055
Tels. (085) 8154430
8154429 / 8154431
3426245 / 3415240

Oroquieta-Washington
Washington St., Oroquieta
City, 7207 Misamis Occidental
Telefax (088) 5311532
Tels. (088) 5311121 to 22
5312171

Ozamis-Rizal Avenue
Rizal Ave., 7200 Ozamis City
Misamis Occidental
Fax (088) 5211529
Tels. (088) 5210029
5210039

Pendatun-Gen. Santos
G/F Sydney Hotel. Pioneer St.
cor, Magsaysay Ave.
8400 Gen. Santos City
S. Cotabato
Fax (083) 3023180
Tels. (083) 5536252
3023179 / 5522062
5536252 / 5522963

Pioneer St.-Gen. Santos
National Hi-way cor. Roxas
Ave., 9500 Gen. Santos City
S. Cotabato
Fax (083) 3010226
Tels. (083) 5522242
5522675 / 3021690

Quezon Avenue-Iligan
Quezon Ave., 9200
Iligan City, Lanao Del Norte
Fax (063) 2216545
Tels. (063) 2213440
2213685

R. Alunan-Koronadal
R. Alunan Ave.
cor. Osmeña St. Koronadal
South Cotabato
Telefax (083) 2282219
Tels. (083) 2282541
2282323 / 2282540

**R. Magsaysay Ave.-
Davao City**
Ramon Magsaysay Ave.
cor. Lizada St., 8000
Davao City, Davao Del Sur
Fax (082) 2220071
Tels. (082) 2210126
2244193 / 3008528
2254045

Rizal St.-Zamboanga
Rizal St., Zamboanga City
7000 Zamboanga Del Sur
Telefax (062) 9911476
Tels. (062) 9914804

**Robinsons-
Cagayan de Oro**
Level 2, Robinsons
Cagayan De Oro, Rosario
Cresent cor. Florentino St.
Limketkai Complex
Cagayan De Oro City
Fax (088) 8567117
Tels. (088) 8567115
8567116

San Pedro-Davao City
G/F KDC Bldg., San Pedro
Street, Davao City
Davao Del Sur
Fax (082) 2218186
Tels. (082) 2218221
2271251 / 3055805

Santiago St.-Gen. Santos
Ireneo Santiago Blvd.
9500 Gen. Santos City
South Cotabato
Telefax (083) 5522603
Tels. (083) 5522146
5522404 / 5535618

Sta. Ana-Davao City
Monteverde cor. F. Bangoy
Sts., 8000 Davao City
Davao Del Sur
Fax (082) 2263690
Tels. (082) 2274638
2214746 / 3055810
2274638

Tagum-Rizal St.
577 Rizal St., 8100 Tagum
Davao Del Norte
Telefax (084) 2173664
Tels. (084) 2173664
2173469 / 2184691

Toril-Davao City
Agton St., Toril, Davao City
Telefax (082) 2912276
Tels. (082) 2912278
3010107

Valencia-Bukidnon
M. L. Quezon St.
cor. Ginuyuran Rd.
8709 Valencia, Bukidnon
Fax (088) 8282148
Tels. (088) 8283331
2222185

Vamenta-Cagayan de Oro
V. Castro St., Carmen District
9000 CDO, Misamis Oriental
Fax (088) 8581133
Tels. (08822) 723676 / 722660

Velez-Cagayan de Oro
Velez Road cor
Abujuela St.
Cagayan de Oro
Fax (088) 8564792
Tels. (088) 8571943
(08822) 729360
723745

FOREIGN BRANCH

HONG KONG
7/F Silver Fortune Plaza No. I
Wellington St., Central
Hong Kong
Fax (00852) 28100050
28698677
Tels. (00852) 25229993
28680323

EQUITABLE SAVINGS BANK

METRO MANILA BRANCHES

Alabang Hills
RBC Corporate Centre
Don Jesus Blvd.
Barangay Cupang Muntinlupa
Fax 8429006
Tels. 7723693 / 3694
7723695 / 7723693

BF Resort-Las Piñas
ESB Bldg. Blk.4
Lot 9 BF Resort Drive
Phase 4, BF Resort Village
Las Piñas
Fax 8738918
Tels. 8738925 / 8738923

Concepcion-Marikina
ESB Bldg. Bayanbayanan Ave.
corner Molave St.
Concepcion, Marikina
Fax 9973832
Tels. 9973835 / 9973824

Dapitan-Sampaloc
Dapitan cor. Ma. Cristina Sts.
Sampaloc, Manila
Fax 7318544
Tels. 7431202

Don A. Roces Avenue
Rotary Center Bldg.
Don A. Roces
cor. Mother Ignacia
Bgy. Laging Handa
Quezon City
Fax 4169395
Tels. 3763341 / 4150691

Farmer's Cubao
Unit III, G/F Sampaguita
Theatre Bldg., along Gen.
Araneta & Gen. Roxas Sts.
Cubao, Quezon City
Fax 9118228
Tels. 9118822 / 4385563

Gen T. De Leon - Valenzuela
along Gen. T. De Leon Street,
Valenzuela City
Tels. 2923365 / 2923367
2923512

Greenhills
G/F Equitable PCI Bank Bldg.ll
Ortigas Ave. cor. Roosevelt
Greenhills, San Juan
Metro Manila
Fax 7218353
Tels. 7258375 / 7267557
7267604

Isidora Hills
ESB Bldg.
Pook Ligaya Riding Ground
Interneighborhood Road
Isidora Hills Subd.
Brgy. Holy Spirit
Quezon City
Fax 9517744
Tels. 9517741 / 7743
9517742

Magallanes-Makati
Maga Center, 1016 San
Antonio St., Paseo de
Magallanes, Brgy. Magallanes
Makati City
Tels. 7570391 / 0392
7570394 / 0393

Mayon-Amoranto
489 Units A& B Mayon St.,
Sta. Mesa Heights, Quezon City
Fax 4133697
Tels. 742-6013 / 742-5201

Moonwalk-Merville
G/F Seal I Bldg.
Armstrong Ave.
cor. Yosemite St.
Moonwalk Subd.
Parañaque City
Fax 7760690
Tels. 7760692 / 7760691

Muñoz-Roosevelt
352 Roosevelt Ave.
San Francisco, Del Monte
Quezon City
Fax 4110405
Tels. 4110475 / 3736884

Pasig-A. Mabini
G/F CFM Bldg.
No. 97 A. Mabini St.
Pasig City
Fax 6426834
Tels. 6412298 / 6423755

Pasig-Kapitolyo
G/F Cabarrus Bldg.
No. 9 East Capitol Drive
Barrio Kapitolyo,Pasig City
Fax 7477003
Tels. 6388577 / 6388574

Pateros
G/F Milaor Bldg., Almeda St.
Poblacion, Pateros, M.M.
Fax 6439467
Tels. 6439463

Poblacion - Muntinlupa
Grd. Flr. Elizabeth Center Bldg.
National Road Poblacion, Muntinlupa
Fax 8614364
Tels. 8614366 / 8614367

Shorthorn-Project 8
ESB Bldg. No. 41 Shorthorn
St,Brgy. Toro, Project 8
Quezon City
Fax 9260827
Tels. 9260840 / 9260819

Talipapa-Novaliches
G/F No. 388 Quirino Highway
Brgy. Talipapa, Novaliches
Quezon City
Fax 9300081
Tels. 9300027

Tandang Sora
G/F D & B Royal Midway Plaza
419 Tandang Sora
Barangay, Culiat
Quezon City
Fax 4567473
Tels. 9329329
4567478 / 7472

Teacher's Village
G/F Luisa 2 Bldg.
107 Maginhawa St.
Teachers Village, Quezon City
Fax 4338716
Tels. 4336780 / 4338720

Wilson-Greenhills
ESB Bldg. Wilson
cor. Wilson Road
Greenhills, San Juan, M. M.
Fax 7245856
Tels. 7273764 / 3943

Xavierville Avenue
G/F Xavierville Square
Condominium, 38 Xavierville
Avenue, Loyola Heights
Quezon City
Fax 9298028
Tels. 4341019 / 9298069

LUZON BRANCHES

Angeles
Plaza Rafael I
151-D Sto. Rosario St.
Sto. Domingo, Angeles City
Tels. (045) 8871212
8870404

Biñan
Km. 35 National Highway, San
Antonio, Biñan, Laguna
Tels. (049) 5118023
(049) 5116952

Cavite City
ESB Bldg. P. Burgos Ave.
Caridad, Cavite City
Fax (046) 5040086
Tels. (046) 5040134

Circumferential Road-Antipolo
Circumferential Road
corner F. Manalo St.
Antipolo City, Rizal
Tels. 6965205 / 6965212

Lucena
No. 505 Quezon Avenue Ext.
Brgy. Gulang-Gulang,
Lucena City, Quezon
Tels. (042) 3737127
(042) 3735573

Masinag-Antipolo
ESB Bldg. Sumulong Highway
Masinag Mayamot, Antipolo
Fax 6824199
Tels. 6824194 / 6824198

Pallocan West-Batangas City
Manuela Pastor Ave.
Pallocan West, Batangas City
Tels. (043) 7238162
(043) 7237814

Tapuac-Dagupan City
Units 8-10 Mother Goose
Play School Bldg., McArthur
Highway, Tapuac District
Dagupan City, Pangasinan
Tels. (075) 5236330
(075) 5236331
(075) 5235630

Taytay Rizal
ESB Bldg. East Road, Taytay
Rizal (near Taytay Bagong
Palengke)
Fax 2863271
Tels. 6605393 / 6605392

VISAYAS BRANCHES

Banilad - Cebu
Governor M. Cuenco,
Banilad, Cebu City
Tels. (032) 3433669
(032) 3433640

Dumaguete
Sta. Rosa St., Dumaguete
City, Negros Oriental
Telefax (035) 2262537
Tels. (035) 4225900
4225903

Gorordo-Salinas Drive Cebu
117 Gorordo Ave.
Lahug, Cebu City
Tels. (032) 2320914
2314581

Lopue's East - Bacolod City
Units 24 & 25 Lopue's East Center,
Annex Bldg., Carlos Hilado National
Hi-way, Brgy Villamonte,
Bacolod City
Tels. (034) 434-9671
(034) 4343554
(034) 4349319

Tabuc Suba-Iloilo
Roger's Bldg
Mc Arthur Highway
Tabuc Suba, Iloilo City
Tels. (033) 2314581
(033) 2330156

MINDANAO BRANCHES

C. M. Recto-CDO Branch
ESB Bldg.
Claro M. Recto Ave.
Cagayan De Oro City 9000
Fax (088) 8562617
Tels. 088) 8564067
8564013

Davao-Matina
No. 36 Peacenest Bldg.
Ecoland Subd, Quimpo Blvd.
Matina, Davao
Fax (082) 2975360
Tels. (082) 2990172
(082) 2975360

Lobregat Highway-Zamboanga
Yubenco Star Mall, Maria Clara
Lobregat Highway, Brgy, Putik
Zamboanga City
Tels. (062) 9841192
(062) 9840895

PRODUCTS AND SERVICES

I. INDIVIDUAL

A. CONSUMER FINANCING

- Auto Loans *(also available at Equitable Savings Bank)*
  1 Own-A-Car
  2 Own-A-Car Plus
- Housing Loans *(also available at Equitable Savings Bank)*
  1 Own-A-Home
  2 Own-A-Home Plus
  3 Own-A-Home Special
  4 Own-A-Home Stretch
- Multi-purpose Loans
  1 Credit-On-The-House Credit Line
  2 Credit-On-The-House Term Loan *(also available at Equitable Savings Bank)*

B. DISBURSEMENT SERVICES

- Demand Deposits
  1 Peso Demand Deposits
    a Regular Checking Account *(also available at Equitable Savings Bank)*
    b ONE Account
    c ONE Plus *(also available at Equitable Savings Bank)*
    d Automatic Transfer Arrangement *(also available at Equitable Savings Bank)*
  2 Foreign Currency Demand Deposit
    a Dollar One
- Debit Cards
  1 FASTcard Regular
  2 FASTcard Premium
  3 FASTcard Payroll
  4 Express Padala FASTcard
  5 Singpost CashHome FASTcard
  6 FASTeller VISA Electron Card
- Demand Drafts
- Manager's Check / Cashier's Check / Gift Check *(also available at Equitable Savings Bank)*
- Traveller's Check

C. ELECTRONIC PRODUCTS

- FASTeller Automated Teller Machine *(also available at Equitable Savings Bank)*
- FASTNet Online Banking
- FASTNet e-Payment Gateway
- FASTPhone
- FASTPhone SMS

D. FUND TRANSFER SERVICES

- Domestic Telegraphic Transfer *(also available at Equitable Savings Bank)*
- FX Telegraphic Transfer *(also available at Equitable Savings Bank)*
- Interbank Funds Transfer via ATM *(also available at Equitable Savings Bank)*
- Interbranch Funds Transfer *(also available at Equitable Savings Bank)*
- Electronic Peso Clearing System
- Philippines Domestic Dollar Transfer System
- Real Time Gross Settlement

E. HEALTH CARE (through Maxicare Healthcare Corp.)

- Annual Check-up
- Dental Care
- Emergency Care
- In-Patient Care
- Out-Patient Care
- Preventive Health Care

F. LEASING AND FINANCING (through PCI Leasing & Finance Inc.)

- Amortized Commercial/Consumer Loans
- Installment Paper Purchase
- Leasing
- Receivables Discounting
- Receivables Factoring

G. LIFE INSURANCE (through Philam Equitable Life Assurance Co.)

- Preferred Flexisecure
- Preferred Multiply Peso and Dollar
- Preferred Guardian Dollar
- Preferred Peso Plus
- Preferred Dollar Plus
- Preferred HealthShield
- Preferred Trio Peso and Dollar
- Preferred Total HealthAssure
- A & H Products
- Group Life Products

H. PAYMENT PRODUCTS AND SERVICES (through Equitable CardNetwork, Inc.)

- Retail Cards
  1 VISA
  2 MasterCard
  3 JCB
  4 American Express
- VISA Electron

I. PERSONAL TRUST

- Living Trust Accounts
- Long-Term Revocable Trust Accounts

J. REMITTANCE SERVICES

- Direct Deposit
- Singpost CasHome FASTcard
- Express Padala FASTcard
- Express Padala Remittance Services
  1 Advise and Pay/ Payanywhere
  2 Credit to EPCIB Accounts
  3 Credit to Other Banks
  4 Door-to-Door Cash Delivery
- Express Padaload
- Express Pinoy
- MoneyGram
- OFW E-card
- Xoom.com
- Travelex

K. SAVINGS

- Peso Deposits
  1 Regular Savings Account-Passbook *(also available at Equitable Savings Bank)*
  2 FASTeller Savings Account
  3 SpeedTeller Savings Account *(only at Equitable Savings Bank)*
  4 TREASURESaver *(also available at Equitable Savings Bank)*
  5 SSS Pensioner Savings Account *(also available at Equitable Savings Bank)*
  6 Express Padala Savings Account
  7 Optimum (also available *at Equitable Savings Bank)*
  8 SA Plus ; Special SA Plus
  9 Peso Time Deposit
  10 HighSaver
  11 SpeedSaver *(only at Equitable Savings Bank)*
  12 MoneyMax Flex
  13 SureSaver Flex *(only at Equitable Savings Bank)*
- Foreign Currency Deposit
  1 U.S. Dollar Savings Account *(also available at Equitable Savings Bank)*
  2 Other Foreign Currency Savings Account
  3 U.S. Dollar Time Deposit *(also available at Equitable Savings Bank)*
  4 Other Foreign Currency Time Deposit
  5 Dollar ONE

L. TREASURY

- Domestic Fixed Income Securities
  1 Fixed Rate Treasury Notes
  2 Government Corporate Receivables
  3 Private Corporate Receivables
  4 Retail Treasury Bonds
  5 Treasury Bills
- Foreign Fixed Income Securities
  1 Maxihedge
- Foreign Exchange Transactions
  1 Foreign Exchange Swap Contracts
  2 Forward Contracts
  3 Spot Contracts

M. UNIT INVESTMENT TRUST FUNDS

- EPCIB GS Fund
- EPCIB US Dollar Fund
- EPCIB Equity Fund
- EPCIB Peso Money Market Fund
- EPCIB Dollar Money Market Fund

N. COLLECTION SERVICES

- Post-dated Checks Warehousing *(also available at Equitable Savings Bank)*
- Safety Deposit Box *(also available at Equitable Savings Bank)*
- Government Agency Collection Service *(also available at Equitable Savings Bank)*
- Final Credit Service

O. ANCILLARY SERVICES

- Bank Statement Request through ATM
- Phonecards / Prepaid Cards through Electronic Channels

P. NON-LIFE INSURANCE (through EBC Insurance Brokerage, Inc.)

- Home-A-Sure
- Car-A-Sure

II. CORPORATE

A. CHECKING AND SAVINGS ACCOUNTS

- Clearing Arrangements
  1 NOW Clearing / Demand Deposit
  2 Night Depository
  3 Demand Drafts / Manager's Checks / Cashier's Checks / Gift Checks

- Peso Demand Deposits
  1 Automatic Transfer Arrangement *(also available at Equitable Savings Bank)*
  2 ONE Account
  3 ONE Plus *(also available at Equitable Savings Bank)*
  4 Regular Checking Account *(also available at Equitable Savings Bank)*
- Savings Accounts
  1 Foreign Currency Deposits
    a U.S. Dollar Savings Account *(also available at Equitable Savings Bank)*
    b Other Foreign Currency Savings Account
    c U.S. Dollar Time Deposit *(also available at Equitable Savings Bank)*
    d Other Foreign Currency Time Deposit
    e U.S. Dollar ONE
  2 Peso Deposits
    a HighSaver
    b Peso Time Deposit *(also available at Equitable Savings Bank)*
    c Regular Savings Account-Passbook *(also available at Equitable Savings Bank)*
    d Optimum *(also available at Equitable Savings Bank)*
    e SA Plus; Special SA Plus
    f SpeedSaver *(only at Equitable Savings Bank)*

B. CASH MANAGEMENT SOLUTIONS
- Collection Solutions
  1 OTC and Electronic Consumer FASTPay
  2 Corporate FASTCollect
  3 Mobile Cash / Check Transport Service (MCTS)
  4 Post-Dated Check Warehousing
- Payables Solutions
  1 MC and Corporate Check FASTWrite
  2 FASTeTransfer supplier's bills payment
  3 FAST Remit
  4 Payroll Services
- FAST Access Electronic Platform
- Government-Related Services
  1 SSS Sickness, Maternity and Employee Compensation *(only at Equitable Savings Bank)*
- FASTNet e-Payment Gateway

C. CORPORATE FINANCING
- Multi-Currency Loan Facilities
  1 Credit-Linked Loans
- Term Loans
  1 Project Financing
  2 Developmental Loans
  3 Special Funding Program
- Trade Finance
  1 Imports
    a Letters of Credit
    b Documents Against Acceptance
    c Documents Against Payment
    d Open Account Arrangement
    e Shipside Bonds / Bank Guarantees
    f Trust Receipts
  2 Domestic
    a Domestic Bills Purchase
    b Inventory Financing
    c Supplier's Credit Purchase Facility
    d Receivables Purchase Facility
  3 Exports
    a Advising of LC Openings / Amendments
    b Documents Collection
      i Documents Against Acceptance
      ii Documents Against Payments
      iii Open Account Arrangement
    c Pre-Export Financing / Packing Credit
    d Export Bills
    e Export LC Confirmation
- Working Capital Loans
  1 Credit Line *(also available at Equitable Savings Bank)*
  2 Post Dated Check Discounting *(also available at Equitable Savings Bank)*
  3 Back-to-Back Loans or 1:1 Loans *(also available at Equitable Savings Bank)*
- Other Products
  1 Standby Letter of Credit
  2 Committed Credit Line *(also available at Equitable Savings Bank)*

D. Corporate Housing Loan Tie-up/ Contract-to-Sell (CTS) Financing / Auto Fleet Financing / Corporate Personal Loan Tie-up
- Auto Fleet Financing Program
- Contract to Sell (CTS) Financing
- Personal Loan Program

E. CORPORATE TRUST
- Employee Benefit Trust
  1 Customized Employee Benefit Trust
  2 Merit & Merit Plus Plans
- Corporate Investment Services
  1 Investment Management Account
  2 Pre-Need Company Funds
  3 Revocable Trust Account
  4 Institutional Funds
- Special Trust
  1 Bonds Issued Under Trust
  2 Collateral / Mortgage Trust
  3 Court Trusts & Guardianships
  4 Custodianship
  5 Escrows
  6 Life Insurance Trusts
  7 Loan / Security Agency
  8 Non-Voting Trust
  9 Private Estate Planning
  10 Special Purpose Trust
- Corporate Agency Services
  1 Settlement Bank
  2 Transfer Agency / Registrar
  3 Paying Agency
  4 Receiving Agent for Initial Public Offerings
  5 Escrow Agent for Locked-up Shares

F. HEALTH CARE (through Maxicare Healthcare Corp.)
- Annual Check-Up
- Dental Care
- Emergency Care
- In-Patient Care
- Out-Patient Care
- Preventive Health Care

G. INVESTMENT BANKING (through PCI Capital Corporation)
- Fixed Income Securities Underwriting
  1 Commercial Papers/Bonds/ Corporate Notes
  2 Preferred Shares
- Equity Securities Underwriting
  1 Initial Public Offering
  2 Rights Offering
  3 Warrants Issue
- Financial Advisory
- Investment Instruments
- Multi-Currency Loan Syndication
- Private Equity Placement
- Securities Brokering & Dealership
- Securitization of Financial Assets

H. LEASING AND FINANCING (through PCI Leasing & Finance Inc.)
- Amortized Commercial/Consumer Loans
- Installment Paper Purchase
- Leasing
- Receivables Discounting
- Receivables Factoring

I. NON-LIFE INSURANCE (through EBC Insurance Brokerage, Inc.)
- Property Insurance (Industrial / Commercial All Risks)
- Business Interruption or Loss of Profit Insurance
- Engineering Insurance
  1 Contractors All Risk
  2 Erection All Risk
  3 Electronic Equipment or Computer Insurance
  4 Machinery Breakdown
- Marine Insurance
  1 Cargo Insurance
  2 Hull Insurance
  3 Liability Insurance
  4 Inland Marine
- Public / General Liability Insurance
- Crime Insurance
  1 Fidelity Insurance
  2 Money, Securities & Payroll Insurance
  3 Burglary, Robbery & Theft Insurance
  4 Bankers Blanket Bond
- Miscellaneous Insurance
  1 Floater Insurance
  2 Golfers Insurance
  3 Livestock Insurance

BRANCH DIRECTORY

- Employee Benefits
  1 Personal Accident
  2 Travel Accident
  3 Group Life Insurance
  4 Group Hospitalization
- Bonds (Judicial and Non-Judicial Bond)
  1 Superseadeas Bond
  2 Replevin Bond
  3 Attachment Bond
  4 Bid Bond
  5 Guarranty Bond
  6 Performance Bond
- Mortgage Redemtion Insurance (MRI)

J. PAYMENT PRODUCTS & SERVICES (through Equitable CardNetwork, Inc.)
- Affinity Card/Co-Branding
- Corporate Card
- Merchant Acquisition

K. SPECIAL LENDING
- Funding Facilities
  1 Countryside Loan Fund I & II
  2 Countryside Loan Fund III
  3 Industrial Guarantee & Loan Fund (Regular & Special)
  4 Industrial Guarantee & Loan Fund (Short-Term Rediscounting)
  5 Domestic Shipping Modernization Program II
  6 Environmental Infrastructure Support Credit Program II
  7 Japan Bank for International Cooperation (JBIC) Information Technology & Industry Support Loan
  8 Overseas Economic Cooperation Fund (OECF)/ Industrial & Support Services Expansion Program
  9 SBGFC - SME Funding for Investments in Regional Markets
  10 SBGFC - SME Funding Access for Short-Term Loans
  11 SSS Special Financing Program
  12 SSS Industry Loan Program
  13 SSS Hospital Financing Program
  14 SSS Special Financing Program for Schools
  15 SSS Tourism Financing Program
- Guarantee Facilities
  1 SBGFC - Guarantee for Enterprises in Manufacturing & Services
  2 SBGFC - Guarantee Lines for Anchor Industries
  3 SBGFC - Guarantee Resources for Agribusiness Investments
  4 TIDCORP - General Facility Program
  5 TIDCORP - Omnibus Guarantee Line under the General Facility Program
  6 TIDCORP - Pre-Shipment Export Finance Guarantee Program & Post-Shipment Export Risk Guarantee Program (PERG)
  7 TIDCORP - Term Loan Guarantee Program
  8 LGUGC - Electric Cooperative Partial Credit Guarantee

L. STRUCTURED PRODUCTS
- Specialized Financial Services
  1 Asset Conversion
  2 Corporate Re-Engineering
  3 Financial Advisory
  4 Forfaiting
  5 Restructuring for Corporates
  6 Structured Trade Finance
     a. Export Credit Agency
     b. GSM LC Arbitrage
  7 Syndicated Debt Consolidation
- Structured Trade Finance & Onshore/ Offshore Syndication
  1 Long-Term Equipment Financing
  2 Long-Term Project Financing
  3 Onshore/Offshore Syndication

M. TRADE FINANCE
- Exports
  1 Advising of LC Openings/ Amendments
  2 Documents Sent for Collection
     a. Documents vs. Acceptance
     b. Documents vs. Payments
     c. Open Acccount Arrangement
     d. Negotiations vs. Letters of Credit
  3 Export Bills
  4 Export LC Confirmation
  5 Inward Remittances
- Imports
  1 Documents Against Acceptance
  2 Documents Against Payment
  3 Letters of Credit (Imports/ Domestic)
  4 Open Account Arrangement
  5 Shipside Bonds/Bank Guarantees
  6 Trust Receipts
  7 Invoice Financing

N. TREASURY
- Domestic Fixed Income Securities
  1 Fixed Rate Treasury Notes
  2 Retail Treasury Bonds
  3 Treasury Bills
- Foreign Fixed Income Securities
  1 Maxihedge
- Foreign Exchange Transactions
  1 Foreign Exchange Swap Contracts
  2 Forward Contracts
  3 Spot Contracts

III. SMALL BUSINESS
A. WORKING CAPITAL LOANS
- Credit-On-Hand
- Post-Dated Check Discounting
- Loans vs Deposits (1:1 or Back to back loans)
- Foreign/Domestic Bills Purchase
- Revolving Promissory Note
- Committed Credit Line

B TERM OR AMORTIZED COMMERCIAL LOAN
(also available at Equitable Savings Bank and PCI Leasing and Finance Inc.)

C TRADE FACILITIES
- Import Letters of Credit
- Export Bills Purchase
- Export Packing Credit
- Foreign/Domestic Standby Letters of Credit
- Loans vs Trust Receipts

D LEASING AND FINANCING (Through PCI Leasing & Finance, Inc.)
- Leasing
- Receivables Discounting
- Receivables Factoring

E TRUST SERVICES
- Employee Benefit Trust
  1 Customized Employee Benefit Trust
  2 Merit & Merit Plus Plans
- Unit Investment Trust Fund (UITF)
  1 EPCIB GS Fund
  2 EPCIB U.S. Dollar Fund
  3 EPCIB Equity Fund
  4 EPCIB Peso Money Market Fund
  5 EPCIB Dollar Money Market Fund