METROBANK

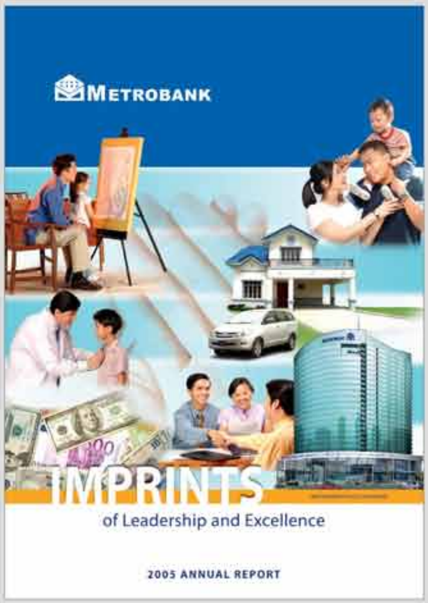
METROBANK PLAZA SHANGHAI

IMPRINTS

of Leadership and Excellence

2005 ANNUAL REPORT

What's Inside



About the Cover

Like an artist painstakingly applying his brush strokes on canvas to achieve an acclaimed piece of art, Metrobank continues to leave its imprints of leadership and excellence in every area of its undertakings. Behind every product and service is an assurance of quality and personalized service, putting clients at ease with the knowledge that they are in good hands.

Like a true leader, Metrobank is constantly attentive to its responsibility to society and mindful to make meaningful contributions.

The new Metrobank Plaza Shanghai symbolizes the Bank's relentless pursuit of expanding its reach, even in international markets. With its sheer size and commanding presence, the edifice projects stability and security, descriptions which are synonymous to Metrobank.

ADFIVECOMMUNICATIONS, CO.

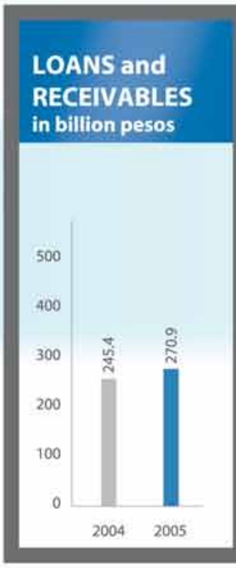
Financial Highlights

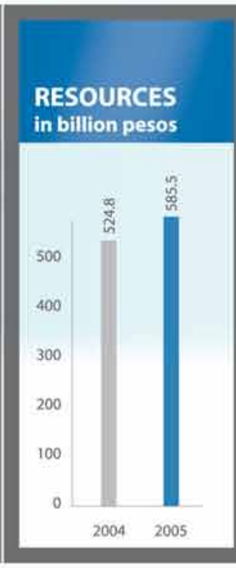
GROUP (CONSOLIDATED) PERFORMANCE

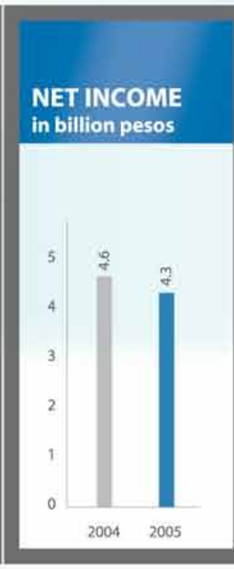
(In Million Pesos, except per share amounts)

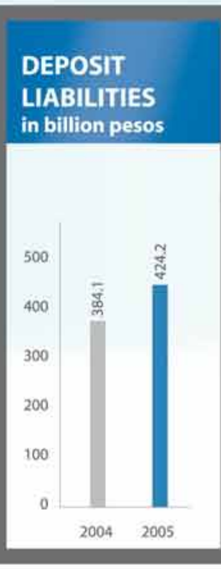
		2005	2004 (As restated)	Percent Increase (Decrease) 2005 vs. 2004
AT YEAREND				
Total Resources		**585,473**	524,776	11.57
Trading and Investment Securities	a/	**114,051**	103,611	10.08
Loans and Receivables - net	a/	**270,860**	245,373	10.39
Deposit Liabilities		**424,248**	384,071	10.46
Subordinated Debt		**17,072**	18,051	(5.42)
Total Capital Funds		**53,424**	54,751	(2.42)
Attributable to:				
Equity holdings of the Parent Company		49,964	51,829	(1,865)
Minority interests		3,460	2,922	538
Book Value Per Share	b/	**30.58**	31.73	(3.62)
FOR THE YEAR				
Net Interest Income		**19,856**	13,484	47.26
Provision for Impairment Losses		**4,494**	2,887	55.66
Other Income		**9,745**	12,401	(21.42)
Other Expenses		**18,864**	17,148	10.01
Provision for Income Tax		**1,967**	1,245	57.99
Net Income		**4,275**	4,606	(7.19)
Attributable to:				
Equity holdings of the Parent Company		**3,787**	4,084	(297)
Minority interests		**489**	522	(43)
Basic Earnings Per Share	b/	**2.32**	2.50	(7.20)

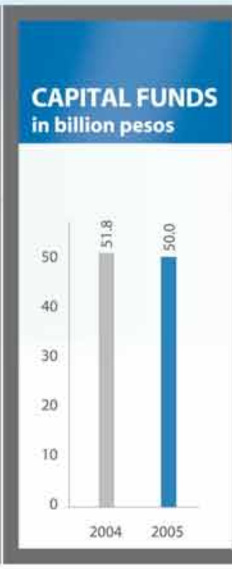
a/ includes reclassifications of accounts as of December 31, 2005 in compliance with new accounting standards
b/ attributable to equity holdings of the Parent Company











Chairman's Message

George S. K. Ty
Chairman of the Board

We refocused our efforts on improving our marketing and customer service capabilities, broadening our customer base, and strengthening our balance sheet.

TO THE STOCKHOLDERS

I am pleased to report that Metrobank continues to ride a wave of optimism as we improved our business performance and secured our leadership in the industry. All these, we have done despite a period of political uncertainties and a slowdown in the economy.

The year 2005 arrived amid anxiety: the national leadership suffered questions of legitimacy; political alliances shifted; and administration-initiated efforts toward charter change added to the popular confusion. In the end, however, these political distractions did not stop the economy from growing, though lower than predicted. Interest rates remained low and stable for the whole year even as the nation withstood oil price shocks. The foreign exchange rate ended the year strongly buoyed by a record volume of remittances. The expanded value-added tax, on which hopes were pinned for easing national finance, was finally passed.

The banking industry continued to consolidate. Once more, key players were on the move and all this naturally brought stiffer yet healthier competition. As it happened, we felt challenged and inspired to solidify our position to be the best financial institution in the country. Towards this direction, we refocused our efforts on improving our marketing and customer service capabilities, broadening our customer base, and strengthening our balance sheet.

We took initial steps to reorganize our branches to allow for more time for marketing and business-generation activities. We ran a pilot of the Branch Effectiveness and Sales Transformation (BEST) program to unleash the full sales and marketing potential of our extensive branch network. The results have been encouraging and we intend to achieve a full network restructuring within the next two years. This initiative is vital to our new growth strategy. Having done so, we expect our sales efforts to be better fine-tuned and customer service delivery further improved.

To support a revitalized sales force, we built up our head office capabilities in marketing, credit, and operations. We reorganized support structures to improve service turnaround time and brought in new data mining capabilities that will enhance client profiling and allow us to target products more specifically. Likewise, we streamlined our credit processes to hasten our credit evaluation and approval. This will give us the confidence to undertake more aggressive sales programs particularly for our consumer loans and leverage on the improving prospects of the property and automotive sectors.

Taking into account this year's exceptional volume of remittances, Metrobank continued to be a major player in the business by expanding our reach and product offerings. We organized our international operations for better focus and strengthened marketing and distribution capabilities. We sold our 41.1% stake in the International Bank of California (IBC) and expanded our operations in North America. We also established new partnerships with foreign companies to extend our reach and maintain our leadership in the remittance business.

With better market conditions, we were able to strengthen our balance sheet by reducing our non-performing loans portfolio. We continued to adopt a deliberate and programmed strategy for bad asset disposal through direct retail sales, auctions, and joint-venture agreements. To date, we have successfully sold almost ₱10 billion in non-performing loans.

Equally successful is our planned offering of US$125 million in Hybrid Tier 1 Capital Securities, 8x oversubscribed, which made us the first commercial bank in the Philippines to issue such instrument and the one to receive the largest total bid for a Philippine offering. The Hybrid Tier 1 issue would help strengthen our capital base as we fully comply with the new International Accounting Standards (IAS) requirements. Metrobank has already adopted the Philippine Accounting Standards (PAS)/ Philippine Financial Reporting Standards (PFRS) that took effect this year.

Against the backdrop of implementing IAS and Basle II requirements, a more cohesive enterprise-wide risk management framework was set within the Metrobank Group. We pursued efforts to promote the management of risk that in turn, allowed us to produce sustainable revenue, reduce earnings volatility, and increase shareholder value.

We have remained true, at the same time, to our responsibility to the community.

To better manage performance, we would need the support of the strongest and most competent workforce behind us. Thus, we introduced a new Performance Assessment and Management System (PAMS) to institutionalize a system of meritocracy based on contribution and attainment of standards. For branches, the Branch Performance Scorecard (BPS) was fully implemented to weigh heavily on the contribution of each branch to overall profitability.

With these initiatives in place, I am glad to report that our efforts yielded positive results. Our consolidated deposits posted a healthy growth of ₱40.2 billion while our consolidated gross receivables from customers increased by ₱5.8 billion. We ended the year with a net income for the Group at ₱4.3 billion. Our Trust business continued to contribute significantly to our overall income. Our Trust operations achieved unprecedented growth, expanding by an average of 52.5% per annum in the last five years, the highest in the industry. This year's performance was due in part to the successful launching of our unit investment trust funds.

Our achievements found validation in other ways. Metrobank was named the Most Outstanding Participating Financial Institution by the Development Bank of the Philippines, the Most Outstanding Commercial Bank by the Parangal ng Bayan Foundation, Inc., and the Best Collecting Commercial Bank by the Social Security System. The Bureau of Treasury named us the Best Performing Government Securities Eligible Dealer. We also received the Gold SuperBrand for Banks in the Philippines by the Reader's Digest.

We have remained true, at the same time, to our responsibility to the community. Through the Metrobank Foundation, we continued to grant scholarships to deserving students and recognition to outstanding professionals like teachers, soldiers, policemen, and artists. We donated ₱10 million for social development programs through various institutions which included PGH Medical Foundation, Childhope Asia, Museo Pambata, Philippine Canine Research and Rescue Foundation, the National Museum, and Tabang Mindanaw. We also inaugurated the Doña Tytana Tower, a seven-storey school building of the Manila Doctors College, and the Doña Salustiana Medical Tower, a new office complex housing additional doctors' clinics for the Manila Doctors Hospital.

We are, as always, deeply grateful for the guidance provided by our Boards of Directors and Advisers. Inspired by the continuous trust and confidence of our stockholders and clients, we have remained focused on delivering sustainable returns for our shareholders. With financial expertise combined with the teamwork, dedication, and hard work of our employees, we are confident that Metrobank shall continue to be the leader of the Philippine banking industry.

George S. K. Ty
Chairman of the Board

The Economy

Placido L. Mapa, Jr.
Vice Chairman of the Board

Arthur V. Ty
Vice Chairman of the Board

A resilient economy despite uncertainties

Gross national product was, thankfully, spared from registering a significant slowdown due to the surge in OFW remittances and steady growth in capital earnings from abroad.

The country welcomed 2005 with bated breath as the events of 2004 left a cloud of foreboding over the economy. Some of our anxieties have been realized: the further credit rating downgrades, heightened political controversies, continued trend rise in oil prices, and terror bombings, just to name the bigger ones. Yet, there have been positive developments as well: the continued improvements in the government's finances, the passage and implementation of the revised value-added tax, and the pre-emptive security measures against terrorists, among others.

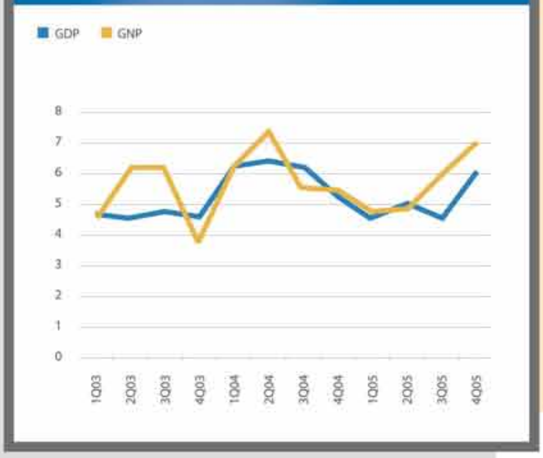
Let's take a look back at some of the major highlights of 2005 and from there, divine what may be in store for the economy and, consequently, for the banking business environment in 2006.

UP AND DOWN: THE PHILIPPINE ECONOMY IN 2005

The economy grew 5.1% in 2005, a marked slowdown from the 6.0% registered last year. The nagging budget deficit, continued rise in petrol prices, political squabbling, and a more enervated world economy could largely be faulted for the less-than-desired expansion. These factors, more than others, suppressed consumer spending growth, discouraged greater direct investments, and dampened expansion in external trade. However, overall conditions were not as bad as feared.

Filipinos continued to feel the unforgiving burden of rising prices. Last year alone saw nine pump price hikes in petrol products, and pushed consumer prices to grow at a faster clip of 7.6%. Consumption of basic items either eased or contracted. Yet, personal consumption, albeit slower than 2004's 5.8% growth, still managed to expand by 4.9% in 2005, aided by population growth and hefty remittance inflows.

To be sure, foreign and local firms remained cautious of the fiscal and political imbalances. Yet, even if



THE ECONOMY AT A GLANCE: REAL YEAR-ON-YEAR GROWTH

real investments and trade were weaker, they still managed to grow this year. Net foreign direct and portfolio investments remained strong as investments in the financial market and different industries, like manufacturing and real estate, continued.

The production side of the economy also told of a similar story. Agriculture and services sectors, the economy's most reliable workhorses, failed to churn in the much-needed growth numbers this year. Agriculture, held back by crop pests and diseases, typhoon damages, and high fertilizer and farm input prices, only managed to scrape in a 2.0% expansion. It is its slowest in the past five years. In part, this may be attributed to the El Niño weather aberration that has revisited the country though it was less menacing this time. Still, Mother Nature has been kind to us, as we did not suffer from extreme drought, typhoon, or natural disaster that could have brought us to a more alarming state. We have so far managed to elude bird flu, which has caused significant meat supply gluts in some of our Asian neighbors.

Services also suffered major setbacks with all its sub-sectors, save for finance, registering slower growth. The usually vibrant sectors like transportation, communication, and storage were unsuccessful in sustaining their past growth spurts. It seems that consumers, wary of prices' continued climb, tried to hold on tighter to their pockets and opted to save for rainier days. This could partly explain the savings-driven double-digit expansion in finance.

The industrial sector managed to grow slightly faster at 5.3% from the previous year's 5.2%. This is noteworthy considering that this is a sector that is more vulnerable to oil price surges. Mining, quarrying, and manufacturing of petroleum, coal, chemical, and food products gave the sector the much-needed boost to keep it from decelerating. These industries were able to take advantage of the higher commodity prices and/or the basic need for their outputs.

Gross national product (GNP) was, thankfully, spared from registering a significant slowdown due to the surge in Overseas Filipino Workers' (OFWs) remittances and steady growth in capital earnings from abroad. They helped bring GNP growth to 5.8% as about US$10.7 billion remittances flowed into the country, and about US$1.5 billion of investment income.

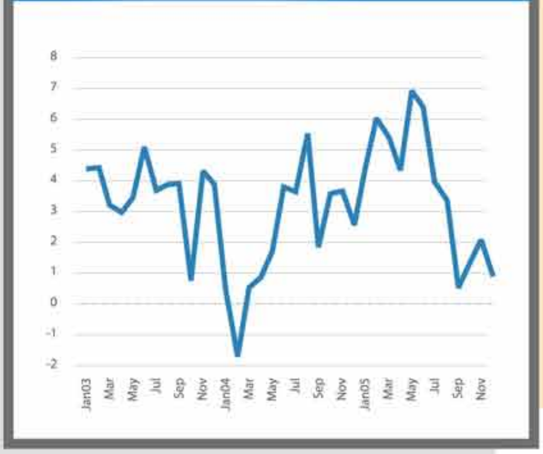
These inflows, coupled by government foreign borrowings and positive investor sentiments over the fiscal measures, gave the peso some relief at a time of higher foreign exchange payments due to rising commodity prices and interest rates. However, political controversies and the earlier delays in the implementation of the expanded value added tax (EVAT) dented the improvement in the market's confidence on the country and disrupted on occasion the local currency's appreciation. Last year's peso average was at ₱55.09:$1, stronger than 2004's ₱56.04 average but still weaker than the ₱53.61 rate it recorded in December 2005.

The Bangko Sentral ng Pilipinas (BSP), for its part, tried its best, within the bounds of prudent inflation management, to keep the exchange and interest rates as accommodating as possible to support the vacillating economy. Despite the US Federal Reserve's consecutive rate hikes and the resulting narrower interest differentials, the monetary authority held off as long as possible in hiking its borrowing and lending rates. The country was in fact late in the monetary tightening cycle amongst regional partners. And when the BSP did, it hiked the repurchase agreement rates only by 75 percentage points over an eight-month period.

The BSP also raised reserve requirement rates to 21.0% last July from 19.0% to mop up excess liquidity that could put unnecessary pressure on the peso. Yet, imported money from foreign borrowings and remittances, by and large, brought double-digit expansion in domestic liquidity. The rise in net foreign assets that back the money supply, pulled up domestic liquidity. This liquidity, despite the diminished real returns and the government's higher financing requirements, has kept benchmark rates down and low. For 2005, the bellwether three-month treasury rate averaged 6.2% down from 7.3% in 2004. This helped ease

COSTS OF DOING BUSINESS

COMMERCIAL BANK LENDING GROWTH (ANNUAL %)



the burden of debt-funded consumption and business operations from the higher inflation rate.

The unexciting economic performance, albeit a substantial growth, was also reflected in the lethargic commercial bank lending growth. Latest December 2005 figures showed that lending continued to grow, though at a slower pace. Loans to financial institutions, real estate, and business services, along with steady exposure to community, social, and personal services helped keep bank lending growing. It seems that concerns over politics, rising prices, and the government's financial position forced businesses and banks to be more cautious in playing the field again. It is worth mentioning, though, that the unloading of about ₱77.6 billion in nonperforming loans (NPLs) as of November 2005 could bode well for bank lending as this eased banks' burdens, enabling them to farm out more loans in the future.

Metrobank anticipates a more complicated climate in 2006. In preparation, the Bank fortified its arsenal of services to be able to deftly steer its businesses and take advantage of existing and potential opportunities in the economy's push and pause. As a complement, the Bank has been focusing its efforts on upgrading its customer contact capabilities, increasing operational efficiency, and adopting a more bullish stance in the remittance business, among others. It will also continue to unload real and other properties acquired (ROPA) and NPLs to free resources and strengthen its finances. With these initiatives to welcome 2006, the Bank is more than ready to face the challenges its competition and the economy will offer.

Two thousand and five turned out to be a historic year for the Philippine economy. A year dotted with bangs and whimpers that only a resilient economy like ours can withstand. We do not expect a major shift in the story line in 2006. Concerns over the fiscal debt overhang, uncertainties in cost-pushed price increase, the lack of adequate closure in political issues, and trickier international and price climate could continue to color the business environment. But this should not hinder us from hoping for more bangs, such as an even more substantial reduction in budget deficit and debt levels, to help the economy gain more traction. In the meantime, we face these challenges head on by raising our corporate governance and operation to an even higher and more impeccable standard. It should allow us to transform business challenges into opportunities, and help contribute to a more upbeat economic rhythm in the future.

Placido L. Mapa, Jr.
Vice Chairman of the Board

Arthur V. Ty
Vice Chairman of the Board

President's Report

Antonio S. Abacan, Jr.
President

We anticipated a stiffer, more competitive environment... resolved to tap into our internal strengths and transform the Bank's operations to support a more market-driven institution.

Sustaining leadership and excellence

Two thousand and five was another politically charged year, with the Arroyo administration dogged by issues on election irregularities, charter change, the expanded value added tax or EVAT, and oil price increases. Thankfully, the environment remained positive for the economy which showed decent growth - 5.1% for the year.

Meanwhile, the banking industry continued to consolidate with competitors battling for the premier position that Metrobank has held for more than a decade.

We at Metrobank remained focused. Our foresight served us well as we had anticipated a stiffer, more competitive environment amid political and economic uncertainties. We resolved to tap into our internal strengths and transform the Bank's operations to support a more market-driven institution. Indeed, we are confident that our new growth strategy will help sustain our leadership stance for many more years to come.

As a result of our various initiatives, I am pleased to report that we ended the year in a better position despite the challenges posed by new regulations, threats, and changes, which all bore down on our operations. We posted substantial improvements in resources, loans, and deposits. The Bank's income also improved, even as we fully adopted the new International Accounting Standards (IAS) requirements in our report. As we maintained our top position in the industry, our achievements were validated by the various awards conferred upon the institution this year.

Allow me to report to you Metrobank's imprints of leadership and excellence for the year 2005.

Most Outstanding Participating Financial Institution award from the Development Bank of the Philippines.

The Balikat ng Bayan Award as Best Collecting Commercial Bank received from the Social Security System for the seventh straight year.

Gold SuperBrand award from Reader's Digest, our second since 2004.

Bureau of Treasury cites Metrobank as the Best Government Securities Eligible Dealer (GSED) in both the Primary and Secondary Markets Categories.

STEADY FINANCIAL PERFORMANCE

The adoption of the Philippine Financial Reporting Standards (PFRS) following IAS expectedly weighed down on the Bank's financial results. The PFRS necessitated changes in the Bank's accounting policies particularly in the recognition and measurement of the Group's financial assets and liabilities.

Against this backdrop, the Bank posted a net income of ₱4.3 billion as a result of a marked improvement in revenues due in turn to aggressive marketing activities coupled with prudent spending. Return on equity and return on assets remained steady from 9.5% and 0.9% to 9.4% and 0.8%, respectively. On a consolidated level, income declined slightly to about ₱4.3 billion.

Consolidated interest income on receivables posted a growth of ₱4.0 billion or 18.0% while consolidated interest income on investment securities, interbank loans receivable, deposits with banks and others rose by ₱1.7 billion or 19.6%.

Better portfolio mix resulted in lower interest expenses, improving by 3.5% to ₱17.1 billion from ₱17.7 billion.

At ₱19.9 billion, consolidated net interest income was up by 47.3%.

Consolidated provision for impairment losses increased by 55.7% or ₱1.6 billion from ₱2.9 billion to ₱4.5 billion as the Bank sought to further improve coverage on its nonperforming loans (NPLs) and other risk assets.

Consolidated net foreign exchange gain almost doubled to ₱1.6 billion from ₱846 million. Consolidated fee-based income likewise increased to ₱4.6 billion from ₱4.4 billion the previous year while dividends recognized in 2005 amounted to ₱259 million. Increases in income were also reflected in trust operations, up by 8.8% and equity in net income of investees, up by 94.5%.

HEALTHY FINANCIAL CONDITION

Our consolidated resources stood at ₱585.5 billion, posting double-digit growth of 11.6% over the previous year's level on account of increased deposit and lending activities. Consolidated deposits amounted to ₱424.2 billion, the highest in the industry, reflecting growth of ₱40.2 billion or 10.5%. Aggressive branch marketing activities helped expand our deposits.

Consolidated gross loans and receivables ended higher at ₱270.9 billion, up by ₱25.5 billion or 10.4%. Consolidated receivables from customers increased by ₱5.8 billion or 2.2%. The growth came from increased lending in the following industries: real estate, renting, and business, financial intermediaries, and wholesale and retail trade. The consumer segment also contributed to loan growth as gross receivables in mortgage loans expanded 18.9%, car loans 29.9% and cards business 45.8%.

NPLs declined 24.7% due to the sale of ₱9.7 billion worth of NPLs. The Bank aggressively pursued efforts to dispose of bad assets. In August, Avenue Asia Special Structures Fund, a division of U.S.-based Amroc Investments Asia, Ltd. bought ₱2.2 billion of NPLs and within the same semester, we sold ₱6.8 billion in NPLs to the Singapore branch of Germany-based Hypo-und Vereins Bank AG (HVB Group). Aside from these, the Bank also sold NPLs worth ₱683 million in various negotiated sales. These deals resulted in a significant improvement in our NPL ratio to 9.6% from the previous year's 13.1%.

The cumulative effects of changes in accounting for financial instruments, retirement benefits, and equity income, directly impinged on the Group's capital, which ended at ₱53.4 billion. Still, capital adequacy ratio remained strong at 17.1%. The Bank's share price as of end 2005 was at ₱32 resulting in a market capitalization of ₱52.3 billion or a premium of 14.7% over book value.

HIGHLIGHTS OF OPERATIONS

SALES TRANSFORMATION IN BRANCH BANKING

The National Branch Banking Sector was particularly active as the branch rationalization program went into full swing, a new branch performance scoring system was adopted, and a major project was launched to transform branches into sales centers.

Branches totaled 561 after 11 were sold to our subsidiary PSBank, 10 branches in Metro Manila and six in the countryside were relocated, and two were consolidated. In its continuing aspiration to provide customers with first-rate banking facilities, the Bank completed the renovation of 23 branches.

The Branch Performance Scorecard appraisal system was fully implemented for a more accurate measurement of branch achievements against financial budgets, efficiency of operations, and effectiveness of marketing and service activities.

In particular, the launch of the Branch Effectiveness and Sales Transformation program (BEST), aimed at converting branches into a more sales and marketing-oriented workforce will help energize branches and maximize our network potential. Aided by a team of consultants, the Bank re-engineered procedures, trained staff, and provided technology support to branches. The program was designed for better sales and customer orientation in the branches; it will allow them more time for marketing and their personnel more opportunities to be in touch with both existing and prospective customers. By November, a total of 10 pilot branches have been converted, with a full roll-out expected within the next two years.

ROBUST E-BANKING

A new aggressive marketing strategy supported by our vast branch network and head office units resulted in significant increases in enrollment in the Bank's Internet banking facility, the metrobank*direct*. Accounts in metrobank*direct*-Retail grew 52.8% while metrobank*direct*-Corporate accounts rose remarkably by 83.8%. We continued to enhance the services offered in our Internet banking facility and as a result, more corporate clients choose to use the facility including Tax*direct*, our online tax payment service that allows corporate clients to manage their tax obligations with the Bureau of Internal Revenue online. Thus, it was not surprising that the volume of transactions for Tax*direct* grew 48.1% against the previous year. For our mobile banking facility, enrollment grew by 29.9%.

Our ATM network expanded by 7.1% with the installation of 22 additional units, to reach 713 units catering to a total cardholder base of almost 1.5 million. International transactions volume increased by an impressive 28.8%.

Income from combined e-banking facilities increased 12.4% against the year before.

EXPANDING REMITTANCE BUSINESS

The country experienced a record volume of incoming remittances in 2005 and Metrobank's growth was attained by hurdling several challenges. The Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations continued to be strictly enforced worldwide. Likewise, OFWs faced stiffer competition from other Asian countries such as Indonesia, Thailand, and Vietnam. Metrobank's

Metrobank launched the Branch Effectiveness and Sales Transformation (BEST) program to help energize branches and maximize our network potential.

Metrobank E.T. International ATM card is accepted in over a million Cirrus-Maestro ATMs worldwide.

Metrobank teams up with Jollibee for the installation of off-site ATMs at selected Jollibee stores in the country.

Our ATM network expanded by 7.1% with the installation of 22 additional units, to reach 713 units catering to a total cardholder base of almost 1.5 million.

Metrobank pursued the expansion of its remittance business with companies acquired in Spain, Italy, Austria and the United Kingdom boosting European remittance operations.

remittance business continued to expand with total volume growing by 6.8% and value increasing by 5.7%.

To strengthen the business, the Bank pursued its plans to expand operations in Europe, acquiring the following remittance companies: Metro Remittance Center, S.A. in Spain, Metro Remittance Center (Italia) S.p.A. in Italy, and MBTC Exchange Service GmbH in Austria. This accounted largely for the increased European remittances - 17.3% in volume and 13.0% in value. Inward remittances coursed through Metro Remittance (UK) Ltd. increased by 44.4% in volume and 64.5% in value.

Renewed focus was given to the Middle Eastern market, resulting in an increase of 50.6% in volume and 61.2% in value. Three additional partnerships were established in the U.A.E., raising the total to 11 remittance tie-ups there.

Likewise, the Bank beefed up its infrastructure and ensured appropriate oversight and supervision of the foreign offices particularly the bank remittance centers and subsidiaries with the creation of the International Offices and Subsidiaries Group under the Office of the President.

DYNAMIC CONSUMER LENDING

Our consumer loans business was another bright spot for the Bank in 2005 posting positive growth in both consumer loans portfolio and new loans generation.

The consumer loans portfolio registered a double-digit growth of 18.5% from the previous year. Retail Real Estate loans, consisting of the MetroHome Financing and Contracts to Sell (CTS) accounted for 81.0% of the portfolio increase while 19.0% came from MetroCar Financing. Past due level significantly improved in 2005 posting a low 2.0% ratio versus total consumer loan portfolio, registering a 14.0% reduction from the past due level of the previous year.

Consumer loans production grew by 17.1%, of which more than 50% was attributed to MetroHome and CTS and the rest to MetroCar. Branches contributed significantly to the volume upsurge in both Real Estate and Car loans production, delivering more than half of the increase. The rest of the production was generated by the sales team of Consumer Lending Group.

Further optimizing our capability to reach a broader market, we created the Wholesale Real Estate Division that would concentrate on wholesale consumer marketing. To improve credit operations and to further shorten loan processing time, the Intranet Loan Application Processing System (ILAPS) was implemented in September; it automated front-end loan processing and carried the new credit scoring system which to date has proven to be a good indicator of risk, judging from the quality of accounts generated.

The cards financing business under the Metrobank Card Corporation showed dynamic growth of 93.6% in card base ending at over half a million cards in force. The success of our cards business was largely due to our innovative product offerings such as the Femme Visa and Dollar MasterCard, and the well-received marketing campaigns like Cash2Go and 'M Here privileges program.

NEW BUSINESS FROM ACCOUNT MANAGEMENT GROUP

Aggressive business activity from the Account Management Group (AMG) resulted in increased market share. We sealed major transactions with clients looking for a stable source of peso and dollar funding, renewed ties with foreign and local multinational clients, while at the same time, capitalized on our low cost deposit base and strong trade and overseas remittance flows.

With the Bank's dominance in the middle market for both depository and credit business, AMG seized the opportunity to expand its business further by offering dealer and supplier financing packages and cash management services. The Bank's Internet banking facility, metrobank*direct*, coupled with our extensive branch network, served as channels for facilitating the cash management requirements of these multinationals.

As a result, Metrobank's loan portfolio in the top-tier companies grew by 12.1% and the overall credit quality of its bookings was fortified. Trade business and operating funds growth improved by 15.2%. Once again, with its low cost deposit base, the Group improved its ratio to loans from 16.1% to 18.3% year on year. Overall income from fees and loans rose by 38.8%, from ₱1.8 billion to ₱2.5 billion. The net margin improved from 2.0% to 2.8%.

Metrobank's loan portfolio in the top-tier companies grew by 12.1% and the overall credit quality of its bookings was fortified. Trade business and operating funds growth improved by 15.2%.

STRONG GROWTH IN TRUST BANKING

Trust Banking Group (TBG) ended the year with ₱154.5 billion in Assets Under Management (AUM), growing ₱7.3 billion even as it entered a consolidation phase after five consecutive years from 1999, an exceptional expansion by an average of 52.5% a year, one of the highest in the industry. Despite the transition to Unit Investment Trust Funds (UITF) from Common Trust Funds (CTF) in compliance with BSP regulations, Metrobank Trust Banking Group dominated the retail funds sector with ₱81.4 billion total AUM.

The second quarter was an exciting period for Trust Banking as it launched eight new UITF products, each catering to a wide range of markets, with varied investment appetites. Of the new UITFs, Metrodollar Asian Bond Fund was unique among the available funds in the market. The Metrodollar Asian Bond Fund invests in investment grade countries in the Asian region as well as in U.S. Treasuries. Two other U.S. Dollar denominated funds - Metrodollar Philippine Liquid Fund and Metrodollar Philippine Bond Fund - present options to investors with different investment risk-return objectives. The four Philippine peso fixed income UITFs, Metrofund Starter, Metrofund Peak Earner, Metrofund Elite, and Metro Invest Plus cater to a wide range of investment objectives while the Metro Capital Growth Fund is the product for investors seeking capital appreciation by investing in a fixed income and equity balanced fund.

The Bank also launched an innovative package of employee retirement benefits dubbed as Corporate Stewardship, to the enthusiastic reception of some of the country's largest corporations including the Jollibee Group of Companies (Chow King Foods Corp., Greenwich Pizza Corp., Baker Fresh Foods and Vizmin Food Corp.) and Lafarge Associated Companies (Lafarge Cement Services Phils. Inc., FR Cement Corp., and Fortune Cement Corp. Continental Plant).

MORE GAINS IN TREASURY

This year, Treasury Group was again cited for its performance in the Primary and Secondary Markets for consistently registering high trading volume in peso government securities. It also intensified trading in foreign currency bonds, with transaction volume reaching US$2.0 billion for US Treasuries and US$1.8 billion for Republic of the Philippines (ROP) bonds.

To diversify and improve portfolio quality, the Bank invested US$30.0 million in notes issued by HSBC, France (formerly Credit Commercial de France), Union Bank of Switzerland,

Newly-launched Femme Visa was designed for the unique needs of today's woman.

The second quarter was an exciting period for Trust Banking as it launched eight new UITF products, each catering to a wide range of markets, with varied investment appetites.

Metrobank's wide array of UITF products

JP Morgan Chase and Commercial Bank of Australia. Another US$30.0 million was invested in credit-linked notes to enhance investment portfolio yield. The Bank also participated in the five-year BSP syndicated loan for US$75.0 million in November 2005.

Two new products were launched to enhance our Unique Savings Account (UNISA) - the UNISA

CB Richard Ellis and The Property Forum successfully conducted auctions during the year.

HRMG strengthened management and leadership courses through programs like PRIME, APEX and ExceL...

...and stepped up job fair activities.

Step-Up B and UNISA Step-Up C. The first is a one-year placement, the second, a nine-month placement, both with increasing quarterly interest rates.

The treasury trading system, OPICs, was enhanced to address the requirements of IAS 39, particularly the mark-to-market of fixed income securities. For 2006, the implementation of e-OPICs, an Internet-based extension of OPICs that would allow branches direct access to bond prices and foreign exchange rates, were among the priorities set by the Group. Derivative product modules were also lined up for inclusion in the OPICs in 2006.

RESOLUTE ROPA DISPOSITION

For Real and Other Properties Acquired (ROPA) disposition, the Bank managed to impose its weight in the property market disposing over ₱1.6 billion in idle assets. Profitable margins continued to be generated in the disposition process thereby enabling the Bank to recover a large portion of the maintenance costs of these assets.

As in the previous year, we aggressively went into auctions to dispose of our ROPA. In 2005, two events conducted by CB Richard Ellis (CBRE) generated strong sales and market interest from corporate employees. To further broaden the market base and to complement the CBRE thrust, the Bank engaged the services of The Property Forum Philippines to handle the mass market and lower-end segments. Its initial effort in July 2005 produced better than expected results as sales were derived from previously untapped segments, thus validating the wisdom in having different groups address various market niches.

Lease income generation was pursued vigorously especially for commercial office spaces to help defray maintenance costs while the assets remained unsold.

The Bank made sure that there was oneness of vision among its workforce and a line-up of people to see through all its plans.

PRO-ACTIVE HUMAN RESOURCE MANAGEMENT

Even as the Bank prepared to implement middle- and long-term goals, it made sure that there was oneness of vision among its workforce and a line-up of people to see through all its plans.

For a more objective evaluation of employees' performance, the Group launched in the second semester the Performance Assessment and Management System. Consistent with the Bank's direction to strengthen a culture of meritocracy, the system features a comprehensive and objective process that determines each employee's contribution to the Bank's overall objectives. It was further enhanced to provide information critical for the employee's career planning and development.

Implementation of the Bank's Succession Planning Program continued in the past year. Introduced in 2004, the program was designed to provide employees with career paths, and support the Bank's future leadership needs with a pool of competent and high-potential officers. In 2005, HRMG identified employees capable of rapid advancement to positions of higher responsibility, implemented an assessment process and put in place developmental plans for the identified successors.

In addition to developing manpower technical skills, HRMG strengthened management and leadership courses for key senior management officers and successors. Priming for Managerial Excellence (PRIME) broke ground with a total of 229 department and branch heads participating. The Executive Leadership Development Program (ExceL) and Advanced Programs for Executive Excellence (APEX) on the other hand, will be launched in 2006.

Aggressive recruitment activities were conducted to mine the wealth of talents from the universities and the market. The group improved its campus recruitment, and tied-up with SM & STI College for job fairs. It forged partnerships with De La Salle Manila, De La Salle College of Saint Benilde, Pamantasan ng Lungsod ng Maynila, The Bank spearheaded the development of its own service code. It acquired a data integration and analytics software to gain deeper insights into its customers.

Metrobank entered into a strategic partnership with SAS Philippines for its Customer Insight Project.

Centro Escolar University, Far Eastern University, and Southville International School for its practicum program. Now, 514 junior and senior college students have completed their on-the-job training. In addition, HRMG rolled out the Applicant Referral Incentive Program (ARIP) for employees to help the Bank acquire talent to fill in vacant positions.

STRATEGIC MARKETING SUPPORT INITIATIVES

The Bank began to lay the groundwork that would support its customer growth strategy. It formed the Marketing Support Division to consolidate Marketing Communications, Retail Marketing, Customer Analytics, and Customer Care in support of the Bank's initiatives to provide excellent customer service, develop perfectly matched products with specific market segments, and draw up and implement communications plans to support branch marketing activities.

To this end, Marketing Support Division spearheaded the development of the Bank's own service code, reviewed its feedback handling and service monitoring systems, and created a new Product Management Process. The Bank recently acquired a data integration and analytics software from SAS Philippines, Inc. to gain deeper insights into its customers.

TECHNOLOGY SUPPORT

We were able to complete 85% of the branch network upgrade project with all telecommunications service providers. This would provide our branches with sufficient network bandwidth to enable deployment of more web-based applications.

We continued to upgrade and enhance the Bank's network security mechanisms against internal and external threats to protect it from viruses, spams, and all forms of malware systems. The phase one upgrade to Triple Data Encryption System (3DES) of all the Bank's ATMs was completed as scheduled and the final phase has already commenced, improving fraud detection and prevention on ATM transactions. The above average results of the vulnerability assessment on the Bank's infrastructure was maintained, further strengthening the overall security satisfaction rating across all systems of the Bank.

Document imaging (FileNet) provided quick access to documents and improved processing time and is being deployed in more business units, greatly improving on productivity, efficiency and data integrity.

The Bank's capability during full or partial disaster scenarios was fully tested to make sure its branches and business units can access CASA, ATM, and all critical systems within two hours after a disaster declaration.

metrobankdirect
Power Banking on the Net

metrobank*direct*'s re-designed secured site

The phase one upgrade to Triple Data Encryption System (3DES) of all the Bank's ATMs was completed as scheduled, improving fraud detection and prevention on ATM transactions.

As financial stewards, we attribute a great deal of our success and achievements to our customers, business partners, and the rest of our stakeholders. We thank our customers for their trust and confidence in us and our partners for sharing our vision of leadership and excellence.

LOOKING FORWARD TO 2006

We at Metrobank are gearing up for the full implementation of the Basle II accord next year and its possible impact on our operations. Thus, we continue to implement measures that will adhere to Basle-accepted practices, improve our corporate governance, and invest in risk-management systems. We are confident that having taken the necessary measures, the new stringent regulations and international standards will only make the Bank a stronger institution.

Moving forward in 2006, we aim to pursue our growth strategy that would propel the Bank to greater heights. Initiatives that will strengthen our marketing and sales capabilities are paramount. For branches, the underlying program to achieve this objective is the full implementation of the Branch Effectiveness & Sales Transformation (BEST) project. Corollary to this, we shall work on operational efficiency through the adoption of BEST practices that would help achieve faster turnaround times and improve customer service especially for over-the-counter transactions at the branches. In addition, we shall improve measurements and further institutionalize standards on customer service.

The Bank hopes to expand its array of services to take advantage of new market and business opportunities. For corporate markets, enhancement of our cash management product will provide medium to large corporate clients the services they need. In retail, we are set to repackage existing and launch new deposit products and services, leveraging on information technology to entice the young, emerging, and overseas Filipino worker markets. Our marketing people will undergo intensive sales and product training to improve their capabilities.

As the economy shows new signs of growth, we expect our credit business to be brisk. For its part, the Bank will focus on building up its wholesale consumer business and leveraging on the improving property and real estate sector. Our loans operations will be calibrated to further support wholesale consumer marketing, at the same time centralizing certain administrative functions to hasten turnaround time. Even while we adopt an aggressive marketing stance, we will continue to preserve the quality of credit and mitigate risks through the adoption of consistent approval and monitoring standards across the Bank's delivery channels.

We are confident that having taken the necessary measures, the new stringent regulations and international standards will only make the Bank a stronger institution.

It is our desire to maintain the strong financial performance of the Bank. We will continue to aggressively pursue programs to dispose of the Bank's non-performing assets (NPAs) and further improve the quality of our balance sheet.

Equally important, we will improve human resource skills enhancement and promote employee general welfare by working on all aspects of our corporate culture, continue instilling professionalism within the organization, and align our people accordingly with financial targets and overall corporate objectives.

As financial stewards, we attribute a great deal of our success and achievements to our customers, business partners, and the rest of our stakeholders. We thank our customers for their trust and confidence in us, and our partners for sharing our vision of leadership and excellence. We look forward to another year emboldened by the dedication, hard work, and strong commitment of our own people, deeply grateful for the wisdom and support of our Boards of Directors and Advisers and stockholders who have been with us even through the most challenging times.

Antonio S. Abacan, Jr.
President

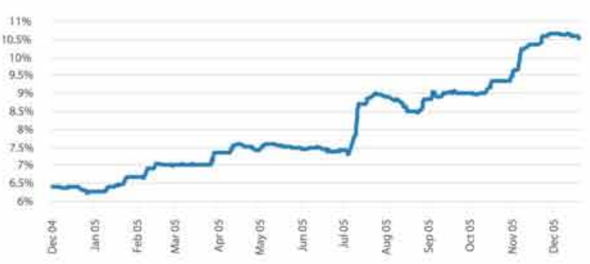
Risk Management and Good Corporate Governance Initiatives

As clients become more sophisticated about their choice of financial solutions, Metrobank readied itself to meet the demand for new products and services. In this context, risk management takes on an important role as it continues to employ tools and measures that would allow the Bank to produce sustainable revenues, reduce earnings volatility, and increase shareholder value. Coupled with the new requirements set by International Accounting Standards and Basle II, the Metrobank Group undertook a more cohesive enterprise-wide risk management process.

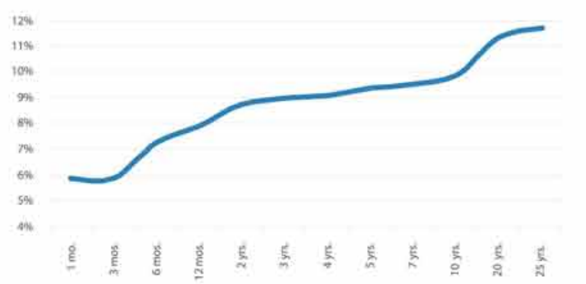
ENHANCED CREDIT RISK

For credit risk management, fine-tuning of policies and controls was a priority. Existing credit concentration on a per-account/group, geographic, and industry bases were reevaluated for more diversified portfolio earnings. The Bank's internal credit risk rating system for corporate accounts is being constantly reviewed to take into account nuances in the risk-return profile of each credit exposure. The risk rating utilizes the quantitative aspects of the Default Filter System (DFS) which computes for the probability of default of a borrower given pertinent financial performance data. A separate internal credit risk rating has been developed for a more scientific method of classifying and pricing accounts. Since these transactions are retail in nature, the wider use of credit models would provide a stronger framework to assess risk and ensure that pricing reflects credit risk.

VOLATILITY OF 91-DAY T-BILLS
For the past 260 days



BENCHMARK YIELD CURVE GOVERNMENT SECURITIES
As of 29 December 2005



MARKET AND LIQUIDITY RISK

Relative to market and liquidity risk management, the Bank expanded and streamlined policies and procedures on valuation, quantitative measurement metrics, mitigation and control to cover new products and activities that meet its risk appetite and strategic objectives. Valuation of financial assets and liabilities now ensures the identification and proper risk treatment of these new products. Risk measures include the use of value-at-risk (VaR), earnings-at-risk (EAR), and maximum cumulative outflow (MCO) methodologies with limits approved by the Risk Management Committee (RMC) and, subsequently, by the Board of Directors. These were all cascaded to subsidiaries and international offices for a more unified approach in reporting and management of risks Bank-wide. Metrobank is preparing to automate fully its market risk measures, not only to support this comprehensive approach but also to adapt to a volatile and rapidly changing environment.

OPERATIONAL RISK

To address operational risk management needs, the Bank developed a number of tools, now in various stages of implementation. They include:

- Risk Self-Assessment.
  A methodology to identify and assess risks and institute or improve existing controls
- Loss Database.
  An important tool to create awareness on the nature of operational losses and determine the action needed to mitigate them. This database will validate Basle II basic indicator approach in calculating capital charge for operational risk.

The Business Continuity Plan is also constantly being reviewed and updated. Simulation activities were undertaken during the year to identify weaknesses in the Bank's contingency plan. This produced positive results as tests were completed successfully.

Metrobank recognizes the importance of good corporate governance, a key factor in attaining fairness, accountability, and transparency for all stakeholders.

COMPLIANCE

Since the enactment of R.A. 9160 otherwise known as the Anti-Money Laundering Law in 2001, the Bank created the Anti-Money Laundering Compliance Committee (AMLCC) to ensure strict compliance to local and international laws to combat money laundering and terrorist financing.

The Bank adopted an AML program that defined the specific responsibilities of its departments and units in ensuring compliance to the provisions of the law. Under the program, the Know-Your-Customer (KYC) policy based on Basel guidelines, record keeping and retention requirements, and procedures in reporting covered and suspicious transactions have likewise been defined, validated, and monitored regularly to keep attuned with the changing environment.

To work effectively under the AML environment, education is important. Thus, continuous training programs have been implemented for branches including our international offices, all officers and personnel holding sensitive positions, and anyone who has direct dealings with the depositing public. Consistent with existing Philippine laws, the Bank has taken into consideration the importance of adherence to international laws on money laundering as it maintains its global presence and correspondent banking relationships worldwide.

Our leadership stature has earned us the distinction as the only local bank to present our AML programs and initiatives to international delegates, particularly the Financial Action Task Force-Asia Pacific Group (FATF-APG) evaluation team and the World Bank-Bangladesh Central Bank officials. The programs have since been considered as models for other banks to follow.

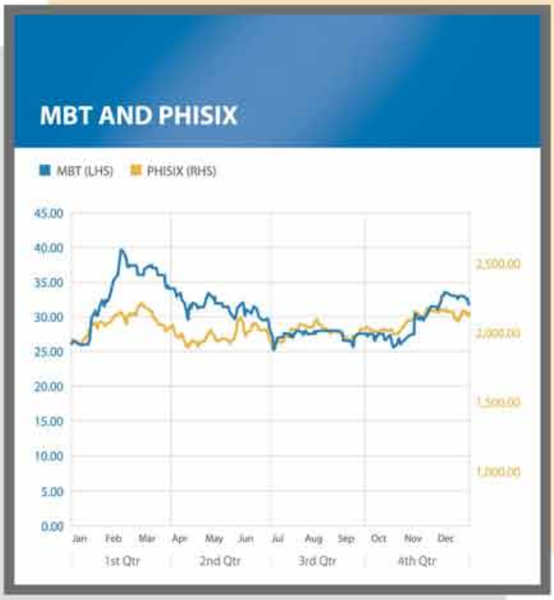
GOOD CORPORATE GOVERNANCE

Metrobank recognizes the importance of good corporate governance, a key factor in attaining fairness, accountability, and transparency for all stakeholders. The Bank subscribes to the leading practices of good corporate governance that serve as the bases for quality performance, sound financial standing, as well as sustainable growth.

The Board of Directors is guided by the principles of good corporate governance to achieve the Bank's vision, mission, and operational goals. Given this mandate, the Corporate Governance Committee was formed early this year composed of three directors, two of whom are independent, and adopted a charter that outlined its duties and responsibilities, establishing a framework for managing and monitoring the Bank's effectiveness and due observance of corporate governance principles and guidelines.

Part of the duties of the committee is to oversee the periodic performance evaluation of the Board and its committees and executive management. Towards this end, the committee adopted a score sheet to evaluate the Bank's compliance with leading practices on corporate governance. Such performance indicators seek to address how the Board has enhanced long term shareholders' value.

Developments in the Price and Returns of the Metrobank Stock



Metrobank shares grew 20.7% outpacing both the PHISIX and the Banks and Financial index.

The Philippine Stock Exchange Index (PHISIX) rose 15% to 2,096.04 in 2005, powered by renewed optimism that had been in turn inspired by prospects anchored on fiscal reform. In the first quarter of 2005, the PHISIX already hit its year-high of 2,166.10 on March 7. The market was already up 18.8% at this time with the passage of revenue-enhancing measures (SIN taxes and lateral attrition) and the expected passage of the expanded value added tax (EVAT) law. In the months that followed, the market waddled through a maze of obstacles such as the delays in the passage and implementation of the EVAT, challenges to the Arroyo presidency, and credit rating downgrades by Standard and Poor's and Moody's. This resulted in the PHISIX hitting its lowest level for the year – 1,815.67 on July 4. For the next four months, the PHISIX moved in a 250-pt. trading range between 1800 and 2050.

While President Arroyo was able to repulse threats to her presidency, political noise continued to plague the market from the impeachment proceedings and the opposition rallies. Rising oil prices, which peaked at US$70.85, also greatly affected market sentiment.

In November, the PHISIX finally broke out of its trading range and consolidated above the 2000 level. The eventual implementation of the first phase of the EVAT on November 1, strong macro-economic data (narrowing budget deficit, strong OFW remittances, strong corporate earnings), and easing political tension re-ignited optimism in the market.

METROBANK SHARES

From ₱26 per share at the start of the year, Metrobank shares (MBT) ended the year at ₱32 per share, a 20.7% increase in 2005, outpacing both the PHISIX and the Banks and Financial index, which grew 15% and 13.9%, respectively. MBT, mirroring the PHISIX, reached its highest level early in the year at ₱39.50, jumping by 49%, then slumped to ₱25 in July as investors turned cautious of the market in general. Interest in the Bank returned in the second half of the year as investors took notice of its efforts to sell its non-performing assets and clean up its balance sheet. Metrobank improved its cash dividend rate to 5% in 2005 or ₱1.00/share from only ₱0.80/share the year before.

The Foundation can only promise to go farther, work harder, and get more things done.

Grand Prize Winner
MADE Sculpture Competition
Artist Jan Leeroy New's "Cradle"

Under MADE, sponsorships for seminars and workshops for young art enthusiasts help hone the talents of the next generation of Filipino artists.

Leadership and excellence in CSR

Metrobank Foundation, Inc. opened the year on a high note with the formal turnover of the Metrobank Foundation Gawad Kalinga Village to beneficiaries in Macabebe, Pampanga. The donation was made more special when the Metrobank delegation took a hands-on approach by actually helping apply the finishing touches to some of the houses.

Towards the middle of the year, Metrobank Foundation signed in several partner schools in Metro Manila for its 2005-2006 College Scholarship Program, and held the first convention of the Metrobank Alumni Scholars for Service, Excellence, and Transformation or Metrobank ASSET in celebration of ten fruitful years of the program. The Foundation marked a milestone this year when Pacific Paint Philippines, maker of Boysen paints and a long-time client of the Bank, agreed to implement a joint scholarship program for architecture students enrolled at the University of Santo Tomas. The partnership was a breakthrough in the Foundation's efforts to market its experience and exposure in the field of social development by involving Metrobank branches in getting private sector organizations to invest in nation-building activities.

Aside from education-related programs, the Foundation launched another year of the Search for The Outstanding Philippine Soldiers (TOPS) in partnership with the Rotary Club of Makati-Metro. The Foundation honored ten members of the Armed Forces of the Philippines for their exemplary conduct and career achievements in rites held in Malacañang.

On the heels of the awarding ceremonies for the 2004 winners in Malacañang, the Foundation also launched another year of the Search for the Country's Outstanding Policemen in Service (COPS) and honored the 20th batch of winners of the Search for Outstanding Teachers.

This year, the Foundation was especially proud of its successful completion of the first full year of the Metrobank Art and Design Excellence (MADE) program that gave recognition to exemplary artists in the fields of painting, sculpture, interior design, and architecture. MADE brought about heightened public awareness on its substantial and enduring contributions to the local art community.

More importantly, the exposure given to the aspiring and talented young artists throughout the two-week exhibit of winning artworks, as well as the lecture series held as part of skills and knowledge enhancement, inspired other artists to strive for excellence in their craft.

By the end of the year, the Foundation celebrated milestones for its subsidiaries, the Manila Doctors Hospital and the Manila Doctors College. The school celebrated its 30th anniversary and inaugurated the new Doña Tytana Tower. Meanwhile, the hospital marked its 49th year of service with the inauguration of the Doña Salustiana Medical Tower.

As a fitting culmination of a year marked by significant milestones, Metrobank Foundation Executive Director Aniceto M. Sobrepeña was conferred with the Communication Excellence in Organizations or CEO Excel Award by the International Association of Business Communicators - Philippines, becoming one of a select few in the first batch of executives to receive such an accolade.

Indeed, the Foundation is riding high on the momentum of its 26 years of excellence and leadership in corporate social responsibility. Metrobank Foundation can only promise to go farther, work harder, and get more things done. It remains confident of making even more significant and meaningful contributions to our people and society.

Highlights of Operations: Program Year 2005

- Almost ₱30 million was disbursed by the Foundation in cash prizes and other incentives for exemplary Filipinos in 2005, including ₱200,000 for each outstanding teacher, ₱150,000 for each outstanding soldier and policeman, ₱150,000 for each grand prize winner in MADE, and scholarship grants for outstanding students.
- The 2005 Metrobank-MTAP-DepEd Math Challenge saw the participation of more than 267,000 students from almost 15,400 schools in all 17 regions of the country representing 162 out of 185 divisions (87.6%) under the Department of Education.
- On the 4th year of the Foundation's partnership with the Federation of Filipino-Chinese Chambers of Commerce and Industry for the Share-a-Gift of Education (SAGE) Program, a new batch of 150 scholars in the elementary and high school levels who were enrolled in accredited ethnic Chinese partner schools nationwide were awarded scholarship grants, bringing to 600 the number of SAGE beneficiaries since 2002.
- Year-round medical missions sponsored by the Foundation, whether in-house at the Manila Doctors Hospital or in depressed urban and rural communities that were conducted by partner NGOs throughout the country, benefited almost 6,000 indigent patients who were treated for cataracts, cleft-lip and palate, OB/Gyne, and various surgical procedures.

President Gloria Macapagal Arroyo is joined by officials of the Foundation and the Rotary Club of Makati-Metro in Malacañang to honor the 2005 winners in the Search for TOPS.

The Foundation signs another year of partnership with the PNP and the Rotary Club of New Manila East for the Search for COPS.

Guests appreciate an outstanding artwork displayed during the awarding ceremonies of the MADE competitions held in September at Le Pavillon.

Manila City officials including Congressman Miles Roces joined members of the Ty family and other special guests to inaugurate the Doña Salustiana Medical Tower at the Manila Doctors Hospital.

His Eminence, Ricardo Cardinal Vidal of Cebu, receives a check from Chairman George S.K. Ty on behalf of the SOS Children's Village – Cebu, during the traditional donations turnover on the 43rd anniversary of the Bank.

Metrobank Purple Hearts Club

Gentle hues of compassion through employee-volunteerism

In all the activities done by the Purple Hearts Club, the one uniting factor is the volunteers' desire to give of themselves, their individual dedication, as well as collective efforts.

Throughout its corporate life, Metrobank has found its soul and solace in delivering programs aimed at alleviating the plight of marginalized sectors of society. For several years now, its philanthropic arm, the Metrobank Foundation, Inc. has been at the forefront of corporate social responsibility (CSR) thrusts in areas of environmental stewardship, education, health and the arts. However, it would seem that the call of CSR did not stop there.

In February 2003, employee-volunteers from Metrobank formed the Metrobank Purple Hearts Club (PHC), providing social service to poor communities, public schools and institutions that empowered marginalized members of society.

To date, the Bank has 38 chapters including branch managers that deal with community development within their service areas. PHC's motivating force is providing a framework for institutionalizing corporate volunteerism within the organization.

For a more concerted effort, the PHC chapters declared 2005 as the Year of the Youth, weaving majority of their activities in support of education, one of the Club's thrusts. PHC launched its partnership with the Don Bosco Youth Center in Tondo, participating in its year-long Tutorial Program for public elementary school children. Volunteers taught Math and basic English to 40 in-school students. Donation of text books, school supplies, even personal computers to various schools and communities in Pasay, Tondo, Mandaluyong, Makati, Cavite, Davao and Zamboanga were spearheaded this year. Volunteers spent weekends reading stories to schoolchildren in Brgy. Addition Hills, Welfareville, Mandaluyong. In Pasay Bernabe Elementary School, 40 primary students who scored lowest in reading proficiency were taught comprehension skills by volunteers.

With the welfare of undernourished schoolchildren in consideration, the PHC chapters started the school year 2005-2006 by addressing this need with a Daily Feeding Program, Deworming Project and distribution of vitamins for the students of Pasay Bernabe Elementary School, King's Kids' Care Learning Center and the pre-school kids of West Rembo, Makati. The Quiapo Parish, in its weekly program of feeding hundreds of homeless children and adults in the area saw the Club taking charge of one weekend.

PHC conducted its "Run for a Cause" and for the third time donated the proceeds to the Philippine Service of Mercy Foundation for the purchase of artificial limbs for the differently-abled while initiating preliminary provision of basic necessities for indigent families of Rogus, Cauayan City. In partnership with the Metrobank Foundation, the year 2005 marked the fourth year PHC participated in the effort to save lives by donating blood through its Dugong Metrobank project.

PHC gave added boost to environmental care and protection through its Earth Day and DyarU @ Metrobank recycling projects. The Club further collaborated with the Cavite Institute in its school project, "WISHCRAFT: Transforming Garbage to Gold" which won in the World Bank Group's grants competition. PHC volunteers' collective efforts in accumulating recyclables for turnover and cleaning up the environment benefited two of the school's scholars.

In its endeavor to help preserve the environment, PHC chapters planted narra, mahogany and other seedlings in the forests of Tanay, Rizal, along the rice fields of Paing, Bantay, Ilocos Sur, and in the Visayas region with the latter contributing to the sustainability of the local watershed ecosystem at the Jaclupan Watershed in Talisay and ensuring the continued supply of potable water not only to Cebu City but its neighboring towns as well.

Christmas, being the most opportune time to give selflessly and share blessings received, witnessed the PHC chapters come up with diverse ideas on how to make Christmas wishes come true. While some played Santa Claus to students, others threw parties and hosted parlor games for the abused, differently-abled, orphans and streetchildren of Pasay Bernabe and Dampalit Elementary Schools, the Lingap Center and the community of Baseco. The glow on the faces of these children were evident especially with the giving out of gifts of wrapped toys, story books and bags of assorted groceries before capping the event with a display of fireworks.

The series of typhoons that had devastated Northern Luzon since the latter part of 2004 prompted PHC to organize the Kapwa Ko, Sagip Ko Relief Goods Drive. The Club then participated in Kalinga Luzon, an initiative of Gawad Kalinga and the Ateneo de Manila University for the community rehabilitation of typhoon victims and used the funds raised to construct a fully furnished day care center for pre-school-aged children of the 200 families to be relocated to the Gabaldon site in Nueva Ecija. The ceremonial turn-over of the Metrobank Purple Hearts Club Day Care Center will be in early 2006.

In all the activities done by the Purple Hearts Club, regardless of thrust or beneficiary, the one uniting factor is the volunteers' desire to give of themselves, their individual dedication as well as collective efforts. What the Purple Hearts Club has done in 2005 was made possible through the unreserved dedication of Metrobank volunteers who want to continue making a meaningful difference in other people's lives.

Don Bosco Tutorial Program - conducted year-long for public elementary school children

Amor de Zamboanga PHC Chapter
Good Grooming Workshop
Canelar Ayudahan Center (April 9, 2005)

Kalinga Luzon Community Building
Gabaldon, Nueva Ecija (July 30, 2005)

Puso Ti Ilocano PHC Chapter
Tree Planting Project "Luntian Para sa Kalikasan"
Paing, Bantay, Ilocos Sur (August 20, 2005)

Head Office
Dugong Metrobank (July 7, 2005)

The Metrobank Group of Companies

Domestic

FIRST METRO INVESTMENT CORPORATION

First Metro Investment Corporation progressed significantly in its vision of becoming a leading and respected financial institution specializing in investment banking service. As lead or issue manager, it participated in 76% of total government debt issues, 44% of corporate debt notes and in all of the Initial Public Offering (IPO) equities issues during the year. Total funds raised during the year amounted to ₱108.4 billion.

Its sustained local market dominance in 2005, particularly in fixed income instruments, both corporate and government, won for it three awards from prestigious regional financial publications: Best Domestic Investment Bank and Best Domestic Bond House from Finance Asia and Best Bond House from the Asset Magazine.

With a consistent profitability record in the last few years, First Metro Investment also paid cash dividends of ₱1.8 billion, its third year of dividend payment record.

First Metro Investment Corporation registered a consolidated net income of ₱718.3 million, a return of about 6.9% on its yearend consolidated capital funds of ₱6.5 billion. Consolidated total assets now stand at ₱28.3 billion.

TOYOTA MOTOR PHILIPPINES CORPORATION

A joint venture with Toyota Motor Corporation and Mitsui & Co., Inc.

Toyota Motor Philippines Corporation (TMP) sustained its market dominance with top performance in over-all, passenger car, and commercial vehicle sales for the fourth consecutive year.

As the undisputed industry leader, TMP sold a total of 35,513 units, capturing a huge 36.6% share of the market, the highest since the company started its operations 17 years ago.

Its share in the commercial vehicle category significantly grew to 34.6% in 2005 due mainly to the introduction of the Innovative Multi-purpose Vehicles or IMV series. TMP posted a net income of ₱989.5 million in 2005 for a 34.2% growth over 2004.

PHILIPPINE SAVINGS BANK

PSBank, the country's second largest savings bank in terms of assets, progressed well with its goal of staying ahead of the profitability curve in 2005. Through technological innovations, strategic marketing campaigns, and improved customer servicing, it achieved a net income of ₱646.4 million, increased by ₱149.2 million or 30.0% over the previous year's net income of ₱497.2 million, as restated.

Total gross receivables from customers rose by ₱4.9 billion or 20.2% to ₱29.5 billion. This was funded by deposits which grew 19.3% to ₱48.0 billion from ₱40.2 billion. Total resources amounted to ₱55.1 billion, higher by ₱9.0 billion or 19.4% from the year before. Total capital stood at ₱5.3 billion.

The Bank managed to grow its balance sheet without eroding asset quality. NPL ratio improved to 5.7% from the previous year's 6.1%, with a provisioning coverage of 21.4%. The Bank's capital adequacy ratio likewise made progress to 12.5%. Return on equity is 13.4%.

With 11 new branches opened in 2005, PSBank now has a branch network of 150 nationwide.

A joint venture of Metrobank and ANZ

METROBANK CARD CORPORATION

Metrobank Card Corporation's 2005 results were characterized by major growth while maintaining a favorable delinquency level. Cards in force as of end 2005 registered a 94% increase ending at 513,220 while the industry grew by 1.8%. This improvement in cardholder base was largely due to the successful launch of new card programs like the Femme Visa and Dollar MasterCard and the revitalized PSBank MasterCard. Total net cardholder receivables ended at ₱6.9 billion, reflecting a 45.8% growth from 2004 due mainly to the successful increase in cards numbers and the take up of compelling usage campaigns like the 0% Installment, Cash2Go (a multi-purpose installment cash access), and the 'M Here privileges program.

The gross revenue and net income figures grew by 50.5% and 56.8% respectively as a result of increased cards usage, higher interest income and controlled bad debts level. Delinquency remained at 6.2%, one of the best delinquency rates in the market today.

PHILIPPINE
AXA LIFE

PHILIPPINE AXA LIFE INSURANCE CORPORATION

A joint venture with AXA Group

In 2005, Philippine AXA Life's continued pursuit of building on its strategy resulted in a profitable growth in total premium income of 10% to P4.6 billion. Its New Business Index (NBI) also grew 14% to P720.5 million while net income improved by 40% to P87 million.

It owes its success to the improvements in all its three major distribution channels i.e. BankAssure, Agency and Group. In 2005, BankAssure improved its NBI performance by 11%. BankAssure continues to contribute the lion's share of NBI with 72% of total company NBI. Agency improved its NBI performance by 25% while for Group, NBI increased by 12%.

Despite the ripple effect of the pre-need industry's troubles on the life insurance industry, Philippine AXA experienced a good year, in part due to product innovation, renewed efforts of the customer team resulting in the reinstatement of P135 million annualized premium, and the use of AXA's best practice agency and bancassurance management.

MIRANT   Global Business Holdings Inc.

MIRANT GLOBAL CORPORATION

A joint venture with Mirant (Philippines) Corporation

Mirant Global Corporation (MGC), a partnership of the Metrobank Group and Mirant Philippines, continued to contribute significantly to the economic development of the Visayas Region by providing stable supply of electricity to the key cities of Cebu and Iloilo.

In the midst of looming power shortage in the Visayas, MGC switched-on its 12.5 MW and 5 MW power plants in Nabas and New Washington, Aklan with President Gloria Macapagal-Arroyo as the Guest of Honor. These new plants are intended to address the power needs of Panay island, particularly the province of Aklan, including the world-class resort of Boracay.

As a testament to its commitment to the long-term economic growth of the Visayas Region, MGC is looking at the possibility of building bigger and more efficient baseload plants in Cebu and Iloilo. These will serve as a major catalyst to making the region a preferred investment hub in the country as well as a world-class tourist area.

ORIX
ORIX METRO
Leasing and Finance Corporation
The Strength to Lead

ORIX METRO LEASING & FINANCE CORPORATION

A joint venture with ORIX Corporation of Japan

ORIX Metro Leasing managed to expand its consolidated resources by 23.4% to P4.0 billion in 2005 in spite of the challenging business environment during the year. Its consolidated gross revenue and net income grew 59.2% and 23.5%, respectively, to P788.7 million and P113.8 million, due largely to the sustained hike in the receivables portfolio and the expansion of a car rental subsidiary through the acquisition of substantially all the assets of a major player in the car rental market in early 2005. Return on average equity strengthened to 16.1% while asset quality remained sound with a non-performing loans ratio of 0.9%.

The on-line connection of the 20 branches with the head office was completed during the year while significant progress is being made in the systems reengineering project, which is expected to be finished in early 2007.

SMBC METRO
INVESTMENT CORPORATION

SMBC METRO INVESTMENT CORPORATION

A joint venture with Sumitomo Mitsui Banking Corporation

SMBC Metro Investment Corporation closed 2005 with a net income of P58.3 million. Fee-based business remained a significant contributor to the bottom line, with arranger fees totaling P42.3 million. Earnings from loans and deposits showed a modest growth of 11.5% from that of the previous year, posting a combined interest income of P74.5 million.

Capital remained strong at P801.4 million, even after factoring in additional valuation reserves during the year. By end 2005, the Company's risk assets are almost fully provided for. Its favorable performance allowed it to declare cash dividends for the fifth consecutive year.

PhilCharter
Philippine Charter Insurance Corporation
MEMBER: METROBANK GROUP

PHILIPPINE CHARTER INSURANCE CORPORATION

The year 2005 was characterized by improved profitability. Investments provided satisfactory returns, although below the desirable level reached in 2004. Earnings of ₱54.3 million represent a 12% return on equity. Cost cutting measures coupled with strict underwriting standards, enabled Philippine Charter to achieve in 2005 a 69.4% increase in its profits totaling ₱54.3 million from ₱32.4 million the previous year. PhilCharter's total assets stood at ₱1.6 billion as of end-2005.

In spite of declining premium rates from 2003 to 2005, PhilCharter was able to put in place and successfully implement a strategy for revenue growth for its largely cyclical product lines namely property, motor, and casualty insurance. As a result, it experienced a premium growth of 32% which is almost thrice the growth rate of the industry.

MBTC TECHNOLOGY, INC.

MBTC TECHNOLOGY, INC.

MBTC Technology, Inc. (MTI) continued to live by its tagline - "Making it work for you". As the cost-effective technology services provider of the Metrobank Group, MTI in 2005 maintained computer systems and electronic channels at better than 99% uptime, and developed systems enhancements in support of critical business goals. MTI enhanced Metrobank's branch tellering and back-office computer systems in support of a bank-wide branch process re-engineering project. MTI also supported Metrobank's implementation of a leading customer analytics software for market segmentation, and the implementation of document imaging to further improve the processes of the consumer lending unit.

First Metro Securities
Brokerage Corporation

FIRST METRO SECURITIES BROKERAGE CORPORATION

The year 2005 was marked by volatile market conditions. The Stock market was off to a strong start, but gradually, the sentiment turned negative because of political distractions, the uncertainties and delays on the implementation of the EVAT, and the rise of world oil prices. Still, the eventual implementation of the EVAT, good corporate earnings, and the strong peso enabled the PHISIX to run up to 15% before the end of 2005.

For the year, the growth in First Metro Securities' business continued as its consolidated net income stood at ₱15.0 million, an increase by 8.3% from last year's ₱13.9 million (as restated) despite the ceasing of operations of its subsidiary, Multi-Currency FX Corp. in October 2005. Commission income from clients increased by ₱5.3 million or 52.6%. The company ranked 23rd in terms of stock market value turnover for the year among the 132 active trading participants in the Philippine Stock Exchange.

Travelex worldwide money
Travel Services

FIRST METRO TRAVELEX, INC.

A joint venture with Travelex plc

In 2005, First Metro Travelex consolidated and restructured its internal processes to maintain viable operations while providing enhanced services to its customers.

The challenges of a fast changing travel landscape are not lost in the company's operating results for the year. Owing to the unpredictable business environment and partly to lower fares and low cost carriers, sales volume increased only slightly at 1% over previous year's level at ₱738 million. Revenues from sales of ₱46.8 million declined 9% due to cuts in airline commissions. Streamlining of operations brought down operating costs by 10% resulting in a 10% increase in net income after tax.

TOYOTA MANILA BAY CORPORATION

The year 2005 was stellar for Toyota Manila Bay Corporation (TMBC) with a rosy record of major achievements capped by the Overall Award for Excellence - the highest honor bequeathed a dealership. TMBC credited its high grades to hitting its Nenkei sales volume targets, 2nd runner-up rank in Toyota Motor Philippines' Service Skills Olympics and Customer Service Achiever's Award.

As it went into full throttle in 2005, TMBC drove to record a better lead among Toyota dealers nationwide mainly due to vehicle sales department's 81% contribution to total operating profit. Its Toyota Dasmariñas Cavite branch continued to support the Company by capturing parts & service markets south of Metro Manila.

Together with Toyota Cubao, Inc. the tandem captured 16% share of the national Toyota auto market with consolidated revenues of P4.7 billion, or a 24% increase over 2004.

TOYOTA CUBAO, INC.

In 2005, Toyota Cubao, Inc. (TCI) and its Toyota Marikina Service Station continued to dominate the vehicle fleet accounts market by offering better customer service and exceeding clients' expectations. Revenues increased by 10% with total sales exceeding the P2-billion mark. TCI also finished 1st Runner up in Toyota Motor Philippines' Annual Kaizen Competition, a venue that recognizes the best innovation of a business operational process by a dealer.

With the implementation of Toyota Dealers Association's "One Pricing Policy" among Toyota dealers, TCI showed that it can compete in an even playing field.

International

FIRST METRO INTERNATIONAL INVESTMENT CO., LTD.

For the year 2005, First Metro International Investment Corporation or FMIIC reported a 26.3% increase over the previous year's net income. This came mainly from a 46.3% increase in interest income due to higher interest margins. Non-interest income, including fees, foreign exchange profits and other operating income, likewise increased.

FMIIC plans to continue expanding its network of remittance receiving counters and further promote diversification of remittance services to Indonesian workers in Hong Kong. It will also expand its trade finance portfolios by focusing on the potentials of the beneficiaries of trade transactions which it is currently servicing.

MB REMITTANCE CENTRE, LTD.

The continued contraction in the deployment of Overseas Filipino Workers (OFWs) in Hong Kong has adversely affected not only MB Remittance Centre, Ltd.'s operations but also the rest of the remittance service business in the territory. Filipino domestic helpers in Hong Kong currently number 120,000, down from a high of 180,000.

To compensate for lower remittance volumes from Filipinos, MB Remittance Centre, Ltd. aims to diversify its remittance service to other foreign nationalities working in Hong Kong. It shall likewise continue to expand its network of remittance receiving counters and improve its money transfer technology.

METRO REMITTANCE SINGAPORE, PTE. LTD.

Metro Remittance Singapore, Pte. Ltd. began operations in November 2004 to serve the remittance requirements of the growing number of highly skilled Filipino professionals in the small city state. In a year's time, it registered phenomenal growth in terms of remittance volume and value for which it was awarded the Most Outstanding International Office during the 2005 International Conference.

Its future growth strategy is to reach out further to the Filipino community. It shall offer personalized service, institute creative marketing strategies, and provide services that suit the unique needs of its market.

METRO REMITTANCE CENTER, INC. (U.S.A.)

Metro Remittance Center, Inc. (U.S.A.), formerly Asia Money Link, pursued its expansion in North America with the acquisition of a remittance office in Honolulu, Hawaii and the opening of an office in Chicago, Illinois. It re-strategized its marketing and distribution channels in view of stiffer competition.

Indicative of the Metrobank Group's commitment to regulatory compliance requirements, it supported the qualification and training of its two officers as Certified Anti-Money Laundering Specialists, who successfully passed the examinations in November.

Metro Remittance Center, Inc. (U.S.A.) plans to continue its expansion in North America, particularly in Canada.

METROPOLITAN BANK (BAHAMAS) LTD.
(Subsidiary of Metropolitan Bank & Trust Co., Philippines)

METROPOLITAN BANK (BAHAMAS) LTD.

Metropolitan Bank (Bahamas) Ltd. is licensed under the Bahamas Bank & Trust Companies Regulation Act of 2000 to carry on full banking services. Metrobank Bahamas is regulated by The Central Bank of the Bahamas and adheres strictly to the highest international banking standards and guidelines on anti-money laundering (AML) policies and practices promulgated by law in the Bahamas.

Metrobank Bahamas has negotiated a remittance correspondent arrangement between the Philippines Head Office and a local remittance company which will provide remittance services to overseas Filipino workers in hospitals and cruise ships.

Metrobank Bahamas is a new member of The Bahamas Financial Services Board (BFSB), the public relations arm of the Finance Ministry and a prominent industry group.

METRO REMITTANCE (ITALIA) S.p.A.

Metro Remittance (Italia) S.p.A., acquired by Metrobank in year 2005, is a wholly-owned subsidiary licensed by "Ufficio Italiano Dei Cambi" (Italian Office of Exchange) to provide payment services and currency exchange brokerage services.

Its offices in Rome, Milan and Bologna cater to remittances of overseas Filipinos and Chinese clients. It is currently one of the leading remittance business institutions in Italy.

It plans to sustain its growth and recover pre-operating costs through unified marketing strategies while keenly observing local and Philippine regulatory requirements on AMLA and KYC.

METRO REMITTANCE (UK) LIMITED

Metro Remittance (UK) Limited reported a 58% increase in remittances for the year 2005. Tighter control over expenses resulted in a 2% decline vis-à-vis that of the previous year.

Metro Remittance (UK) Limited aims to become the market leader in the United Kingdom through the consistent delivery of fast, reliable, affordable and friendly remittance services for OFWs in the UK.

METRO REMITTANCE CENTER, S.A.

Metro Remittance Center, S.A. was acquired by Metrobank in 2005 and licensed to operate in Madrid and Barcelona.

It intends to penetrate the Filipino and Chinese communities in far-flung areas, institute promotional programs and regular marketing activities, and open an "After-Office Hours Alert Call Center" to address clients' needs more efficiently and allow for easy monitoring of remittances.

MBTC EXCHANGE SERVICE GmbH - VIENNA

MBTC Exchange Service GmbH - Vienna was acquired by Metrobank in 2005. It caters to the money exchange needs of Filipinos composed mostly of medical professionals in Vienna and the neighboring cities, as well as from Austrian residents. Despite its infancy in the business, it continues to capture the market share of competitors in Austria.

The Vienna office hopes to focus on expanding its market in the future to include other countries in Northern Europe.

Statements of Condition
(In Thousands)

	Group		Parent Company	
	December 31			
	2005	2004 (As restated - Note 2)	2005	2004 (As restated - Note 2)
RESOURCES				
Cash and Other Cash Items (Notes 7 and 15)	**₱14,248,931**	₱8,916,585	**₱8,849,442**	₱7,984,691
Due from Bangko Sentral ng Pilipinas (Notes 15 and 20)	**20,685,847**	15,276,930	**18,547,970**	13,230,156
Due from Other Banks (Note 20)	**25,469,420**	17,154,746	**23,276,867**	13,483,797
Interbank Loans Receivable and Securities Purchased Under Agreements to Resell (Notes 20 and 31)	**58,320,720**	37,094,134	**56,269,990**	35,312,134
Financial Assets at Fair Value Through Profit or Loss (Note 8)	**11,945,909**	–	**6,894,020**	–
Trading Account Securities (Note 8)	**–**	7,698,505	**–**	1,765,274
Available-for-Sale Investments (Notes 8 and 15)	**85,785,349**	–	**70,131,729**	–
Available-for-Sale Securities and Underwriting Accounts (Notes 8 and 15)	**–**	55,953,764	**–**	53,297,355
Held-to-Maturity Investments (Notes 8 and 15)	**16,319,673**	–	**7,211,196**	–
Investment in Bonds and Other Debt Instruments - net (Notes 8 and 15)	**–**	39,958,682	**–**	27,571,687
Loans and Receivables - net (Notes 9 and 27)	**270,859,630**	–	**232,452,505**	–
Receivables - net (Notes 9 and 27)	**–**	245,373,329	**–**	221,479,779
Property and Equipment - net (Note 10)	**10,181,588**	10,484,090	**7,970,863**	8,653,842
Investment in Subsidiaries (Note 11)	**–**	–	**24,402,324**	24,315,966
Investments in Associates and Joint Ventures - net (Note 11)	**6,616,794**	6,527,193	**1,234,611**	1,214,643
Investment Properties - net (Note 12)	**34,593,066**	33,106,939	**28,480,686**	27,407,609
Other Resources - net (Note 13)	**30,446,365**	47,231,598	**6,968,083**	20,533,237
	₱585,473,292	₱524,776,495	**₱492,690,286**	₱456,250,170
LIABILITIES AND CAPITAL FUNDS				
Liabilities				
Deposit Liabilities (Notes 15, 20 and 27)				
Demand	**₱21,177,466**	₱18,750,626	**₱19,296,873**	₱17,721,721
Savings	**290,075,425**	277,697,089	**281,679,004**	254,124,294
Time	**112,995,082**	87,623,095	**78,163,360**	74,907,666
	424,247,973	384,070,810	**379,139,237**	346,753,681
Bills Payable (Notes 9, 16 and 20)	**61,159,017**	36,111,415	**32,869,392**	22,371,070
Manager's Checks and Demand Drafts Outstanding (Note 20)	**1,167,278**	1,372,840	**979,062**	1,161,299
Accrued Taxes, Interest and Other Expenses (Notes 17 and 20)	**6,618,198**	4,967,905	**4,919,005**	3,999,020
Subordinated Debt (Notes 18 and 20)	**17,072,464**	18,050,960	**17,072,464**	18,050,960
Other Liabilities (Note 19)	**21,784,264**	25,451,710	**12,114,003**	17,109,200
	532,049,194	470,025,640	**447,093,163**	409,445,230
Capital Funds				
Common Stock (Note 24)	**₱32,673,019**	₱32,673,019	**₱32,673,019**	₱32,673,019
Capital Paid in Excess of Par Value	**7,675,189**	7,675,189	**7,675,189**	7,675,189
Surplus Reserves (Note 25)	**517,179**	434,529	**517,179**	434,529
Surplus (Notes 24 and 25)	**5,832,233**	9,624,558	**2,727,263**	5,981,843
Net Unrealized Gain on Available-for-Sale Investments	**2,004,473**	–	**2,004,473**	–
Net Unrealized Gain on Available-for-Sale Securities and Underwriting Accounts	**–**	40,360	**–**	40,360
Equity in Net Unrealized Gain (Loss) on Investment Securities of Investees	**319,221**	(20,643)	**–**	–
Equity Adjustment from Translation	**942,925**	1,401,834	**–**	–
	49,964,239	51,828,846	**45,597,123**	46,804,940
Minority Interests in Consolidated Subsidiaries	**3,459,859**	2,922,009	**–**	–
	53,424,098	54,750,855	**45,597,123**	46,804,940
	₱585,473,292	₱524,776,495	**₱492,690,286**	₱456,250,170

See accompanying Notes to Financial Statements.

Statements of Income
(In Thousands, Except Earnings Per Share)

	Group		Parent Company	
	Years Ended December 31			
	2005	2004 (As restated - Note 2)	2005	2004 (As restated - Note 2)
INTEREST INCOME ON				
Receivables (Notes 9 and 27)	**₱26,327,397**	₱22,317,386	**₱20,411,729**	₱18,305,302
Investment securities, interbank loans receivable, deposits with banks and others (Note 8)	**10,628,635**	8,886,393	**7,624,886**	7,753,371
	36,956,032	31,203,779	**28,036,615**	26,058,673
INTEREST EXPENSE ON				
Deposit liabilities, interbank loans and bills payable, and others (Notes 15, 16, 18 and 27)	**17,100,193**	17,719,877	**13,221,406**	14,180,389
NET INTEREST INCOME	**19,855,839**	13,483,902	**14,815,209**	11,878,284
PROVISION FOR IMPAIRMENT LOSSES (Note 14)	**4,494,311**	2,886,887	**3,601,148**	2,706,499
NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT LOSSES	**15,361,528**	10,597,015	**11,214,061**	9,171,785
OTHER INCOME - Net				
Service charges, fees and commissions	**4,616,506**	4,437,079	**3,320,715**	3,435,085
Foreign exchange gain - net	**1,553,903**	845,581	**1,175,866**	448,328
Trading and securities gain - net	**956,832**	1,455,802	**331,322**	938,054
Income from trust operations (Note 25)	**819,039**	752,887	**817,107**	750,109
Equity in net income of investees (Note 11)	**577,451**	296,849	**–**	–
Leasing (Note 21)	**352,176**	501,050	**314,301**	251,727
Dividends	**258,794**	–	**2,209,605**	1,715,657
Profit (loss) from assets sold (Notes 11 and 12)	**(201,365)**	1,336,270	**78,215**	93,391
Miscellaneous (Notes 19 and 22)	**811,776**	2,775,743	**344,963**	1,667,159
	9,745,112	12,401,261	**8,592,094**	9,299,510
OTHER EXPENSES				
Compensation and fringe benefits (Notes 26 and 27)	**7,402,732**	6,758,930	**5,601,022**	5,397,415
Taxes and licenses (Note 23)	**2,774,271**	2,262,923	**2,041,967**	1,778,326
Depreciation and amortization (Notes 10, 12 and 13)	**1,600,196**	1,729,202	**1,192,558**	1,381,648
Occupancy and equipment-related cost (Notes 21 and 27)	**1,153,199**	1,230,468	**759,611**	941,126
Amortization of software costs (Note 13)	**46,741**	208,163	**41,246**	154,257
Miscellaneous (Note 22)	**5,887,241**	4,957,963	**4,183,290**	3,913,890
	18,864,380	17,147,649	**13,819,694**	13,566,662
INCOME BEFORE INCOME TAX	**6,242,260**	5,850,627	**5,986,461**	4,904,633
PROVISION FOR INCOME TAX (Note 23)	**1,966,865**	1,244,634	**1,661,123**	602,595
NET INCOME	**₱4,275,395**	₱4,605,993	**₱4,325,338**	₱4,302,038
Attributable to:				
Equity holdings of the Parent Company (Note 30)	**₱3,786,629**	₱4,084,344	**₱4,325,338**	₱4,302,038
Minority interests	**488,766**	521,649	**–**	–
	₱4,275,395	₱4,605,993	**₱4,325,338**	₱4,302,038
Earnings Per Share Attributable to Equity Holdings of the Parent Company (Note 30)	**₱2.32**	₱2.50	**₱2.65**	₱2.63

See accompanying Notes to Financial Statements.

Statements of Changes in Capital Funds
(In Thousands)

	Group										
	Attributable to Equity Holdings of the Parent Company										
	Common Stock (Note 24)	Capital Paid In Excess of Par Value	Surplus Reserves (Note 25)	Surplus (Notes 24 and 25)	Net Unrealized Gain on Available-for-Sale Investments/ Securities (Note 8)	Share in Revaluation Increment of Investment Properties of a Subsidiary	Equity in Net Unrealized Gain (Loss) on Investment Securities of Investees	Equity Adjustment from Translation	Total	Minority Interests	Total Capital Funds
Balance at December 31, 2003, as previously reported	₱32,673,019	₱7,675,189	₱338,018	₱7,499,340	₱–	₱599,728	(₱71,875)	₱1,309,686	₱50,023,105	₱2,576,423	₱52,599,528
Effect of change in accounting for (Note 2):											
Retirement benefits - Philippine Accounting Standard (PAS) 19 - net	–	–	–	(1,368,879)	–	–	–	–	(1,368,879)	(37,122)	(1,406,001)
Investments in subsidiaries and associates - PAS 27 and 28	–	–	–	(61,331)	–	–	–	–	(61,331)	(808)	(62,139)
Investment properties - PAS 40 - net	–	–	–	874,516	–	(599,728)	–	–	274,788	129,164	403,952
Balance at December 31, 2003, as restated	**32,673,019**	**7,675,189**	**338,018**	**6,943,646**	**–**	**–**	**(71,875)**	**1,309,686**	**48,867,683**	**2,667,657**	**51,535,340**
Net income for the year, as restated	–	–	–	4,084,344	–	–	–	–	4,084,344	521,649	4,605,993
Net unrealized gain during the year	–	–	–	–	40,360	–	51,232	–	91,592	–	91,592
Translation adjustment during the year	–	–	–	–	–	–	–	92,148	92,148	(267,297)	(175,149)
Total recognized income and expenses for the year	–	–	–	4,084,344	40,360	–	51,232	92,148	4,268,084	254,352	4,522,436
Transfer to surplus reserves	–	–	96,511	(96,511)	–	–	–	–	–	–	–
Cash dividends (Note 24)	–	–	–	(1,306,921)	–	–	–	–	(1,306,921)	–	(1,306,921)
Balance at December 31, 2004, as restated	**₱32,673,019**	**₱7,675,189**	**₱434,529**	**₱9,624,558**	**₱40,360**	**₱–**	**(₱20,643)**	**₱1,401,834**	**₱51,828,846**	**₱2,922,009**	**₱54,750,855**
Balance at December 31, 2004, as previously reported	₱32,673,019	₱7,675,189	₱434,529	₱9,727,517	₱40,360	₱583,345	(₱20,643)	₱1,401,834	₱52,515,150	₱2,829,508	₱55,344,658
Effect of change in accounting for (Note 2):											
Retirement benefits - PAS 19 - net	–	–	–	(1,200,403)	–	–	–	–	(1,200,403)	(35,212)	(1,235,615)
Investments in subsidiaries and associates - PAS 27 and 28	–	–	–	(60,934)	–	–	–	–	(60,934)	(1,205)	(62,139)
Investment properties - PAS 40 - net	–	–	–	1,063,082	–	(583,345)	–	–	479,737	128,725	608,462
Goodwill - Philippine Financial Reporting Standard (PFRS) 3	–	–	–	95,296	–	–	–	–	95,296	193	95,489
Balance at December 31, 2004, as restated	32,673,019	7,675,189	434,529	9,624,558	40,360	–	(20,643)	1,401,834	51,828,846	2,922,009	54,750,855
Cumulative effect of change in accounting for financial instruments - PAS 39 (Note 2)	–	–	–	(5,209,193)	–	–	–	936,057	(4,273,136)	(33,184)	(4,306,320)
Balance at January 1, 2005	32,673,019	7,675,189	434,529	4,415,365	40,360	–	(20,643)	2,337,891	47,555,710	2,888,825	50,444,535
Net income for the year	–	–	–	3,786,629	–	–	–	–	3,786,629	488,766	4,275,395
Net unrealized gain during the year	–	–	–	–	1,964,113	–	339,864	–	2,303,977	–	2,303,977
Translation adjustment during the year	–	–	–	–	–	–	–	(1,394,966)	(1,394,966)	82,268	(1,312,698)
Total recognized income and expenses for the year	–	–	–	3,786,629	1,964,113	–	339,864	(1,394,966)	4,695,640	571,034	5,266,674
Transfer to surplus reserves	–	–	82,650	(82,650)	–	–	–	–	–	–	–
Cash dividends (Note 24)	–	–	–	(2,287,111)	–	–	–	–	(2,287,111)	–	(2,287,111)
Balance at December 31, 2005	**₱32,673,019**	**₱7,675,189**	**₱517,179**	**₱5,832,233**	**₱2,004,473**	**₱–**	**₱319,221**	**₱942,925**	**₱49,964,239**	**₱3,459,859**	**₱53,424,098**

	Parent Company								
	Common Stock (Note 24)	Capital Paid In Excess of Par Value	Surplus Reserves (Note 25)	Surplus	Net Unrealized Gain on Available-for-Sale Investments/ Securities (Note 8)	Share in Revaluation Increment of Investment Properties of A Subsidiary	Equity in Net Unrealized Gain (Loss) on Investment Securities of Investees	Equity Adjustment from Translation	Total Capital Funds
Balance at December 31, 2003, as previously reported	₱32,673,019	₱7,675,189	P338,018	₱7,499,340	₱–	₱599,728	(₱71,875)	₱1,309,686	₱50,023,105
Effect of change in accounting for (Note 2):									
Retirement benefits - PAS 19 - net	–	–	–	(1,255,999)	–	–	–	–	(1,255,999)
Investments in subsidiaries and associates - PAS 27 and PAS 28	–	–	–	(3,823,734)	–	(599,728)	71,875	(1,309,686)	(5,661,273)
Investment properties - PAS 40 - net	–	–	–	663,630	–	–	–	–	663,630
Balance at December 31, 2003, as restated	32,673,019	7,675,189	338,018	3,083,237	–	–	–	–	43,769,463
Net income for the year, as restated	–	–	–	4,302,038	–	–	–	–	4,302,038
Net unrealized gain during the year	–	–	–	–	40,360	–	–	–	40,360
Total recognized income and expenses for the year	–	–	–	4,302,038	40,360	–	–	–	4,342,398
Transfer to surplus reserves	–	–	96,511	(96,511)	–	–	–	–	–
Cash dividends (Note 24)	–	–	–	(1,306,921)	–	–	–	–	(1,306,921)
Balance at December 31, 2004, as restated	**₱32,673,019**	**₱7,675,189**	**₱434,529**	**₱5,981,843**	**₱40,360**	**₱–**	**₱–**	**₱–**	**₱46,804,940**
Balance at December 31, 2004, as previously reported	**₱ 32,673,019**	**₱7,675,189**	**₱434,529**	**₱9,727,517**	**₱40,360**	**₱583,345**	**(₱20,643)**	**₱1,401,834**	**₱52,515,150**
Effect of change in accounting for (Note 2):									
Retirement benefits - PAS 19 - net	–	–	–	(1,095,870)	–	–	–	–	(1,095,870)
Investments in subsidiaries and associates - PAS 27 and 28	–	–	–	(3,720,321)	–	(583,345)	20,643	(1,401,834)	(5,684,857)
Investment properties - PAS 40 - net	–	–	–	1,005,717	–	–	–	–	1,005,717
Goodwill - PFRS 3	–	–	–	64,800	–	–	–	–	64,800
Balance at December 31, 2004, as restated	32,673,019	7,675,189	434,529	5,981,843	40,360	–	–	–	46,804,940
Cumulative effect of change in accounting for financial instruments - PAS 39 (Note 2)	–	–	–	(5,210,157)	1,469,399	–	–	–	(3,740,758)
Balance at January 1, 2005	32,673,019	7,675,189	434,529	771,686	1,509,759	–	–	–	43,064,182
Net income for the year	–	–	–	4,325,338	–	–	–	–	4,325,338
Net unrealized gain during the year	–	–	–	–	494,714	–	–	–	494,714
Total realized income and expense for the year	–	–	–	4,325,338	494,714	–	–	–	4,820,052
Transfer to surplus reserves	–	–	82,650	(82,650)	–	–	–	–	–
Cash dividends (Note 24)	–	–	–	(2,287,111)	–	–	–	–	(2,287,111)
Balance at December 31, 2005	**₱32,673,019**	**₱7,675,189**	**₱517,179**	**₱2,727,263**	**₱2,004,473**	**₱–**	**₱–**	**₱–**	**₱45,597,123**

See accompanying Notes to Financial Statements.

Statements of Cash Flows
(In Thousands)

	Group		Parent Company	
	Years Ended December 31			
	2005	2004 (As restated - Note 2)	2005	2004 (As restated - Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**₱6,242,260**	₱5,850,627	**₱5,986,461**	₱4,904,633
Adjustments for:				
Provision for impairment losses (Note 14)	**4,494,311**	2,886,887	**3,601,148**	2,706,499
Depreciation and amortization (Notes 10, 12 and 13)	**1,600,196**	1,729,202	**1,192,558**	1,381,648
Amortization of software costs (Note 13)	**46,741**	208,163	**41,246**	154,258
Loss (profit) from assets sold (Notes 11 and 12)	**201,365**	(1,336,270)	**(78,215)**	(93,391)
Equity in net income of investees	**(577,451)**	(296,849)	**–**	–
Dividends	**(258,794)**	–	**(2,209,605)**	(1,715,657)
Unrealized market valuation loss (gain) on financial assets at fair value through profit or loss (Note 8)	**(408,223)**	220,862	**–**	42,838
Changes in operating resources and liabilities:				
Decrease (increase) in the amounts of:				
Loans and receivables	**(38,176,873)**	–	**(15,893,040)**	–
Receivables	**–**	(14,057,747)	**–**	(11,224,443)
Financial assets at fair value through profit or loss	**(3,839,181)**	(4,802,292)	**(5,128,746)**	(160,224)
Other resources	**13,591,628**	6,199,244	**10,755,658**	(3,278,402)
Increase (decrease) in the amounts of:				
Deposit liabilities	**40,177,163**	6,586,469	**32,385,556**	5,954,137
Manager's checks and demand drafts outstanding	**(205,562)**	168,800	**(182,237)**	93,037
Accrued interest and other expenses	**1,276,347**	(620,720)	**624,398**	(581,118)
Other liabilities	**(3,671,547)**	(118,061)	**(4,995,196)**	187,395
Net cash generated from (used in) operations	**20,492,380**	2,618,315	**26,099,986**	(1,628,790)
Income taxes paid	**(223,890)**	(6,711,172)	**(742,739)**	(1,016,572)
Net cash provided by (used in) operating activities	**20,268,490**	(4,092,857)	**25,357,247**	(2,645,362)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	**(1,106,271)**	(634,956)	**(664,899)**	(415,972)
Disposals of property and equipment	**229,133**	177,080	**181,869**	99,663
Proceeds from sale of:				
Equity investments	**1,301,810**	312,278	**1,046,668**	–
Investment properties	**1,614,288**	1,614,288	**1,099,953**	1,321,894
Cash dividends from investees (Note 11)	**2,020,710**	40,152	**2,020,710**	1,715,657
Decrease (increase) in the amounts of:				
Interbank loans receivable (Note 31)	**(9,970,876)**	(579,143)	**(9,970,876)**	(579,143)
Available-for-sale investments	**(27,527,608)**	(1,343,078)	**(19,697,786)**	–
Held-to-maturity investments	**23,639,009**	(1,358,156)	**20,360,491**	3,125,717
Equity investments	**(1,988,117)**	(571,012)	**(3,477)**	(592,934)
Net cash provided by (used in) investing activities	**(11,787,922)**	(2,342,547)	**(5,627,347)**	4,674,882
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash dividends paid (Note 24)	**(2,287,111)**	(1,960,381)	**(2,287,111)**	(1,960,381)
Increase (decrease) in the amounts of:				
Bills payable	**25,047,602**	13,287,794	**10,498,322**	1,359,997
Subordinated debt	**(978,496)**	113,590	**(978,496)**	113,590
Minority interests in consolidated subsidiaries	**49,084**	(1,050,432)	**–**	–
Net cash provided by financing activities	**21,831,079**	10,390,571	**7,232,715**	(486,794)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**30,311,647**	3,955,167	**26,962,615**	1,542,726
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and other cash items	**8,916,585**	8,584,337	**7,984,691**	6,899,688
Due from Bangko Sentral ng Pilipinas	**15,276,930**	15,671,309	**13,230,156**	14,039,555
Due from other banks	**17,154,746**	14,187,998	**13,483,797**	11,977,963
Interbank loans receivable and securities purchased under agreements to resell (Note 31)	**11,223,361**	10,172,811	**9,441,361**	9,680,073
	52,571,622	48,616,455	**44,140,005**	42,597,279

(Forward)

	Group		Parent Company	
	Years Ended December 31			
	2005	2004 (As restated - Note 2)	2005	2004 (As restated - Note 2)
CASH AND CASH EQUIVALENTS AT END OF YEAR				
Cash and other cash items	**₱14,248,931**	₱8,916,585	**₱8,849,442**	₱7,984,691
Due from Bangko Sentral ng Pilipinas	**20,685,847**	15,276,930	**18,547,970**	13,230,156
Due from other banks	**25,469,420**	17,154,746	**23,276,867**	13,483,797
Interbank loans receivable and securities purchased under agreements to resell (Note 31)	**22,479,071**	11,223,361	**20,428,341**	9,441,361
	₱82,883,269	₱52,571,622	**₱71,102,620**	₱44,140,005

See accompanying Notes to Financial Statements.

Notes to Financial Statements

1. Corporate Information

Metropolitan Bank & Trust Company (the Parent Company) is a universal bank incorporated in the Philippines. The Parent Company and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering through a network of over 830 local and international branches, offices and agencies. As a bank, the Parent Company provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, trading and remittances, and trust services. Its principal place of business is at Metrobank Plaza, Sen. Gil J. Puyat Avenue, Makati City.

2. Summary of Significant Accounting Policies

Basis of Financial Statement Preparation
The accompanying financial statements have been prepared in compliance with the accounting principles generally accepted in the Philippines (Philippine GAAP) as set forth in Philippine Financial Reporting Standards (PFRS). These are the first annual financial statements of the Group prepared in accordance with PFRS.

The accompanying financial statements are prepared under the historical cost convention as modified for the measurement at fair value of financial assets at fair value through profit or loss (FVPL)/trading account securities (TAS), available-for-sale (AFS) investments/available-for-sale securities (ASS) and underwriting accounts (UA) and certain derivative instruments (both freestanding and embedded derivatives).

The accompanying financial statements of the Parent Company reflect the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The financial statements individually prepared for these units are combined and inter-unit accounts are eliminated.

The books of accounts of the RBU are maintained in Philippine pesos, while those of FCDU are maintained in their original currencies. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in RBU are translated into their equivalents in Philippine pesos based on the prevailing rate at the end of the year (for resources and liabilities) and at the average prevailing rate for the year (for income and expenses). Foreign exchange differentials arising from foreign currency transactions and restatements of foreign currency denominated resources and liabilities are credited to or charged against operations in the year in which the rates change.

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

Subsidiary	Effective Percentage of Ownership	Country of Incorporation	Functional Currency
Financial Markets:			
Metro Remittance Center, Inc.	100.00	United States of America	United States Dollars
MB Remittance Centre Limited	100.00	Hongkong	Hongkong Dollars
Metropolitan Bank (Bahamas) Limited	100.00	The Bahamas	United States Dollars
Metro Remittance (UK) Limited	100.00	United Kingdom	Great Britain Pounds
Metro Remittance Singapore Pte. Ltd.	100.00	Singapore	Singapore Dollars
MBTC Exchange Services, GmbH	100.00	Austria	EURO
Metro Remittance Center, S.A.	100.00	Spain	EURO
Metro Remittance (Italia), SpA	100.00	Italy	EURO
MBTC International Finance Ltd. (MIFL)	100.00	Philippines	Philippine Peso
First Metro International Investment Company Limited and Subsidiaries	99.64	Hongkong	Hongkong Dollars
First Metro Investment Corporation (FMIC) and Subsidiaries (99.74% in 2004)	98.06	Philippines	Philippine Peso
Philippine Savings Bank (PSBank)	74.24	Philippines	Philippine Peso
Metrobank Card Corporation (MCC)	60.00	Philippines	Philippine Peso
MBTC Venture Capital Corporation (MVCC)	60.00	Philippines	Philippine Peso
Solid Philippines Venture Capital Corporation (SPVCC)	60.00	Philippines	Philippine Peso
ORIX Metro Leasing and Finance Corporation (ORIX Metro)	59.82	Philippines	Philippine Peso
Global Business Holdings, Inc. (GBHI)	44.83*	Philippines	Philippine Peso
Computer Services:			
Data Serv, Inc.	100.00	Philippines	Philippine Peso
MBTC Technology, Inc. (MTI)	100.00	Philippines	Philippine Peso
Real Estate:			
Circa 2000 Homes, Inc.	100.00	Philippines	Philippine Peso

* Effective voting interest

The accounts of MVCC, SPVCC and MIFL representing less than 0.01% of the total resources of the Group were excluded in the consolidation.

Subsidiaries are consolidated from the date on which control is transferred to the Group and ceased to be consolidated from the date on which control is transferred out of the Group.

As discussed in Note 11, on September 30, 2005, the Parent Company sold its 41.12% equity in the International Bank of California (IBC) based in Los Angeles, California. Accordingly, the accounts of IBC were excluded in the consolidation.

Under Philippine Accounting Standard (PAS) 27, the financial statements of the investee company have to be consolidated to the financial statements of the investor even if the shareholding of an enterprise is below 50% but the investor has evidence of control.

Under Standing Interpretations Committee No. 12, *Consolidation of Special Purpose Entity (SPE)*, control over an entity may exist even in cases where an enterprise owns little or none of SPE's equity, such as when an enterprise retains majority of the residual risks related to the SPE or its assets in order to obtain benefits from its activities. In accordance with these standards, the consolidated financial statements include the accounts of Asia Recovery Corporation (ARC), a special purpose vehicle (SPV), in which the Group does not have equity interest (see Notes 9, 13 and 19). ARC bought certain assets of the Parent Company under a transaction that qualified as true sale as approved by the BSP.

The financial statements of the Group are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions have been eliminated in consolidation.

The Group applied PFRS 1, *First-Time Adoption of Philippine Financial Reporting Standards*, in preparing the accompanying financial statements, with January 1, 2004 as the date of transition.

The Group has prepared its opening PFRS statement of condition as of those dates. The Group's PFRS adoption date is January 1, 2005.

The adoption of PFRSs resulted in certain changes to the Group's previous accounting policies (referred to in the following tables and explanations as "previous GAAP"). The comparative figures for the 2004 financial statements were restated to reflect the changes in policies except those relating to financial instruments. The Group elected to apply the following optional exceptions to full retrospective application:

Restatement of comparative financial information for PAS 32 and PAS 39
The Group applied previous GAAP rules to derivatives, financial assets and financial liabilities and to hedging relationships for the comparative information for 2004.

Designation of financial assets and financial liabilities exemption
The adjustments relating to PAS 32 and PAS 39 at the opening statement of condition date are discussed in the Reconciliation of Financial Position as of January 1, 2005, which is the date of transition for PAS 32 and 39.

In addition, the Group elected to apply the mandatory exemption from full retrospective application on derecognition of financial assets and liabilities. Financial assets and liabilities derecognized before January 1, 2004 will not be re-recognized under PFRS. The application of the exemption from restating comparatives for PAS 32 and PAS 39 means that the Group recognized from January 1, 2005 any financial assets and financial liabilities derecognized since January 1, 2004 that do not meet the PAS 39 derecognition criteria.

On business combinations, the Group applied PFRS 1 which require cessation of amortization prospectively from January 1, 2004.

An explanation of how the adoption of PFRSs has affected the reported financial position, financial performance and cash flows of the Group and the Parent Company is provided below.

Reconciliation of financial position of the Group follows:

		December 31, 2004			January 1, 2004		
Account Description	**Note**	**Previous GAAP***	**Effect of Transition to PFRS**	**PFRS**	**Previous GAAP***	**Effect of Transition to PFRS**	**PFRS**
RESOURCES							
Cash and Other Cash Items		₱8,916,585	₱–	₱8,916,585	₱8,584,337	₱–	₱8,584,337
Due from Bangko Sentral ng Pilipinas		15,276,930	–	15,276,930	15,671,309	–	15,671,309
Due from Other Banks		17,154,746	–	17,154,746	14,187,998	–	14,187,998
Interbank Loans Receivable and Securities Purchased Under Agreements to Resell		37,094,134	–	37,094,134	35,464,441	–	35,464,441
TAS		7,698,505	–	7,698,505	3,117,075	–	3,117,075
AFS and UA		55,953,764	–	55,953,764	2,175,155	–	2,175,155
Investment in Bonds and Other Debt Instruments		39,958,682	–	39,958,682	91,857,521	–	91,857,521
Receivables - net		245,373,329	–	245,373,329	237,720,894	–	237,720,894
Property and Equipment - net	a	10,778,566	(294,476)	10,484,090	11,217,388	(289,184)	10,928,204
Equity Investments	b.1	8,585,267	(8,585,267)	–	7,283,230	(7,283,230)	–
Investment in Associates	b.3	–	6,527,193	6,527,193	–	4,824,203	4,824,203
Investment Properties	c	–	33,106,939	33,106,939	–	29,866,532	29,866,532
Real and Other Properties Owned or Acquired - net	d	32,496,162	(32,496,162)	–	31,065,063	(31,065,063)	–
Other Resources - net	e	44,277,113	2,954,485	47,231,598	43,729,476	4,879,615	48,609,091
		₱523,563,783	₱1,212,712	₱524,776,495	₱502,073,887	₱932,873	₱503,006,760
LIABILITIES AND CAPITAL FUNDS							
Liabilities							
Deposit Liabilities							
Demand		₱18,750,626	₱–	₱18,750,626	₱18,363,307	₱–	₱18,363,307
Savings		277,697,089	–	277,697,089	266,307,699	–	266,307,699
Time		87,623,095	–	87,623,095	92,813,335	–	92,813,335
		384,070,810	–	384,070,810	377,484,341	–	377,484,341
Bills Payable		36,111,415	–	36,111,415	22,823,622	–	22,823,622
Manager's Checks and Demand Drafts Outstanding		1,372,840	–	1,372,840	1,204,040	–	1,204,040
Accrued Taxes, Interest and Other Expenses	f	4,598,692	369,213	4,967,905	5,320,440	367,858	5,688,298
Subordinated Debt		18,050,960	–	18,050,960	17,937,370	–	17,937,370
Other Liabilities	g	23,936,391	1,515,319	25,451,710	24,704,546	1,629,203	26,333,749
		468,141,108	1,884,532	470,025,640	449,474,359	1,997,061	451,471,420
Minority Interests in Consolidated Subsidiaries	h	2,907,525	(2,907,525)	–	2,576,423	(2,576,423)	–
Capital Funds							
Common Stock		₱32,673,019	₱–	₱32,673,019	₱32,673,019	₱–	₱32,673,019
Capital Paid in Excess of Par Value		7,675,189	–	7,675,189	7,675,189	–	7,675,189
Surplus Reserves		434,529	–	434,529	338,018	–	338,018
Surplus	i	9,727,517	(102,959)	9,624,558	7,499,340	(555,694)	6,943,646
Other Equity Adjustments	b.1	2,004,896	(583,345)	1,421,551	1,837,539	(599,728)	1,237,811
		52,515,150	(686,304)	51,828,846	50,023,105	(1,155,422)	48,867,683
Minority Interests in Consolidated Subsidiaries	h	–	2,922,009	2,922,009	–	2,667,657	2,667,657
		52,515,150	2,235,705	54,750,855	50,023,105	1,512,235	51,535,340
		₱523,563,783	₱1,212,712	₱524,776,495	₱502,073,887	₱932,873	₱503,006,760

* After deconsolidation of the accounts of IBC (see Note 11).

Reconciliation of financial position of the Parent Company follows:

		December 31, 2004			January 1, 2004		
Account Description	**Note**	**Previous GAAP**	**Effect of Transition to PFRS**	**PFRS**	**Previous GAAP**	**Effect of Transition to PFRS**	**PFRS**
RESOURCES							
Cash and Other Cash Items		₱7,984,691	₱–	₱7,984,691	₱6,899,688	₱–	₱6,899,688
Due from Bangko Sentral ng Pilipinas		13,230,156	–	13,230,156	14,039,555	–	14,039,555
Due from Other Banks		13,483,797	–	13,483,797	11,977,963	–	11,977,963
Interbank Loans Receivable and Securities Purchased Under Agreements to Resell		35,312,134	–	35,312,134	34,971,703	–	34,971,703
TAS		1,765,274	–	1,765,274	1,647,888	–	1,647,888
AFS and UA		53,297,355	–	53,297,355	–	–	–
Investment in Bonds and Other Debt Instruments		27,571,687	–	27,571,687	83,954,399	–	83,954,399
Loans and Receivables		221,479,779	–	221,479,779	214,802,026	–	214,802,026
Property and Equipment	a	8,948,318	(294,476)	8,653,842	9,460,606	(289,184)	9,171,422
Equity Investments	b.1	32,137,807	(32,137,807)	–	31,521,287	(31,521,287)	–
Investment in Subsidiaries	b.2	–	24,315,966	24,315,966	–	23,550,076	23,550,076
Investment in Associates	b.3	–	1,214,643	1,214,643	–	1,387,654	1,387,654
Investment Properties	c	–	27,407,609	27,407,609	–	25,559,235	25,559,235
Real and Other Properties Owned or Acquired	d	28,338,625	(28,338,625)	–	26,795,921	(26,795,921)	–
Other Resources	e	16,737,463	3,795,774	20,533,237	15,726,230	3,702,842	19,429,072
		₱460,287,086	(₱4,036,916)	₱456,250,170	₱451,797,266	(₱4,406,585)	₱447,390,681
LIABILITIES AND CAPITAL FUNDS							
Liabilities							
Deposit Liabilities							
Demand		₱17,721,721	₱–	₱17,721,721	₱16,571,638	₱–	₱16,571,638
Savings		254,124,294	–	254,124,294	244,276,057	–	244,276,057
Time		74,907,666	–	74,907,666	79,951,849	–	79,951,849
		346,753,681	–	346,753,681	340,799,544	–	340,799,544
Bills Payable		22,371,070	–	22,371,070	21,011,073	–	21,011,073
Manager's Checks and Demand Drafts Outstanding		1,161,299	–	1,161,299	1,068,262	–	1,068,262
Accrued Taxes, Interest and Other Expenses	f	3,630,059	368,961	3,999,020	4,638,646	366,538	5,005,184
Subordinated Debt		18,050,960	–	18,050,960	17,937,370	–	17,937,370
Other Liabilities	g	15,804,867	1,304,333	17,109,200	16,319,266	1,480,519	17,799,785
		407,771,936	1,673,294	409,445,230	401,774,161	1,847,057	403,621,218
Capital Funds							
Common Stock		32,673,019	–	32,673,019	32,673,019	–	32,673,019
Capital Paid in Excess of Par Value		7,675,189	–	7,675,189	7,675,189	–	7,675,189
Surplus Reserves		434,529	–	434,529	338,018	–	338,018
Surplus	i	9,727,517	(3,745,674)	5,981,843	7,499,340	(4,416,103)	3,083,237
Other Equity Adjustments	b.1	2,004,896	(1,964,536)	40,360	1,837,539	(1,837,539)	–
		52,515,150	(5,710,210)	46,804,940	50,023,105	(6,253,642)	43,769,463
		₱460,287,086	(₱4,036,916)	₱456,250,170	₱451,797,266	(₱4,406,585)	₱447,390,681

Reconciliation of 2004 results of operations:

		Group			Parent Company		
	Note	**Previous GAAP***	**Effect of Transition to PFRS**	**PFRS**	**Previous GAAP**	**Effect of Transition to PFRS**	**PFRS**
INTEREST INCOME ON							
Receivables		₱22,317,386	₱–	₱22,317,386	₱18,305,302	₱–	₱18,305,302
Investment securities, interbank loans receivable, deposits with banks and others		8,886,393	–	8,886,393	7,753,371	–	7,753,371
		31,203,779	–	31,203,779	26,058,673		26,058,673
INTEREST EXPENSE ON							
Deposit liabilities, interbank loans and bills payable, and others		17,719,877		17,719,877	14,180,389	–	14,180,389
NET INTEREST INCOME		13,483,902		13,483,902	11,878,284		11,878,284
PROVISION FOR IMPAIRMENT LOSSES	j	2,771,967	114,920	2,886,887	2,625,986	80,513	2,706,499
NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT LOSSES		10,711,935	(114,920)	10,597,015	9,252,298	(80,513)	9,171,785

(Forward)

	Note	Group			Parent Company		
		Previous GAAP*	Effect of Transition to PFRS	PFRS	Previous GAAP	Effect of Transition to PFRS	PFRS
OTHER INCOME							
Service charges, fees and commissions		₱4,437,079	₱–	₱4,437,079	₱3,435,085	₱–	₱3,435,085
Dividends	k	–	–	–	–	1,715,657	1,715,657
Foreign exchange gain - net		845,581	–	845,581	448,328	–	448,328
Income from trust operations		752,887	–	752,887	750,109	–	750,109
Trading and securities gain - net		1,455,802	–	1,455,802	938,054	–	938,054
Leasing		501,050	–	501,050	251,727	–	251,727
Equity income	l	267,489	29,360	296,849	1,595,861	(1,595,861)	–
Profit from assets sold	m	1,048,877	287,393	1,336,270	93,391	–	93,391
Miscellaneous	n	1,980,574	795,169	2,775,743	894,247	772,912	1,667,159
		11,289,339	1,111,922	12,401,261	8,406,802	892,708	9,299,510
OTHER EXPENSES							
Compensation and fringe benefits	o	6,946,398	(187,468)	6,758,930	5,571,179	(173,764)	5,397,415
Taxes and licenses		2,262,923	–	2,262,923	1,778,326	–	1,778,326
Depreciation and amortization	p	1,078,614	650,588	1,729,202	828,597	553,051	1,381,648
Occupancy and equipment-related		1,230,468	–	1,230,468	941,126	–	941,126
Amortization of intangibles	q	294,885	(86,722)	208,163	219,058	(64,800)	154,258
Miscellaneous		5,013,861	(55,898)	4,957,963	3,913,889		3,913,889
		16,827,149	320,500	17,147,649	13,252,175	314,487	13,566,662
INCOME BEFORE INCOME TAX		5,174,125	676,502	5,850,627	4,406,925	497,708	4,904,633
PROVISION FOR INCOME TAX	q	1,338,774	(94,140)	1,244,634	791,700	189,105	602,595
NET INCOME		₱3,835,351	₱770,642	₱4,605,993	₱3,615,225	₱686,813	₱4,302,038

* After deconsolidation of the accounts of IBC (see Note 11).

Reconciliation of financial position beginning January 1, 2005 following the adoption of PAS 32 and PAS 39 follows:

Account Description	Note	Group			Parent Company		
		Previous GAAP (As restated)	Effect of Transition to PFRS	PFRS	Previous GAAP (As restated)	Effect of Transition to PFRS	PFRS
RESOURCES							
Cash and Other Cash Items	s.5	₱8,916,585	₱1,298,893	₱10,215,478	₱7,984,691	₱1,238,436	₱9,223,127
Due from Bangko Sentral ng Pilipinas		15,276,930	–	15,276,930	13,230,156	–	13,230,156
Due from Other Banks		17,154,746	–	17,154,746	13,483,797	–	13,483,797
Interbank Loans Receivable and Securities Purchased Under Agreements to Resell		37,094,134	–	37,094,134	35,312,134	–	35,312,134
Financial Assets at Fair Value Through Profit or Loss	q	–	7,823,282	7,823,282	–	2,016,710	2,016,710
Trading Account Securities	q	7,698,505	(7,698,505)	–	1,765,274	(1,765,274)	–
Available-For-Sale Investments	r	–	61,358,443	61,358,443	–	57,894,646	57,894,646
Available-for-Sale Securities and Underwriting Accounts	r	55,953,764	(55,953,764)	–	53,297,355	(53,297,355)	–
Held-to-Maturity Investments	s	–	23,189,844	23,189,844	–	10,802,849	10,802,849
Investment in Bonds and Other Debt Instruments - net	s	39,958,682	(39,958,682)	–	27,571,687	(27,571,687)	–
Loans and Receivables - net	t	–	266,857,462	266,857,462	–	239,891,063	239,891,063
Receivables - net	t	245,373,329	(245,373,329)	–	221,479,779	(221,479,779)	–
Property and Equipment - net		10,484,090	–	10,484,090	8,653,842	–	8,653,842
Investment in Subsidiaries - net		–	–	–	24,315,966	–	24,315,966
Investments in Associates and Joint Ventures - net		6,527,193	–	6,527,193	1,214,643		1,214,643
Investment Properties - net		33,106,939	–	33,106,939	27,407,609	–	27,407,609
Other Resources - net	u	47,231,598	(15,848,753)	31,382,845	20,533,237	(11,469,156)	9,064,081
		₱524,776,495	(₱4,305,109)	₱520,471,386	₱456,250,170	(₱3,739,547)	₱452,510,623
LIABILITIES AND CAPITAL FUNDS							
Liabilities							
Deposit Liabilities							
Demand		₱18,750,626	₱–	₱18,750,626	₱17,721,721	₱–	₱17,721,721
Savings		277,697,089	–	277,697,089	254,124,294	–	254,124,294
Time		87,623,095	–	87,623,095	74,907,666	–	74,907,666
		384,070,810	–	384,070,810	346,753,681	–	346,753,681

(Forward)

Account Description	Note	Group: Previous GAAP (As restated)	Group: Effect of Transition to PFRS	Group: PFRS	Parent Company: Previous GAAP (As restated)	Parent Company: Effect of Transition to PFRS	Parent Company: PFRS
Bills Payable		₱36,111,415	₱–	₱36,111,415	₱22,371,070	₱–	₱ 22,371,070
Manager's Checks and Demand Drafts Outstanding		1,372,840	–	1,372,840	1,161,299	–	1,161,299
Accrued Taxes, Interest and Other Expenses		4,967,905	–	4,967,905	3,999,020	–	3,999,020
Subordinated Debt		18,050,960	–	18,050,960	18,050,960	–	18,050,960
Other Liabilities	x	25,451,710	1,211	25,452,921	17,109,200	1,211	17,110,411
		470,025,640	1,211	470,026,851	409,445,230	1,211	409,446,441
Capital Funds							
Common Stock		32,673,019	–	32,673,019	32,673,019	–	32,673,019
Capital Paid in Excess of Par Value		7,675,189	–	7,675,189	7,675,189	–	7,675,189
Surplus Reserves		434,529	–	434,529	434,529	–	434,529
Surplus	v	9,624,558	(5,209,193)	4,415,365	5,981,843	(5,210,157)	771,686
Other Equity Adjustments	w	1,421,551	936,057	2,357,608	40,360	1,469,399	1,509,759
		51,828,846	(4,273,136)	47,555,710	46,804,940	(3,740,758)	43,064,182
Minority Interests in Consolidated Subsidiaries	y	2,922,009	(33,184)	2,888,825	–	–	–
		54,750,855	(4,306,320)	50,444,535	46,804,940	(3,740,758)	43,064,182
		₱524,776,495	(₱4,305,109)	₱520,471,386	₱456,250,170	(₱3,739,547)	₱452,510,623

Notes to the reconciliation of financial statements as of January 1 and December 31, 2004 and 2004 results of operations follow:

	2004 December 31 Group	2004 December 31 Parent Company	2004 January 1 Group	2004 January 1 Parent Company
a. Property and equipment				
Reclassification to investment properties (d):				
Land	(₱91,587)	(₱91,587)	(₱90,649)	(₱90,649)
Buildings	(264,866)	(264,866)	(262,388)	(262,388)
	(356,453)	(356,453)	(353,037)	(353,037)
Accumulated depreciation - buildings	61,977	61,977	63,853	63,853
	(202,889)	(202,889)	(198,535)	(198,535)
	(₱294,476)	(₱294,476)	(₱289,184)	(₱289,184)
b.1 Equity investment				
Reclassification to:				
Investment in subsidiaries (b.2)	₱–	(₱23,679,129)	₱–	(₱22,913,239)
Investments in associates and joint ventures (b.3)	(6,518,962)	(1,306,605)	(4,937,688)	(1,479,616)
Allowance for impairment losses	121,716	100,193	121,716	100,193
	(6,397,246)	(24,885,541)	(4,815,972)	(24,292,662)
Reversal of:				
Accumulated equity in net income	–	(3,720,321)	–	(3,823,734)
Equity in net unrealized loss	–	20,643	–	71,875
Share in revaluation increment of investment properties	–	(583,345)	–	(599,728)
Equity adjustment from translation	–	(1,401,834)	–	(1,309,686)
	–	(1,964,536)	–	(1,837,539)
	–	(5,684,857)	–	(5,661,273)
Reclassification to other resources of:				
Other investments	(2,371,435)	(1,732,962)	(2,674,327)	(1,732,905)
Allowance for impairment losses	183,414	165,553	207,069	165,553
	(2,188,021)	(1,567,409)	(2,467,258)	(1,567,352)
	(₱8,585,267)	(₱32,137,807)	(₱7,283,230)	(₱31,521,287)
b.2 Investment in subsidiaries				
Reclassification from:				
Equity investments (b.1)	₱–	₱23,679,129	₱–	₱22,913,239
Reversal of related allowance	–	636,837	–	636,837
	₱–	₱24,315,966	₱–	₱23,550,076
b.3 Investment in associates and joint ventures				
Reclassification from:				
Equity investment (b.1)	₱6,518,962	₱1,206,412	₱4,815,972	₱1,379,423
Other assets (e)	8,231	8,231	8,231	8,231
	₱6,527,193	₱1,214,643	₱4,824,203	₱1,387,654

(Forward)

	2004			
	December 31		January 1	
	Group	Parent Company	Group	Parent Company
c. Investment properties				
Reclassification from:				
Property and equipment (a)	₱356,453	₱356,453	₱353,037	₱353,037
Real and other properties owned or acquired (ROPOA) (d)	35,710,974	29,714,133	32,190,165	27,842,256
Recognition of:				
Unrealized gain	3,121,244	2,680,386	2,323,413	1,907,473
Accumulated depreciation	(3,454,795)	(3,047,088)	(2,679,320)	(2,340,624)
Accumulated impairment loss	(2,782,225)	(2,451,563)	(2,320,763)	(2,202,907)
Reversal of accumulated depreciation on sold investment properties	155,288	155,288	–	–
	₱33,106,939	₱27,407,609	₱29,866,532	₱25,559,235
d. ROPOA				
Reclassification to:				
Investment properties (c)	(₱35,710,974)	(₱29,714,133)	(₱32,190,165)	(₱27,842,256)
Other resources				
Other investments (e)	(546,335)	(144,755)	(546,335)	(144,755)
Other assets (e)	(508,370)	(508,370)	(748,194)	(679,340)
Adjustment on allowance for impairment losses	4,269,517	2,028,633	2,419,631	1,870,430
	(₱32,496,162)	(₱28,338,625)	(₱31,065,063)	(₱26,795,921)
e. Other resources				
Other investments				
Reclassification to equity investments (b.3)	(₱8,231)	(₱8,231)	(₱8,231)	(₱8,231)
Reclassification from:				
Equity investments	2,249,719	1,732,962	2,674,327	1,732,905
ROPOA (d)	546,335	144,755	546,335	144,755
Recognition of impairment losses	(2,080,553)	(165,553)	(207,069)	(165,553)
	707,270	1,703,933	3,005,362	1,703,876
Other assets				
Reclassification from ROPOA	508,370	508,370	748,194	679,341
Reversal of goodwill amortization	86,722	64,800	–	–
	595,092	573,170	748,194	679,341
Deferred tax assets				
Recognition from:				
Accumulated depreciation of investment properties	1,009,829	941,248	659,375	728,567
Retirement liability	642,294	577,423	466,684	591,058
	1,652,123	1,518,671	1,126,059	1,319,625
	₱2,954,485	₱3,795,774	₱4,879,615	₱3,702,842
f. Accrued interest, taxes and expenses payable	₱369,212	₱368,961	₱367,858	₱366,538
g. Recognition of retirement liability	₱1,515,319	₱1,304,333	₱1,629,203	₱1,480,519
h. Reclassification of minority interest in consolidated subsidiaries under stockholders' equity	₱2,907,525	₱–	₱2,576,423	₱–
Share in the net effect of PAS/PFRS adjustments	14,484	–	91,234	–
	₱2,922,009	₱–	₱2,667,657	₱–
i. Surplus				
Recognition of unrealized gain on investment properties and other assets, net of deferred tax liability	₱3,543,876	₱3,317,223	₱2,769,377	₱2,544,311
Accumulated depreciation (net of deferred tax asset) on investment properties	(2,294,834)	(1,924,280)	(1,859,185)	(1,548,204)
Recognition of retirement liability, net of deferred tax asset	(948,400)	(844,977)	(1,118,331)	(1,006,753)
Recognition of additional compensated absences	(252,004)	(250,893)	(250,547)	(249,246)
Additional impairment losses on investment properties	(246,894)	(387,226)	(97,008)	(332,477)
Reversal of accumulated equity in net income		(3,720,321)	–	(3,823,734)
Reversal of goodwill amortization	95,296	64,800	–	–
	(₱102,959)	(₱3,745,674)	(₱555,694)	(₱4,416,103)
j. Adjustment on provision for impairment losses	₱114,920	₱80,513	₱–	₱–
k. Recognition of dividend income	₱–	₱1,715,657	₱–	₱–
l. Reversal of equity in net income	₱5,089,464	₱1,595,861	₱–	₱–
m. Adjustment on profit from assets sold	₱287,393	₱–	₱–	₱–
n. Unrealized gain on initial measurement of investment properties	₱795,169	₱772,912	₱–	₱–

(Forward)

	2004			
	December 31		January 1	
	Group	Parent Company	Group	Parent Company
o. Compensation and fringe benefits				
Adjustment on retirement expense	(₱189,704)	(₱176,187)	₱–	₱–
Recognition of additional compensated absences	2,236	2,423	–	–
	(₱187,468)	₱173,764	₱–	₱–
p. Recognition of depreciation expense on:				
Investment properties	₱588,982	₱508,379	₱–	₱–
Other properties held for sale	61,606	44,672	–	–
	₱650,588	₱553,051	₱–	₱–

Notes to reconciliation of financial statements as of January 1, 2005 follow:

	Group	Parent Company
q. Financial assets at FVPL:		
Reclassification from:		
TAS	₱7,698,505	₱1,765,274
AFS investments (r)	166,830	158,574
Reclassification to:		
AFS investments (r)	(114,277)	–
Loans and receivables (t)	(22,709)	–
Recognition of unrealized trading gain (v)	94,933	92,862
	₱7,823,282	₱2,016,710
r. AFS investments		
Reclassification from:		
ASS and UA	₱55,953,764	₱53,297,355
Held-to-maturity (HTM) investments (s)	2,369,768	2,369,768
Other equity investments	2,677,436	1,514,549
Financial assets at FVPL (q)	114,277	–
Reclassification to:		
Financial assets at FVPL (q)	(166,830)	(158,574)
Loans and receivables - unquoted debt securities (t)	(86,843)	(86,843)
Net effect of application of effective interest rate method (v)	68,689	68,689
Accumulated impairment losses	(507,875)	(579,697)
Recognition of net unrealized gain (loss) (w)	936,057	1,469,399
	₱61,358,443	₱57,894,646
s. HTM investments		
Reclassification from IBODI	₱39,958,682	₱27,571,687
Reclassification to:		
AFS investments (s)	(2,369,768)	(2,369,768)
Loans and receivables - unquoted debt securities (t)	(14,399,070)	(14,399,070)
	₱23,189,844	₱10,802,849
t. Loans and receivables		
Reclassification from:		
Receivables	₱245,373,329	₱221,479,779
AFS investments (r)	86,843	86,843
HTM investments (s)	14,399,070	14,399,070
Financial assets at FVPL (q)	22,709	–
Other resources		
Accrued interest receivable (u)	4,850,456	4,061,172
Accounts receivable (u)	5,684,944	3,209,033
Sales contract receivable (u)	1,301,769	1,445,966
	271,719,120	244,681,863
Additional impairment losses on:		
Receivables from customers	(2,831,835)	(2,760,977)
Unquoted debt securities	(137,866)	(137,866)
Sales contract receivable	(1,891,957)	(1,891,957)
	(4,861,658)	(4,790,800)
	₱266,857,462	₱239,891,063

(Forward)

		Group	Parent Company
u.	Other resources		
	1. Other investments		
	Reclassification to AFS investments	(₱2,712,691)	(₱1,514,549)
	2. Other receivables		
	Reclassification to loans and receivables of:		
	Accrued interest receivable (t)	(4,850,456)	(4,061,172)
	Accounts receivable (t)	(5,684,944)	(3,209,033)
	Sales contract receivable (t)	(1,301,769)	(1,445,966)
		(11,837,169)	(8,716,171)
	3. Reclassification of foreign currency notes and checks on hand to cash and other cash items	(1,298,893)	(1,238,436)
		(₱15,848,753)	(₱11,469,156)
v.	Surplus		
	Recognition as of December 31, 2003 of:		
	Accumulated depreciation (net of deferred tax asset) on accrual of foreign leases (x)	(₱1,211)	(₱1,211)
	Effect of application of EIR method of amortization (r)	68,689	68,689
	Fair value measurement of securities transferred to FVPL (q)	94,933	92,862
	Recognition of accumulated impairment losses on trading and investment securities	(509,946)	(579,697)
	Loans and receivables (t)	(4,861,658)	(4,790,850)
		(₱5,209,193)	(₱5,210,157)
w.	Increase in net unrealized gain on AFS investments (r)	₱936,057	₱1,469,399
x.	Accrual of foreign leases (v)	₱1,211	₱1,211
y.	Share of maturity interest in the net cumulative effect of change in accounting for financial instruments - PAS 39	₱33,184	₱–

Effect on the Statement of Cash Flows for 2004

There are no material differences between the statement of cash flows prepared under PFRS and statement of cash flows presented under previous GAAP except for the presentation of foreign currency notes and other cash items in 2005. Previously, these were presented under Other Resources.

Changes in Accounting Policies

On January 1, 2005, the following new accounting standards became effective and were adopted by the Group:

- PAS 19, *Employee Benefits,* provides for the accounting for long-term and other employee benefits. The standard requires the use of the projected unit credit method in determining the retirement benefits of the employees and a change in the manner of computing benefits expense relating to past service cost and actuarial gains and losses. It requires the Group to determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the statement of condition date.

  The adoption of this standard resulted in the recognition of a net transition liability and accrued compensated absences amounting to ₱1.6 billion and ₱367.9 million, respectively, for the Group (₱1.5 billion and ₱366.5 million, respectively, for the Parent Company) as of January 1, 2004 and a decrease in retirement expense of ₱189.7 million and ₱176.2 million for the Group and Parent Company, respectively, in 2004. Accordingly, surplus as of January 1, 2005 was reduced by ₱1.2 billion, net of deferred tax asset of ₱520.2 million and ₱1.1 billion, net of deferred tax asset of ₱473.8 million for the Group and Parent Company, respectively, to reflect the net effect of the change.

- PAS 21, *The Effects of Changes in Foreign Exchange Rates,* prohibits the capitalization of foreign exchange losses. The standard also addresses the accounting for transactions in foreign currency and translating the financial statements of foreign operations that are included in those of the reporting enterprise by consolidation, proportionate consolidation, and equity method. The adoption of this standard did not result in any material adjustment on the financial statements.

- PAS 30, *Disclosures in the Financial Statements of Banks and Similar Financial Institutions*, provides for the required disclosure and presentation in respect of the accounts of banks and similar financial institutions. It also provides that any provision for general banking risks is treated as an appropriation of surplus and not to be included in the determination of net income for the year. In adopting this standard, new disclosures were included in the financial statements, where applicable. Existing general reserves as of January 1, 2005 were considered in determining the net increase in specific loan loss reserves computed under the provisions of PAS 39, *Financial Instruments: Recognition and Measurement* as discussed below.

- PAS 32, *Financial Instruments: Disclosure and Presentation,* covers the disclosure and presentation of all financial instruments. The standard requires more comprehensive disclosures about the Group's financial instruments, whether recognized or unrecognized in the financial statements. In accordance with this standard, new disclosures were included in the financial statements, where applicable.

- PAS 39 establishes the accounting and reporting standards for the recognition and measurement of the Group's financial assets and financial liabilities. PAS 39 also covers the accounting for derivative instruments. The standard has expanded the definition of derivative instruments to include derivatives (derivative-like provisions) embedded in non-derivative contracts. Also, in determining whether a financial asset is impaired, PAS 39 requires the use of the discounted cash flow method.

  The adoption of the provisions of PAS 39 on the classification and related measurement of financial assets and liabilities on the Group, the use of effective interest rate method in measuring amortized cost for loans and trading and investment securities (including securities designated as financial assets at FVPL, held to maturity (HTM) investments and AFS investments), the fair value adjustment as a result of day one loss recognition for off-market rate financial assets and impairment of financial assets resulted in a net reduction of surplus as of January 1, 2005 by ₱5.2 billion for both the Group and the Parent Company. Such reduction has taken into account the reversal of general reserves existing as of that date. In addition, as of January 1, 2005, certain accounts were reclassified in accordance with PAS 39 as discussed in the reconciliation tables in the following paragraph.

  Prior to January 1, 2005, the adequacy of allowance for probable losses on loans and other receivables and risk assets was determined based on management criteria and Bangko Sentral ng Pilipinas (BSP) requirements.

  The Group adopted the fair value method for all its derivatives transactions. The effect of adopting fair valuation method is not material to the financial statements.

  As allowed by the Philippine Securities and Exchange Commission (SEC), the cumulative effect of adopting these standards was charged against surplus as of January 1, 2005.

- PAS 40, *Investment Property,* prescribes the accounting treatment for investment property and related disclosure requirements. This standard permits the Group to choose either the fair value model or cost model in accounting for investment property. Fair value model requires an investment property to be measured at fair value with fair value changes recognized directly in the statements of income. Cost model requires that an investment property should be measured at depreciated cost less any accumulated impairment losses. The Group opted to adopt the cost model in accounting for its investment property. The effect of recording at fair value and adopting the cost method in accounting for real and other properties acquired (ROPA) that qualify as investment properties (net of deferred tax liability) increased surplus by ₱874.5 million and ₱663.6 million for the Group and the Parent Company, respectively, as of January 1, 2004 and by ₱1.1 billion and ₱1.0 billion for the Group and the Parent Company, respectively, as of January 1, 2005. Previously, ROPA were stated at the total outstanding exposure at the time of foreclosure or bid price, whichever is lower, less allowance for probable losses determined based on BSP provisioning requirements.

- PFRS 2, *Share-Based Payments*, results in a charge to net income for the cost of share options granted. Currently, the Group has no transaction involving share-based payments but will comply with the requirements of this standard in respect of future transactions.

- PFRS 3, *Business Combination*, results in the cessation of the amortization of goodwill and a requirement for an annual test for goodwill impairment from January 1, 2004 (unless an event occurs during the year which requires the goodwill to be tested more frequently). Any negative goodwill remaining after performing reassessment of past combinations should have been credited to income in the period the combination was effected. Moreover, pooling of interests in accounting for business combination is no longer permitted. The cessation of amortization of goodwill as of January 1, 2004 which increased both the carrying value of the goodwill and the surplus by ₱95.3 million and ₱64.8 million for the Group and the Parent Company, respectively, as of December 31, 2004.

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell, and the depreciation on such assets to cease. Furthermore, assets that meet the criteria to be classified as held for sale should be presented separately on the face of the statements of condition and the results of discontinued operations to be presented separately in the statements of income. Currently, the adoption of this standard has no impact on the financial statements but the Group will comply with the provisions of this standard in respect of its future transactions.

In addition, the Group will also adopt the following revised standards in its annual financial statements ending December 31, 2005:

- PAS 1, *Presentation of Financial Statements,* provides a framework within which an entity assesses how to present fairly the effects of transactions and other events; provides the base criteria for classifying liabilities as current or noncurrent; prohibits the presentation of income from operating activities and extraordinary items as separate line items in the statements of income; and specifies the disclosures about key sources of estimation uncertainty and judgments management has made in the process of applying the entity's accounting policies. It also requires changes in the presentation of minority interest in the statements of condition and statements of income.

- PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors,* removes the concept of fundamental error and the allowed alternative to retrospective application of voluntary changes in accounting policies and retrospective restatement to correct prior period errors. It defines material omission or misstatements, and describes how to apply the concept of materiality when applying accounting policies and correcting errors.

- PAS 10, *Events After the Balance Sheet Date,* provides a limited clarification of the accounting for dividends declared after the statement of condition date.

- PAS 16, *Property, Plant and Equipment*, provides additional guidance and clarification on recognition and measurement of items of property, plant and equipment. It also provides that each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

- PAS 17, *Leases*, provides a limited revision to clarify the classification of a lease of land and buildings and prohibits expensing of initial direct costs in the financial statements of lessors.

- PAS 24, *Related Party Disclosures*, provides additional guidance and clarity in the scope of the standard, the definitions and the disclosure requirements for related parties and related party transactions. It also requires disclosure of the compensation of key management personnel by benefit type.

- PAS 27, *Consolidated and Separate Financial Statements*, reduces alternatives in accounting for subsidiaries in consolidated financial statements and in accounting for investments in the separate financial statements of a parent, venturer or investor. Investments in subsidiaries are accounted for either at cost or in accordance with PAS 39 in the separate financial statements. Equity method of accounting is no longer allowed in the separate financial statements. This standard also requires strict compliance with adoption of uniform accounting policies and requires the Group to make appropriate adjustments to the subsidiary's financial statements to conform them to the Group's accounting policies for reporting like transactions and other events in similar circumstances.

- PAS 28, *Investments in Associates,* reduces alternatives in accounting for associates in consolidated financial statements and in accounting for investments in the separate financial statements of an investor. Investments in associates are accounted for either at cost or in accordance with PAS 39 in the separate financial statements. Equity method of accounting is no longer allowed in the separate financial statements. This standard also requires strict compliance with adoption of uniform accounting policies and requires the investor to make appropriate adjustments to the associate's financial statements to conform them to the investor's accounting policies for reporting like transactions and other events in similar circumstances.

- PAS 31, *Interest in Joint Ventures*, reduces the alternatives in accounting for interests in joint ventures in consolidated financial statements and in accounting for investments in the separate financial statements of a venturer. Interests in joint ventures are accounted for either at cost or in accordance with PAS 39 in the separate financial statements. Equity method of accounting is no longer allowed in the separate financial statements.

- PAS 33, *Earnings Per Share*, prescribes principles for the determination and presentation of earnings per share for entities with publicly traded shares, entities in the process of issuing ordinary shares to the public, and entities that calculate and disclose earnings per share. The standard also provides additional guidance in computing earnings per share including the effects of mandatorily convertible instruments and contingently issuable shares, among others.

- PAS 36, *Impairment of Assets*, requires the annual impairment test of intangible asset with an indefinite useful life or intangible asset not yet available for use and goodwill acquired in a business combination, whether or not there is an indication of impairment.

- PAS 38, *Intangible Assets*, requires the assessment of the useful life of intangible assets at the individual asset level as having either a finite or indefinite life. Where an intangible asset has a finite life, it has been amortized over its useful life. Amortization years and methods for intangible assets with finite useful lives are reviewed at the earlier of annually or where an indicator of impairment exists. Intangibles assessed as having indefinite useful lives are not amortized, as there is no foreseeable limit to the year over which the asset is expected to generate net cash inflows for the Group. However, intangibles with indefinite useful lives are reviewed annually to ensure the carrying value does not exceed the recoverable amount regardless of whether an indicator of impairment is present.

The effect of adopting the foregoing revised standards on the financial statements was not material, except for the adoption of the cost method in accounting for investments in subsidiaries, associates, and joint ventures in the Parent Company financial statements as of January 1, 2004 which reduced both the carrying amount of the investments and the surplus by ₱3.8 billion and ₱3.7 billion representing the undeclared undistributed retained earnings of said investees and other equity adjustments as of December 31, 2005 and 2004, respectively. In addition, such adoption reduced surplus of the Group by ₱61.3 million and ₱60.9 million as of January 1, 2005 and 2004, respectively. Also, in accordance with these revised standards, new disclosures were included in the financial statements, where applicable.

The Group has yet to adopt the following standards and amendments that have been approved but are not yet effective:

- *Amendments to PAS 19, Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures* - The revised disclosures from the amendments will be included in the Group's financial statements when the amendments are adopted in 2006.

- *PFRS 7, Financial Instruments - Disclosures* - The revised disclosures on financial instruments provided by this standard will be included in the Group's financial statements when the standard is adopted in 2007.

<u>Investments in Subsidiaries and Associates</u>
Investment in Subsidiaries
Investment in subsidiaries is accounted for under the equity method. A subsidiary is an enterprise that is controlled by the Parent Company and whose accounts are included in the Group financial statements.

Investment in Associates
Investments in associates are accounted for under the equity method. An associate is an enterprise in which the Group holds 20% to 50% of the voting power or over which it exercises significant influence and which is neither a subsidiary nor a joint venture of the Group. Investments in associates are carried in the statements of condition at

cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in value. Post-acquisition changes in the share of net assets of the associate include the share in the associate's: (a) income or losses, and (b) unrealized gain or loss on investment securities. Dividends received are treated as a reduction in the carrying values of the investments. Equity in unrealized gain or loss on investment securities of associates is shown as a separate component of capital funds in the statements of condition. The Group's investments in associates account include goodwill (net of accumulated amortization) on acquisition, which is treated in accordance with the accounting policy for goodwill stated below.

Under the BSP regulations, the use of the equity method of accounting for investment in shares of stock is allowable only when ownership is more than 50%. The use of the equity method of accounting for equity interests of 20% to 50% is being made for financial reporting purposes only and is not intended for BSP reporting purposes.

Investments in associates, subsidiaries, and joint ventures in the Parent Company financial statements are carried at cost, less any impairment in value.

<u>Equity Adjustment from Translation</u>
Accounts of foreign subsidiaries are maintained in the currencies of the countries in which they operate.

Financial statements of consolidated foreign subsidiaries that are integral to the operations of the Group are translated as if the transactions of the foreign subsidiaries had been those of the Parent Company. At each statement of condition date, foreign currency monetary items are translated using the prevailing rate, non-monetary items which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. Income and expenses are translated at the average prevailing rates for the year.

Financial statements of foreign consolidated subsidiaries that are not integral to the Group's operations are translated at prevailing rates with respect to the statements of condition, and at the average exchange rates for the year with respect to the statements of income. Resulting translation differences are included in capital funds under foreign currency translation adjustments. On disposal of a foreign entity, accumulated exchange differences are recognized in the statements of income as a component of the profit from assets sold.

<u>Repurchase and Resale Agreements</u>
Repurchase agreements are contracts under which a party sells securities and simultaneously agrees to repurchase the same securities at a specified future date at a fixed price. Resale agreements are contracts under which a party purchases securities and simultaneously agrees to resell the same securities at a specified future date at a fixed price. Securities sold under repurchase agreements (repos) are retained in the financial statements and the counterparty liability is included in amounts due to other banks or bills payable, as appropriate. Securities purchased under resale agreements (reverse repos) are recorded at cost under Securities Purchased Under Agreements to Resell account. The corresponding interest expense or interest income is accrued when incurred or earned.

<u>Investments and Other Financial Assets</u>
All financial assets are initially recognized at fair value. Except for financial assets at FVPL, the initial measurement of financial assets includes transaction costs. Effective January 1, 2005, the Group classifies its financial assets in the following categories: financial assets at FVPL, AFS investments, HTM 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 financial assets at initial recognition and re-evaluates this designation at every reporting date.

Regular way purchases and sales of financial assets are recognized on the trade date - the date on which the Group commits to purchase or sell the asset.

a) *Financial Assets at FVPL*
Realized and unrealized gains and losses on these instruments are recognized under Trading and Securities Gain - net in the statements of income. Interest earned on debt instruments classified as financial assets at FVPL is reported as interest income. Financial assets at FVPL include financial assets classified as held for trading (HFT) and financial assets designated by the Group under this classification, if any.

b) *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. HTM investments are carried at amortized cost using the effective interest method less allowance for impairment losses, if any. Realized gain or loss is recognized in the statements of income when the investments are derecognized or impaired and through the amortization process.

c) *Loans and Receivables*
Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which the Group has no intention of trading. Loans and receivables are carried at amortized cost using the effective interest method less allowance for impairment losses. Gains and losses are recognized in the statements of income when the loans and receivables are derecognized or impaired and through the amortization process.

d) *AFS Investments*
AFS investments are financial assets that are designated as AFS or are not classified in any of the preceding categories. AFS investments include financial assets not quoted in an active market when purchased and held indefinitely, but which the Group anticipates to sell in response to liquidity requirements or in anticipation of changes in interest rates or other factors. Financial assets may be designated under this category provided such are not held for trading. AFS investments are carried at fair market value. The effective yield component of AFS debt securities are reported in the statements of income. The unrealized gain and loss arising from the fair valuation of AFS investments, net of tax, are excluded from reported income and reported as a separate component of capital funds in the statements of condition until the investment is derecognized or until the investment is determined to be impaired at which time the net unrealized gain or loss previously reported in capital funds is included in the statement of income.

AFS investments include other investments, which consist of unquoted equity investments where the Group's ownership interest is less than 20% or where control is likely to be temporary are initially recognized at cost, being the fair value of the investment at the time of acquisition or purchase and including acquisition charges associated with the investment. Such investments are carried at cost due to the unpredictable nature of future cash flows and the lack of other suitable methods for arriving at a reliable fair value.

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

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 market value; realized and unrealized gains and losses on these instruments are recognized in Trading and securities gain - net in the statements 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. When a security is transferred into TAS, the unrealized holding gain or loss at the date of transfer is recognized in the statements of income immediately.

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 capital funds.

After initial recognition, investments which are classified as available-for-sale 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 statements 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 and securities gain - net in the statements of income.

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

Underwriting Accounts (UA)
UA are available-for-sale underwritten debt and equity securities purchased and held principally with the intention of selling them within a defined short-term period. ASS and UA are carried at fair market value; unrealized gains and losses are excluded from the reported income and are reported as a separate component of capital funds.

Other Investments
Other equity investments where the Group has no significant influence (other than trading and investment securities, as discussed below) are carried at cost less allowance for probable losses, if any. The allowance for probable losses is set up by a charge to current operations.

<u>Receivable from Special Purpose Vehicle (SPV)</u>
Receivable from SPV (included in Loans and Receivable under unquoted debt securities) is stated at the face value of the related note reduced by allowance for impairment losses. Allowance for impairment 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 such receivable.

<u>Property and Equipment</u>
Property and equipment is stated at cost less accumulated depreciation and amortization, and any impairment in value.

The initial cost of property and equipment consists of its purchase price, import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected as income or loss in the statements of income.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the shorter of the terms of the covering leases and the estimated useful lives of the improvements.

The principal annual depreciation rates follow:

Buildings	2% - 4%
Furniture, fixtures and equipment	20% - 33%
Leasehold rights and improvements	5% - 20%

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

The carrying values of the property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, an impairment loss is recognized in the statement of income (see accounting policy on Impairment of Assets).

<u>Investment Properties</u>
Investment properties are carried at cost less accumulated depreciation and impairment in value, if any. The initial cost of investment properties includes transaction costs representing nonrefundable taxes such as capital gains tax and documentary stamp tax that are for the account of the Group.

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 statements of income in the period of retirement or disposal. Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are charged to income in the year in which the costs are incurred.

Depreciation is calculated on a straight-line basis using the following useful lives from the time of acquisition of the investment properties:

Buildings	10 - 50 years
Furniture, fixtures and equipment	5 - 10 years
Leasehold rights and improvements	3 - 5 years

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

For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its depreciated cost at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under Property and Equipment up to the date of change in use.

<u>Intangible Assets</u>
Intangible assets (included under Other Resources) include software costs and goodwill.

Software costs
Software costs are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortized over five years on a straight-line basis.

Costs associated with developing or maintaining the computer software programs are recognized as expense when incurred.

Goodwill
The excess of the acquisition cost over the fair market value of the net identifiable assets acquired as of the date of the acquisition is recorded as goodwill and recognized as an asset in the statements of condition. With respect to investments in associates, goodwill is included in the carrying amounts of the investments. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Goodwill was previously amortized on a straight-line basis over a 20-year period. However, effective January 1, 2004, in accordance with PFRS 1 and PFRS 3, goodwill is no longer amortized.

<u>Debt Issue Costs</u>
Issuance, underwriting and other related expenses incurred in connection with the issuance of debt instruments are deferred and amortized over the terms of the instruments using the effective interest method. Unamortized debt issuance costs are netted against the related carrying value of the debt instrument in the statements of condition.

<u>Borrowing Costs</u>
Borrowing costs are recognized as expense in the year in which these costs are incurred.

<u>Income Taxes</u>
Deferred income 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. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from any excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises 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 profit nor taxable profit or loss.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries, associates and interests in joint ventures. With respect to investments in foreign subsidiaries, associates and interests in joint ventures, 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.

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 dates (see Note 23).

Impairment of Assets
An assessment is made at each statement of condition date to determine whether there is objective evidence that a specific financial or non-financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the statements of income.

Impairment of financial assets
Impairment is determined as follows:

(a) For assets carried at amortized cost, impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate;

(b) For assets carried at cost, impairment is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the Group includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. 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 of impairment. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statements of income. If a loan and receivable or HTM investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate plus the original spread determined under the contract. The calculation of the present value of the estimated future cash flows of a collateralized financial asset considers the cash flows that may result from foreclosure, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). 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.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets and historical loss experience for assets with similar credit risk characteristics. 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 for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan and receivable or an investment security other than an equity security is uncollectible, it is written off against the related allowance for impairment losses. Such loan and receivable or investment security is written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of provision for impairment losses presented in the statement of income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statements of income.

If an AFS investment is impaired, the difference between its amortized cost and its current fair value, less any impairment loss on that financial asset previously recognized is removed from capital funds and recognized in the statements of income. Impairment losses on equity instruments are not reversed through the statements of income. If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the statements of income.

Impairment of non-financial assets
Impairment is determined based on the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's value in use or its net selling price.

An impairment loss is recognized by a charge against current operations for the excess of the carrying amount of an asset over its recoverable amount. 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.

A previously recognized impairment loss is reversed by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Derecognition of Financial Instruments
Financial Asset
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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 substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset 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.

Financial Liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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

Interest Income
Interest on loans, trading and investment securities, and interest-bearing placements is recognized based on accrual accounting using effective interest method. Prior to January 1, 2005, interest income on nonaccruing loans was recognized only to the extent of actual cash collections. Beginning 2005, interest income on impaired loans is recognized based on the rate used to discount future cash flows to their net present value, as discussed under the policy on Impairment of Financial Assets.

Loan Fees and Service Charges
Loan fees that are directly related to acquisition and origination of loans are amortized using effective interest rate method over the term of the receivable. Fees related to the administration and servicing a loan are recognized as revenue as the services are rendered.

Dividends
Dividend income is recognized when the right to receive payment is established.

Underwriting Fees, Commissions, and Sale of Shares of Stock
Underwriting fees and commissions are accrued when earned. Income derived from sales of shares of stock is recognized upon sale.

Other Income
Income from sale of services is recognized upon rendition of the service. Income from sale of properties is recognized upon completion of the earning process and the collectibility of the sales price is reasonably assured.

<u>Retirement Cost</u>
The Group determines its retirement expense using the projected unit credit cost 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 defined benefit liability recognized in the statements of condition 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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement liabilities. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses of the plan at the end of the previous reporting year exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets at that date. The excess actuarial gains and losses are recognized over the average remaining life of employees participating in that plan in the statements of income.

Past service costs are recognized immediately in the statements of 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.

<u>Provisions and Contingencies</u>
Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and where 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. 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 assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisioning due to the passage of time is recognized as an interest expense in the statement of income.

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

<u>Leases</u>
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. 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 included as interest expense in the statement of income.

Capitalized leased assets are depreciated over the shorter of the estimated useful lives of the assets or the respective lease terms.

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/income in the statement of income on a straight-line basis over the lease term.

<u>Derivative Financial Instruments</u>
Freestanding Derivatives
The Parent Company enters into currency forwards and swaps to manage its foreign exchange and interest rate risks. Currency forwards are contractual agreements to buy or sell a specified currency at a specific price and date in the future. Currency swaps are contractual agreements to exchange foreign exchange differentials based on specific notional amounts. These derivatives are accounted for as non-hedges, with the fair value changes being reported immediately in the statements of income.

Embedded Derivatives
Certain financial and non-financial contracts of the Parent Company that contain embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with the changes in fair value recognized in the statements of income. Such derivatives include conversion options in convertible debt instruments, credit default swaps and foreign-currency derivatives in structured notes and deposits, call and put options in investment securities and loans and receivables, and foreign currency derivatives on non-financial contracts such as purchase orders, service agreements and lease contracts.

<u>Offsetting</u>
Financial assets and financial liabilities are offset and the net amount reported in the statements of condition when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and the liability simultaneously.

<u>Earnings Per Share</u>
Basic earnings per share is computed by dividing the net income for the period by the weighted average number of common shares outstanding after giving retroactive effect to stock dividends declared, stock rights exercised and stock splits made during the period, if any.

<u>Cash and Other Cash Items</u>
As of December 31, 2005, cash and other cash items include foreign currency notes and checks on hand.

<u>Cash Equivalents</u>
For purposes of reporting cash flows, cash equivalents include amounts due from BSP and other banks, and interbank loans receivable and securities purchased under agreements to resell that are convertible to known amounts of cash, with original maturities of three months or less from dates of placements and that are subject to an insignificant risk of changes in value.

<u>Subsequent Events</u>
Post-year-end events that provide additional information about the Group's position at statement of condition date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with Philippine GAAP requires the Group to make estimates and assumptions that affect the reported amounts of resources, liabilities, income and expenses and the disclosures of contingent resources and contingent liabilities. Future events may occur which can 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.

The following are the critical judgments and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a) *Impairment losses of loans and receivables*
The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the statements of income, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. As of December 31, 2005 and 2004, allowance for impairment losses on loans and receivables amounted to ₱20.6 billion and ₱18.8 billion, respectively, for the Group and ₱18.1 billion and ₱20.5 billion, respectively, for the Parent Company. The carrying value of loans and receivable amounted to ₱270.9 billion and ₱245.4 billion as of December 31, 2005 and 2004, respectively, for the Group and ₱232.5 million and ₱221.5 million, respectively, for the Parent Company.

(b) *Fair value of financial instruments including embedded derivatives*
The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques such as discounted cash flow analysis and standard option pricing models (see Note 5).

(c) *Impairment of AFS equity investments*
The Group determines that AFS equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows. As of December 31, 2005 and 2004, allowance for impairment losses on AFS investments amounted to ₱214.1 million and ₱8.8 million, respectively, for the Group and ₱81.1 million and nil, respectively for the Parent Company. The allowance for impairment losses on AFS equity investment previously classified as of December 31, 2004 as Other investments under Other resources amounted to ₱80.1 million. As of December 31, 2005, the carrying value of AFS equity investments amounted to ₱3.0 billion and ₱1.8 billion for the Group and the Parent Company, respectively. As of December 31, 2004, equity investments at cost classified as Other investments (see note 13) amounted to ₱3.3 billion and ₱2.0 billion for the Group and the Parent Company, respectively.

(d) *HTM investments*
The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity as HTM. This classification 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, sales that are so 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. Allowance for impairment on IBODI of the Group as of December 31, 2004 amounted to ₱67.1 million. No impairment losses were recognized on the HTM investments of the Group as of December 31, 2005 and 2004 and of the Parent Company as of December 31, 2005 and 2004 (see Note 8).

(e) *Recognition of deferred income taxes*
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 23, recognized deferred tax assets (net of deferred tax liabilities) as of December 31, 2005 and 2004 amounted to ₱4.4 billion and ₱5.8 billion, respectively, for the Group and ₱3.1 billion and ₱5.2 billion, respectively, for the Parent Company. As of December 31, 2005 and 2004, deferred tax assets on the temporary differences amounting to ₱19.0 billion and ₱14.4 billion, respectively, for the Group and ₱17.9 billion and ₱13.7 billion, respectively, for the Parent Company, were not recognized.

(f) *Present value of retirement obligation*
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.

The expected rate of return on assets of 10% was on average historical premium 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 dates. The net pension liability of the Parent Company amounted to ₱51.3 million and ₱1.3 billion as of December 31, 2005 and 2004, respectively.

(g) *Impairment of intangible assets*
Goodwill and other intangible assets are reviewed and tested whenever there is indication of impairment and at least at each statement of condition date. For the purpose of impairment test, assets were grouped at the lowest levels for which there are separately identifiable cash flows. Goodwill is written down for impairment where the net present value of the forecasted future cash flows of the business is insufficient to support its carrying value. Goodwill amounted to ₱7.8 billion for the Group and ₱1.2 billion for the Parent Company as of December 31, 2005 and 2004.

4. Financial Risk Management Objectives and Policies

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

The Group manages credit risk (risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss) by setting limits for individual and groups of borrowers and for geographical 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 Parent Company has recently developed an internal credit risk rating system aimed at uniformly assessing its credit portfolio in terms of risk profile. The system is now in place and has been implemented through the grading of new and existing corporate loan borrowers with total loans of over ₱15.0 million. As part of this strategy, over the past two years, the Group has invested in new technology, such as more advanced management information systems, to establish a database of client and credit information. The Group believes that more sophisticated risk management and credit control systems will play an important role in its plan to enhance the quality of its asset base.

The details of the composition of the loans and receivable portfolio are presented in Note 9.

Credit risk in respect of derivative financial instruments is limited to those with positive fair values, which are included under Other Resources. 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 in the statements of condition plus commitments to customers disclosed in Note 29.

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 as of December 31, 2005 follows (in thousands):

	Group			Parent Company		
	Assets	Liabilities	Credit Commitments	Assets	Liabilities	Credit Commitments
Geographic region:						
Philippines	₱570,282,508	₱518,316,656	₱197,685,673	₱483,777,001	₱436,772,525	₱197,389,437
Asia	10,115,961	9,784,769	706,321	6,302,603	7,731,690	524,247
United States	4,917,941	3,938,930	108,330	2,610,682	2,588,948	108,330
Europe	156,882	8,839	–	–	–	–
	₱585,473,292	₱532,049,194	₱198,500,324	₱492,690,286	₱447,093,163	₱198,022,014

(Forward)

	Group			Parent Company		
	Assets	Liabilities	Credit Commitments	Assets	Liabilities	Credit Commitments
Industry sector:						
Trading and manufacturing	₱130,025,460	₱186,189,914	₱–	₱121,115,867	₱186,166,019	₱–
Banks and financial institutions	227,949,458	57,891,443	–	219,759,085	52,355,693	–
Construction and real estate	63,501,768	62,214,163	–	56,823,453	62,214,163	–
Consumers	20,374,597	28,391,941	–	12,152,913	27,049,636	–
Others	143,622,009	197,361,733	198,500,324	82,838,968	119,307,652	198,022,014
	₱585,473,292	₱532,049,194	₱198,500,324	₱492,690,286	₱447,093,163	₱198,022,014

b. Market Risk

The Parent Company's market risk (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) originates from its holdings of debt securities, equities and derivatives. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchanges rates, commodity prices, equity prices and other market changes.

The Parent Company manages market risk by segregating its statements of condition into a trading book and a banking book. The Asset and Liability Committee, chaired by the Parent Company's Vice Chairman of the Board of Directors (BOD), is the senior review and decision-making body for the management of all market risks related to asset/liability management, and the banking and trading book. The actual risk limits for asset/liability management as well as trading are approved by the Risk Management Committee (RMC), which is a sub-committee of the Parent Company's BOD.

The Risk Management Unit serves under the RMC and performs daily market risk analyses to ensure compliance with the Parent Company's policies and procedures and makes recommendations based on such analyses.

The Treasury Group of the Parent Company manages asset/liability risks arising from both normal banking operations and from trading operations in financial markets. The Treasury Group is assigned with risk limits by the RMC.

In February 2002, the Parent Company commenced the Group-wide computation of its "Value at Risk", or VaR, in certain trading activities and began benchmarking its market risk 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. This means that, statistically, the Parent Company's losses on trading operations will exceed VaR on 1 out of 100 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 is currently considering lowering its VaR number due to changes in BSP regulations related to Philippine treasury securities which will likely significantly decrease the amount of Philippine treasuries held by the Parent Company, as well as expected increases in interest rates in the Philippines. The Parent Company measures and monitors the VaR and profit and loss on a daily basis. Below is a table showing the VaR for 2005 (in millions).

	Average	High	Low
Interest rate risk	19.1	45.7	7.4
Foreign exchange risk	12.2	39.5	1.1
Total VaR	31.3	85.2	8.5

c. Interest Rate Risk

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

A substantial portion of the Parent Company's total loan portfolio is for a term of less than one year, and the majority of its medium-term portfolio is on a floating-rate basis. As of December 31, 2005, 95.4% of the Parent Company's total loan portfolio comprised floating rate loans which are repriced periodically by reference to the Philippine Treasury bill rate. As a result of these factors, the Parent Company's exposure to interest rate fluctuations, and other market risks, is significantly reduced.

The Parent Company, in keeping with banking industry practice, maintains a large portion of its deposit base in short-term deposits. No interest is paid on demand accounts, which as of December 31, 2005 accounted for 5.1% of total deposits, except for a demand account product (Metrochecking Extra) 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 74.3% and 20.6%, respectively, of total deposits as of December 31, 2005 are set by different criteria. Savings account rates are set by reference to prevailing market rates, while rates on time deposits and special Universal Savings Account (UNISA) are usually priced by reference to rates applicable to Philippine Treasury Bills or, in the case of foreign currency deposits, London Interbank Offer Rate (LIBOR) with similar maturities.

The following table provides for the effective interest rates by period of maturity or repricing as of December 31, 2005 for the Parent Company:

	Less than 3 months	3 months to 1 year	Greater than 1 year
Resources			
Due from BSP	2.05%	–	–
Due from banks	0.37%	–	–
Financial assets at FVPL	–	0.88%	7.86%
AFS investments	2.00%	3.25%	8.57%
HTM investments	–	4.80%	9.72%
Loans and receivables	8.85%	10.05%	9.24%
Liabilities			
Deposit liabilities:			
Demand deposit	0.28%	–	–
Savings deposit	0.90%	–	–
UNISA	5.68%	4.97%	4.84%
Time deposit	5.73%	4.70%	7.20%
Bills payable	5.32%	4.92%	–
Subordinated debt	–	–	8.42%

One method by which the Parent Company measures the sensitivity of its assets and liabilities to interest rate fluctuations is by way of "gap" analysis. This analysis provides the Parent Company with a static view of the maturity and re-pricing characteristics of its balance sheet positions. An interest rate gap report is prepared by classifying all assets and liabilities into various time period categories according to contracted maturities or anticipated repricing dates, whichever is earlier. The difference in the amount of assets and liabilities maturing or being repriced in any time period category would then give the Parent Company an indication of the extent to which it is exposed to the risk of potential changes in net interest income.

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 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 asset-liability gap position for the Parent Company at carrying amounts as of December 31, 2005 (in thousands):

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Greater than 1 year	Total
Assets						
Total receivables from customers	₱106,850,359	₱65,552,169	₱12,178,020	₱5,896,450	₱37,709,753	₱228,186,751
Total investments	10,690,101	15,976,009	5,383,800	8,490,920	43,696,115	84,236,945
Placements with other banks	47,969,785	8,980,154	13,629,530	814,066	26,701,292	98,094,827
Other resources	–	2,708,778	–	–	–	2,708,778
Total resources	165,510,245	93,217,110	31,191,350	15,201,436	108,107,160	413,227,301
Liabilities						
Deposit liabilities	140,068,775	67,956,477	8,390,252	12,326,849	150,396,884	379,139,237
Bills payable	26,499,255	2,697,190	844	32,830	3,639,273	32,869,392
Subordinated debt	–	–	–	–	17,072,464	17,072,464
Other liabilities	–	1,736,201	–	–	–	1,736,201
Total liabilities	166,568,030	72,389,868	8,391,096	12,359,679	171,108,621	430,817,294
Asset-liability gap	(₱1,057,785)	₱20,827,242	₱22,800,254	₱2,841,757	(₱63,001,461)	(₱17,589,993)

As of December 31, 2005, the Parent Company's assets with maturities of 1 to 365 days, and assets with maturities of greater than one year amounted to ₱305.1 billion and ₱108.1 billion, respectively. The Parent Company's liabilities with maturities of 1 to 365 days, and liabilities with maturities of greater than one year amounted to ₱259.7 billion and ₱171.1 billion, respectively.

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

d. Foreign Currency Risk

Foreign currency liabilities generally consist of foreign currency deposits in the Parent Company's FCDU account 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 RBU and FCDU 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 in the FCDU. In addition, the BSP requires a 30% liquidity reserve on all foreign currency liabilities held in the FCDU. Outside the FCDU, the Parent Company has additional foreign currency assets and liabilities in its RBU books and foreign branch networks. The Parent Company has historically been a net holder of foreign currency in its FCDU books, as foreign currency assets have exceeded foreign currency liabilities. The Parent Company actively manages its foreign currency assets and liabilities.

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

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

	Group			Parent Company		
	USD	Others	Total	USD	Others	Total
Resources						
Cash and due from BSP	2,028	5,735	7,763	–	–	–
Due from other banks	410,188	38,539	448,727	322,267	8,920	331,187
Interbank loans receivable and securities purchased under agreements to resell	1,049,795	2,021	1,051,816	1,049,795	2,021	1,051,816
Financial assets at FVPL	14,662	2,257	16,919	10,760	–	10,760
AFS investments	814,953	6,784	821,737	658,603	6,784	665,387
HTM investments	109,169	–	109,169	58,288	–	58,288
Loans and advances	284,372	2,925	287,297	275,938	2,276	278,214
Other resources	362,080	50,552	412,632	345,657	48,378	394,035
Total resources	3,047,247	108,813	3,156,060	2,721,308	68,379	2,789,687
Liabilities						
Deposit liabilities	2,086,829	43,796	2,130,625	1,817,450	43,491	1,860,941
Bills payable	515,766	29	515,795	512,766	29	512,795
Manager's checks and demand draft outstanding	–	–	–	–	–	–
Accrued taxes, interest and other expenses	7,862	1,282	9,144	7,502	15	7,517
Subordinated debt	325,000	–	325,000	325,000	–	325,000
Other liabilities	106,382	35,455	141,837	93,568	34,003	127,571
Total liabilities	3,041,839	80,562	3,122,401	2,756,286	77,538	2,833,824
Currency swaps and forwards	25,457	674	26,131	25,457	674	26,131
Net Exposure	(20,049)	27,577	7,528	(60,435)	(9,833)	(70,268)

Member companies of the Metrobank Group are in the process of setting up their own risk management organization. Only PSBank and FMIC have so far hired professional risk management officers to head their individual risk management unit. The risk management policies that will be adopted by the Parent Company's subsidiaries/affiliates will be aligned with the Parent Company's risk policies. The Parent Company is currently looking for a comprehensive risk management solution that will integrate all risk management modules (Market, Credit, Interest Rate, Foreign Currency and Operations risks), which is likewise International Accounting Standards/International Financial Reporting Standards and Basel II compliant.

5. Fair Value Measurement

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

Cash and other cash items - Carrying amounts approximate fair values.

Investment securities - Fair values of debt securities (both available–for–sale and held–to–maturity) and equity investments are generally based on quoted market prices. Where the debt securities are not quoted or the market prices are not readily available, the Group obtained valuations from independent parties offering pricing services, used adjusted quoted market prices comparable investments, or applied discounted cash flow methodologies. For equity investments that are not quoted, the investments are carried at cost less allowance for impairment losses 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 the Group's loans and receivables are estimated using the discounted cash flow methodology, using current incremental lending rates for similar types of loans. The carrying amounts of loans and receivables approximate fair values (see Note 9).

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

Liabilities - 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, if any. The carrying amount of bills payable approximates fair value.

Set out below is a comparison by category of carrying amounts and fair value of the Group's financial statements as of December 31, 2005.

	Carrying Value	Fair Value
Financial Assets		
HTM investments	₱16,319,673	₱16,703,237
Loans and receivables	270,859,630	270,859,630
Financial Liabilities		
Bills payable	61,159,017	61,159,017
Subordinated debt	17,072,464	17,729,832

Derivative Financial Instruments
Freestanding Derivatives
The Parent Company is a party to currency forward and swap transactions in various currencies. As of December 31, 2005, the outstanding currency forwards and swaps substantially involve US dollars and Philippine pesos, with the outstanding notional amounts of the currency buy and currency sell positions amounting to US$130.74 million (with a negative fair value of ₱188.63 million) and US$113.33 million (with a positive fair value of ₱185.75 million), respectively.

Embedded Derivatives
Among the embedded derivatives that have been bifurcated and are outstanding as of December 31, 2005 include the following:

i. credit default swaps embedded in structured notes with a notional reference of US$ 10 million and a positive fair value of ₱0.89 million; and

ii. foreign currency derivatives in non-financial host contracts, with average notional amounts of around US$1,000 per month (with maturities until 2011 and 2018) and a positive fair value of ₱5.97 million.

Certain embedded derivatives are not bifurcated, either because the host contracts are carried as financial assets at FVPL (e.g., peso structured notes with embedded foreign exchange derivatives) or the embedded derivative is deemed to be closely related to the host contract (e.g., certain prepayment options embedded in loans and receivables where the exercise price approximately equals amortized cost).

6. Segment Information

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

- Consumer Banking - principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit card facilities and fund transfer facilities;
- 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 Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and corporate banking.

These segments are the bases 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/credited to business segments based on a pool rate which approximates the cost of funds.

Primary segment information (by business segment) as of and for the years ended December 31, 2005 and 2004 of the Group follows:

	2005					
	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Others	Total
	(In Thousand Pesos)					
Results of Operations						
Net interest income	₱2,400,161	₱3,874,270	₱–	₱2,357,147	₱11,224,261	₱19,855,839
Noninterest income	440,066	371,404	99,168	1,450,435	7,384,039	9,745,112
Revenue - net of interest expense	2,840,227	4,245,674	99,168	3,807,582	18,608,300	29,600,951
Noninterest expense	(2,280,025)	(1,667,074)	(24,322)	(774,142)	(18,613,128)	(23,358,691)
Income (loss) before income tax	560,202	2,578,600	74,846	3,033,440	(4,828)	6,242,260
Income tax provision	90,364	(4,619)	–	(381,731)	(1,670,879)	(1,966,865)
Minority interest in net income of consolidated subsidiaries	–	–	–	–	(488,766)	(488,766)
Net income (loss)	₱650,566	₱2,573,981	₱74,846	₱2,651,709	(₱2,164,473)	₱3,786,629
Statement of Condition						
Total resources	₱35,720,322	₱124,336,797	₱–	₱200,973,612	₱224,442,561	₱585,473,292
Total liabilities	₱33,102,704	₱119,669,760	₱668	₱193,285,791	₱185,990,271	₱532,049,194

(Forward)

	2005					
	Consumer Banking	**Corporate Banking**	**Investment Banking**	**Treasury**	**Others**	**Total**
Other Segment Information						
Capital expenditures	**₱386,951**	**₱96,065**	**₱–**	**₱5,718**	**₱641,552**	**₱1,130,286**
Depreciation and amortization	**₱159,028**	**₱66,126**	**₱–**	**₱19,007**	**₱1,402,776**	**₱1,646,937**

	2004 (as Restated)					
	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Others	Total
	(In Thousand Pesos)					
Results of Operations						
Net interest income	₱2,348,023	₱3,478,388	₱–	₱2,491,745	₱5,165,746	₱13,483,902
Noninterest income	778,768	402,634	104,512	1,247,623	9,867,724	12,401,261
Revenue - net of interest expense	3,126,791	3,881,022	104,512	3,739,368	15,033,470	25,885,163
Noninterest expense	(1,706,960)	(1,312,617)	(21,964)	(524,201)	(16,468,794)	(20,034,536)
Income (loss) before income tax	1,419,831	2,568,405	82,548	3,215,167	(1,435,324)	5,850,627
Income tax provision	(30,277)	(47,080)	–	(910,554)	(256,723)	(1,244,634)
Minority interest in net income of consolidated subsidiaries	–	–	–	–	(521,649)	(521,649)
Net income (loss)	₱1,389,554	₱2,521,325	₱82,548	₱2,304,613	(2,213,696)	₱4,084,344
Statement of Condition						
Total resources	₱29,914,052	₱113,103,639	₱519,749	₱151,102,114	₱230,136,941	₱524,776,495
Total liabilities	₱42,701,826	₱105,991,901	₱–	₱130,726,545	₱190,605,368	₱470,025,640
Other Segment Information						
Capital expenditures	₱174,380	₱42,646	₱–	₱2,806	₱543,217	₱763,049
Depreciation and amortization	₱115,819	₱29,236	₱–	₱3,842	₱1,788,468	₱1,937,365

Secondary segment information (by geographical location) as of and for the years ended December 31, 2005 and 2004 of the Group follows:

	2005				
	Philippines	Asia	United States	Europe	Total
	(In Thousands)				
Results of Operations					
Net interest income	**₱19,541,094**	**₱223,410**	**₱90,828**	**₱507**	**₱19,855,839**
Noninterest income	**8,010,450**	**1,218,131**	**279,494**	**237,037**	**9,745,112**
Revenue - net of interest expense	**27,551,544**	**1,441,541**	**370,322**	**237,544**	**29,600,951**
Noninterest expense	**(20,275,662)**	**(2,541,763)**	**(265,233)**	**(276,033)**	**(23,358,691)**
Income (loss) before income tax	**7,275,882**	**(1,100,222)**	**105,089**	**(38,489)**	**6,242,260**
Income tax provision	**(1,785,909)**	**(180,358)**	**(598)**	**–**	**(1,966,865)**
Minority interest in net loss (income) of consolidated subsidiaries	**(487,559)**	**(1,207)**	**–**	**–**	**(488,766)**
Net income (loss)	**₱5,002,414**	**(₱1,281,787)**	**₱104,491**	**(₱38,489)**	**₱3,786,629**
Statement of Condition					
Total resources	**₱570,282,508**	**₱10,115,961**	**₱4,917,941**	**₱156,882**	**₱585,473,292**
Total liabilities	**₱518,316,656**	**₱9,784,769**	**₱3,938,930**	**₱8,839**	**₱532,049,194**
Other Segment Information					
Capital expenditures	**₱1,106,980**	**₱10,653**	**₱11,032**	**₱1,621**	**₱1,130,286**
Depreciation and amortization	**₱1,602,332**	**₱27,545**	**₱8,443**	**₱8,617**	**₱1,646,937**

	2004 (as Restated)				
	Philippines	Asia	United States	Europe	Total
	(In Thousands)				
Results of Operations					
Net interest income	₱13,144,547	₱242,544	₱96,595	₱216	₱13,483,902
Noninterest income	10,506,087	1,570,470	306,532	18,172	12,401,261
Revenue - net of interest expense	23,650,634	1,813,014	403,127	18,388	25,885,163
Noninterest expense	(17,976,569)	(1,776,830)	(242,841)	(38,296)	(20,034,536)
Income (loss) before income tax	5,674,065	36,184	160,286	(19,908)	5,850,627
Income tax provision	(1,070,502)	(168,130)	(6,002)	–	(1,244,634)
Minority interest in net loss (income) of consolidated subsidiaries	(691,381)	143,100	26,632	–	(521,649)
Net income (loss)	₱3,912,182	₱11,154	₱180,916	(₱19,908)	₱4,084,344
Statement of Condition					
Total resources	₱511,460,698	₱9,927,599	₱3,304,866	₱83,332	₱524,776,495
Total liabilities	₱455,427,459	₱10,776,457	₱3,819,152	₱2,572	₱470,025,640

(Forward)

	2004 (as Restated)				
	Philippines	Asia	United States	Europe	Total
	(In Thousands)				
Other Segment Information					
Capital expenditures	₱721,413	₱33,373	₱1,112	₱7,151	₱763,049
Depreciation and amortization	₱1,889,975	₱36,810	₱9,356	₱1,224	₱1,937,365

7. Cash and Other Cash Items

As of December 31, 2005, this account includes foreign currency notes and checks on hand amounting to ₱1.3 billion and ₱1.2 billion for the Group and the Parent Company, respectively.

8. Trading and Investment Securities

This account consists of:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Financial assets at FVPL/TAS (Note 20)	**₱11,945,909**	₱7,698,505	**₱6,894,020**	₱1,765,274
AFS investments/ASS and UA - net (Notes 3, 11 and 20)	**85,785,349**	55,953,764	**70,131,729**	53,297,355
HTM investments/IBODI - net (Notes 20 and 28)	**16,319,673**	39,958,682	**7,211,196**	27,571,687
	₱114,050,931	₱103,610,951	**₱84,236,945**	₱82,634,316

As of December 31, 2005, financial assets at FVPL account include unrealized gain of ₱36.1 million and unrealized loss ₱25.0 million for the Group and the Parent Company, respectively.

As of December 31, 2004, TAS includes unrealized gain of ₱220.9 million and unrealized loss of ₱42.8 million for the Group and the Parent Company, respectively.

As of December 31, 2005, AFS investments include net unrealized gain of ₱2.3 billion and ₱2.0 billion for the Group and the Parent Company, respectively.

As of December 31, 2004, ASS and UA are carried net of unrealized loss of ₱40.4 million for the Group and the Parent Company.

HTM investments/IBODI consist of the following:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Government bonds	**₱7,488,317**	₱24,751,228	**₱410,122**	₱14,966,983
Private bonds	**2,227,201**	4,226,462	**1,104,704**	2,894,470
BSP Treasury bills	**4,097,523**	5,780,245	**4,089,524**	5,270,505
Treasury notes	**2,506,632**	4,864,957	**1,606,846**	4,106,592
Subordinated notes	–	397,937	–	333,137
	16,319,673	40,020,829	**7,211,196**	27,571,687
Less allowance for impairment loss (Note 14)	–	62,147	–	–
	₱16,319,673	₱39,958,682	**₱7,211,196**	₱27,571,687

As of December 31, 2005, the aggregate market value of HTM investments amounted to ₱16.7 billion and ₱7.2 billion for the Group and the Parent Company, respectively.

As of December 31, 2004, the aggregate market value of IBODI amounted to ₱40.0 billion and ₱27.5 billion for the Group and the Parent Company, respectively.

Foreign currency-denominated trading and investment securities bear nominal annual interest rates ranging from 2.94% to 10.13% in 2005 and 2.69% to 11.00% in 2004 for the Group and the Parent Company and peso-denominated trading and investment securities bear nominal annual interest rates ranging from 4.65% to 19.00% in 2005 and 3.75% to 22.88% in 2004 for the Group and the Parent Company.

As of December 31, 2004, the subordinated notes represent investments in Global Ispat Holdings, Inc. (GIHI) and Global Steelworks International, Inc. (GSII) which assumed the liabilities of National Steel Corporation (NSC). As of December 31, 2005, these investments are classified as unquoted debt securities under Loans and Receivables (see Note 9).

9. Loans and Receivables

This account consists of:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Receivables from customers (Note 20)				
Loans and discounts	**₱246,161,957**	₱231,257,382	**₱200,614,137**	₱194,942,881
Customers' liabilities under letters of credit/trust receipts	**20,736,931**	26,565,883	**20,715,580**	26,417,593
Bills purchased (Note 19)	**6,991,537**	10,256,149	**6,857,034**	10,114,012
	273,890,425	268,079,414	**228,186,751**	231,474,486

(Forward)

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Unquoted debt securities (Note 8)	**8,706,476**	–	**14,420,136**	–
Accrued interest receivable (Note 13)	**5,921,613**	–	**5,042,065**	–
Accounts receivable (Note 13)	**5,453,762**	–	**2,708,778**	–
Sales contract receivable (Note 13)	**1,353,975**	–	**1,357,080**	–
Receivable from SPV	**–**	–	**–**	11,925,125
	295,326,251	268,079,414	**251,714,810**	243,399,611
Unearned discounts, other deferred income and capitalized interest	**(3,883,938)**	(3,885,166)	**(1,099,044)**	(1,376,460)
Allowance for impairment losses (Note 14)	**(20,582,683)**	(18,820,919)	**(18,163,261)**	(20,543,372)
	₱270,859,630	₱245,373,329	**₱232,452,505**	₱221,479,779

Of the total receivables from customers of the Group as of December 31, 2005 and 2004, 86.76% and 83.70%, respectively, are subject to periodic interest repricing. The remaining peso receivables from customers earn annual fixed interest rates ranging from 8.00% to 42.00% in 2005 and 2.50% to 31.20% in 2004, while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 2.03% to 36.00% in 2005 and 2.14% to 36.00% in 2004.

The following table shows information relating to receivables from customers by collateral (amounts in thousands) as of December 31, 2005 and 2004:

	Group				Parent Company			
	2005		2004		**2005**		2004	
	Amount	**%**	Amount	%	**Amount**	**%**	Amount	%
Secured by:								
Real estate	**₱91,760,731**	**33.50**	₱92,700,873	34.58	**₱78,120,692**	**34.24**	₱81,506,977	35.21
Chattel	**20,421,544**	**7.46**	18,445,835	6.88	**6,536,311**	**2.86**	7,030,285	3.04
Deposit hold-out	**16,931,595**	**6.18**	12,830,528	4.79	**16,284,857**	**7.14**	12,366,004	5.34
Assignment of receivables	**1,561,536**	**0.57**	3,198,413	1.19	**1,445,830**	**0.63**	3,104,773	1.34
Securities	**2,081,443**	**0.76**	2,796,034	1.04	**1,754,485**	**0.77**	2,787,234	1.20
Stand-by letters of credit	**428,305**	**0.16**	692,531	0.26	**383,061**	**0.17**	564,500	0.25
Others	**5,219,862**	**1.90**	13,651,880	5.09	**3,169,169**	**1.39**	10,772,632	4.65
	138,405,016	**50.53**	144,316,094	53.83	**107,694,405**	**47.20**	118,132,405	51.03
Unsecured	**135,485,409**	**49.47**	123,763,320	46.17	**120,492,346**	**52.80**	113,342,081	48.97
	₱273,890,425	**100.00**	₱268,079,414	100.00	**₱228,186,751**	**100.00**	₱231,474,486	100.00

Restructured receivables from customers as of December 31, 2005 and 2004 amounted to ₱17.50 billion and ₱21.10 billion, respectively, for the Group and ₱16.05 billion and ₱19.90 billion, respectively, for the Parent Company.

Current banking regulations allow banks with no unbooked valuation reserves and capital adjustments 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 impairment losses, provided that interest on said receivables shall not be accrued. As of December 31, 2005 and 2004, nonperforming loans (NPLs) not fully covered by the allowance for impairment losses, excluding asset held by SPV and receivable from SPV, follow:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Total NPLs	**₱26,389,790**	₱35,027,134	**₱23,822,739**	₱32,686,580
Less NPLs fully covered by allowance for impairment losses	**7,679,835**	9,001,448	**7,111,433**	8,436,695
	₱18,709,955	₱26,025,686	**₱16,711,306**	₱24,249,885

NPLs shall, as a general rule, refer to loan accounts 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 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.

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

Certain receivables from customers amounting to ₱914.6 million and ₱500.0 million as of December 31, 2005 and 2004, respectively, were rediscounted with the BSP and a local bank (included under Bills Payable - local banks and BSP) under the Parent Company's and certain subsidiaries' rediscounting privileges (see Note 16).

As of December 31, 2005 and 2004, information on the concentration of receivables from customers (amounts in thousands) as to industry follows:

	Group				Parent Company			
	2005		2004		2005		2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Manufacturing (various industries)	**₱77,753,658**	**28.39**	₱86,580,562	32.30	**₱75,830,716**	**33.23**	₱84,818,522	36.64
Wholesale and retail trade	**53,705,623**	**19.61**	48,927,177	18.25	**43,919,598**	**19.25**	42,358,696	18.30
Real estate, renting and business activities	**48,033,841**	**17.54**	38,442,924	14.34	**40,906,595**	**17.93**	32,879,880	14.20
Other community, social and personal activities	**19,095,666**	**6.97**	19,461,801	7.26	**8,553,265**	**3.75**	8,958,417	3.87
Private households	**22,605,967**	**8.25**	17,902,163	6.68	**20,352,205**	**8.92**	15,861,893	6.85
Financial intermediaries	**21,206,653**	**7.74**	17,879,811	6.67	**13,032,923**	**5.71**	11,548,694	4.99
Transportation, storage and communication	**9,458,744**	**3.45**	9,567,234	3.57	**8,452,389**	**3.70**	8,408,316	3.63
Construction	**6,495,147**	**2.37**	6,933,208	2.59	**5,823,175**	**2.55**	6,587,050	2.85
Electricity, gas and water	**4,687,151**	**1.71**	6,250,700	2.33	**4,255,027**	**1.86**	6,153,766	2.66
Public utilities	**459,634**	**0.17**	4,253,698	1.59	**63,534**	**0.03**	4,189,453	1.81
Agricultural, hunting and forestry	**4,437,832**	**1.62**	4,157,594	1.55	**2,155,420**	**0.94**	2,471,672	1.07
Hotel and restaurants	**2,267,483**	**0.83**	3,753,077	1.40	**1,999,360**	**0.88**	3,508,500	1.52
Mining and quarrying	**513,296**	**0.19**	881,765	0.33	**476,105**	**0.21**	852,409	0.37
Others	**3,169,730**	**1.16**	3,087,700	1.15	**2,366,439**	**1.04**	2,877,218	1.24
	₱273,890,425	**100.00**	₱268,079,414	100.00	**₱228,186,751**	**100.00**	₱231,474,486	100.00

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

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 ₱12.25 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 P2.0 billion and (b) Tranche B Note in the principal amount of ₱10.25 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 ₱121.7 million and Tranche B Note at principal amount of ₱510.2 million in exchange of the outstanding receivable from NSC of ₱776.4 million. The Parent Company carried the subordinated notes at discounted values using a discount rate of 13.24%.

Receivable from SPV (included under unquoted debt securities as of December 31, 2005) represents the balance of the purchase price of the nonperforming assets (NPAs) sold by the Parent Company to an SPV in 2003. The deed of absolute sale was formalized on September 17, 2003 and approved by the BSP on November 28, 2003, having qualified as a true sale.

The more significant terms of the sale are as follows:

a. Certain NPAs of the Parent Company collateralized by real estate and golf shares (fair market value of which exceeds the book value of the NPAs) were purchased by the SPV for a total consideration of ₱16.9 billion.

b. The agreed purchase price of the NPAs shall be paid as follows:

   i. An initial amount of ₱2.5 billion, receipt in full of which was acknowledged by the Parent Company as of December 31, 2001;
   ii. Additional ₱2.5 billion payable on the earlier of: (i) the passage by the Philippine Congress of the SPV Law or (ii) June 30, 2002; and
   iii. The balance of ₱11.9 billion, through issuance of Subordinated Notes (the Notes), with maturity of 7 years and interest rate of 2% per annum.

The Notes shall be subordinated and shall rank as junior in right, preference, security, lien and in all other aspects to the senior notes issued or to be issued by the borrower specifically, the following: (i) Senior Note 1, in the principal amount of US$60.0 million and (ii) Senior Note 2, in the principal amount of ₱2.5 billion.

As December 31, 2005 and 2004, the estimated amount of the subordinated notes, which is the present value based on the discounted cash flows from the sale of the underlying collaterals of the NPAs, net of the payment to senior notes by the SPV, amounted to ₱6.6 billion and ₱8.8 billion, respectively.

As discussed in Note 8, as of December 31, 2005, unquoted debt securities include these investments in GIHI and GSII amounting to ₱0.4 billion.

10. Property and Equipment

The composition and movements in property and equipment account follow:

	Group						
	2005						
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Building Under Construction	Total	2004
	(In Thousands)						
Cost							
Balance at beginning of year	**₱3,688,709**	**₱6,013,533**	**₱7,944,914**	**₱1,358,046**	**₱117,342**	**₱19,122,544**	₱18,753,376
Additions	**37,830**	**301,889**	**626,345**	**138,192**	**2,015**	**1,106,271**	634,956
Disposals/others	**(116,853)**	**(693,742)**	**(394,170)**	**(246,492)**	**(1,336)**	**(1,452,593)**	(635,942)
Balance at end of year	**3,609,686**	**5,621,680**	**8,177,089**	**1,249,746**	**118,021**	**18,776,222**	18,752,390
Accumulated depreciation and amortization							
Balance at beginning of year	**–**	**1,796,463**	**6,229,832**	**309,128**	**–**	**8,335,423**	7,549,376
Depreciation and amortization	**–**	**249,596**	**647,716**	**217,729**	**–**	**1,115,041**	1,073,643
Disposals/others	**–**	**(77,400)**	**(634,518)**	**(143,912)**	**–**	**(855,830)**	(354,719)
Balance at end of year	**–**	**1,968,659**	**6,243,030**	**382,945**	**–**	**8,594,634**	8,268,300
Net book value at end of year	**₱3,609,686**	**₱3,653,021**	**₱1,934,059**	**₱866,801**	**₱118,021**	**₱10,181,588**	₱10,484,090

	Parent Company						
	2005						
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Rights and Improvements	Building Under Construction	Total	2004
	(In Thousands)						
Cost							
Balance at beginning of year	**₱3,497,461**	**₱4,357,452**	**₱6,813,698**	**₱1,154,433**	**₱117,342**	**₱15,940,386**	₱16,183,517
Additions	**127,582**	**321,108**	**173,580**	**40,614**	**2,015**	**664,899**	415,972
Disposals/others	**(114,261)**	**(275,588)**	**(320,695)**	**(172,193)**	**(1,336)**	**(884,073)**	(659,103)
Balance at end of year	**3,510,782**	**4,402,972**	**6,666,583**	**1,022,854**	**118,021**	**15,721,212**	15,940,386
Accumulated depreciation and amortization							
Balance at beginning of year	**–**	**1,474,506**	**5,534,456**	**277,582**	**–**	**7,286,544**	6,722,911
Depreciation and amortization	**–**	**249,686**	**376,002**	**203,611**	**–**	**829,299**	828,597
Disposals/others	**–**	**(75,782)**	**(277,499)**	**(12,213)**	**–**	**(365,494)**	(264,964)
Balance at end of year	**–**	**1,648,410**	**5,632,959**	**468,980**	**–**	**7,750,349**	7,286,544
Net book value at end of year	**₱3,510,782**	**₱2,754,562**	**₱1,033,624**	**₱553,874**	**₱118,021**	**₱7,970,863**	₱8,653,842

Building under construction pertains to bank premises of branches yet to be opened.

Depreciation and amortization expenses amounted to ₱1.6 billion in 2005 and ₱1.1 billion in 2004 for the Group, and ₱1.2 billion in 2005 and ₱828.6 million in 2004 for the Parent Company and are included in the statements of income.

11. Equity Investments

This account consists of investments in shares of stock as follows:

	Group		Parent Company	
	2005	2004	2005	2004 (As restated)
	(In Thousands)			
Acquisition cost (Note 2):				
Wholly owned subsidiaries	**₱–**	₱–	**₱1,504,532**	₱1,375,094
Majority owned subsidiaries	**–**	–	**22,897,792**	22,940,872
	–	–	**24,402,324**	24,315,966
Significantly owned investees:				
Mirant Global Corporation (MGC) (50.00% owned)	**3,453,132**	3,453,132	**–**	–
Toyota Motor Philippines Corporation (TMPC) (30.00% owned)	**672,984**	672,984	**672,984**	672,984
Jardine Land, Inc. (JLI) (20.00% owned)	**232,000**	232,000	**232,000**	232,000
SMBC Metro Investment Corporation (SMBC Metro) (30.00% owned)	**180,000**	180,000	**180,000**	180,000
IBCAL (41.12% owned in 2004)	**–**	51,621	**–**	51,621
Other investments in associates	**860,285**	580,554	**263,231**	178,231
	5,398,401	5,170,291	**1,348,215**	1,314,836
Less allowance for impairment losses (Note 14)	**120,150**	121,716	**113,604**	100,193
	5,278,251	5,048,575	**1,234,611**	1,214,643
	5,278,251	5,048,575	**25,636,935**	25,530,609
Accumulated equity in net income (Note 24):				
Balance at beginning of year, as restated	**₱1,163,445**	₱906,748	**₱–**	₱–
Equity in net income	**577,451**	296,849	**–**	–
Cash dividends	**(340,788)**	(40,152)	**–**	–
Disposals	**(96,101)**	–	**–**	–
Balance at end of year	**1,304,007**	1,163,445	**–**	–
Equity in net unrealized loss on investment securities of investees	**(22,174)**	(6,007)	**–**	–
Share in other equity adjustments of investees	**56,710**	321,180	**–**	–
	₱6,616,794	₱6,527,193	**₱25,636,935**	₱25,530,609

Other investments amounting to ₱2.3 billion as of December 31, 2005 and 2004, which are carried at cost and previously presented under equity investments are reclassified under AFS investment and Other Resources, respectively, in accordance with PAS 39 and PAS 28, respectively (see Notes 8 and 13).

The following tables present financial information of significant associates as of and for the years ended December 31, 2005 and 2004:

	2005				
	Statement of Condition		Statement of Income		
	Total Assets	Total Liabilities	Gross Income	Operating Income	Net Income
	(In Thousands)				
Significantly owned investees:					
TMPC	**₱10,982,532**	**₱5,565,544**	**₱33,068,815**	**₱825,578**	**₱989,495**
MGC	**11,625,931**	**5,047,614**	**2,410,919**	**287,304**	**309,394**
JLI	**1,219,649**	**571,074**	**99,758**	**86,079**	**49,181**
SMBC Metro	**875,325**	**36,261**	**116,584**	**90,093**	**63,925**

	2004				
	Statement of Condition		Statement of Income		
	Total Assets	Total Liabilities	Gross Income	Operating Income	Net Income
	(In Thousands)				
Significantly owned investees:					
TMPC	₱8,334,779	₱3,170,180	₱23,339,767	₱597,365	₱737,106
MGC	6,895,517	1,805,932	198,064	195,066	188,412
JLI	1,167,625	387,987	99,861	88,179	50,185
SMBC Metro	832,584	33,918	119,733	80,502	58,519

Major assets of significant associates as of December 31, 2005 and 2004 include the following (amounts in thousands):

	2005	2004
TMPC		
Temporary investments	**₱3,446,244**	₱2,078,390
Inventories and importation charges	**2,626,231**	2,403,745
Property and equipment - net	**2,727,743**	2,462,218
MGC		
Cash and cash equivalents	**1,953,903**	2,153,441
Investments and advances	**313,940**	529,527
JLI		
Real estate properties	**324,330**	922,205
Receivables - net	**499,068**	461,476
SMBC Metro		
Cash and cash equivalents	**454,321**	517,149
Loans receivable - net	**329,250**	250,763

In 2004, the Parent Company decreased its stockholdings in IBC from 60.11% to 41.12%. No gain or loss was recognized as a result of the transaction since it was disposed at carrying value. On September 30, 2005, the Parent Company from the completed sale of its 41.12% equity share in the IBC based in Los Angeles, California, to First Banks, Inc. (First Banks). First Banks is a super regional United States (US) bank based in St. Louis, Missouri. The sale of IBC is a strategic move aimed at enhancing returns on the Parent Company's invested capital by focusing more on the growing and higher margin remittance business. Proceeds from the sale were used to expand the Parent Company's remittance operations in North America. The Parent Company retained the remittance business of IBC through Metro Remittance Center, Inc., its wholly owned remittance company based in New York, which will branch out in various locations in California. Existing full service branches of the Parent Company in New York and Guam have been retained and were not affected by the sale of IBC. As a result of the sale, its controlling interest in IBC was extinguished and therefore, the accounts of IBC were excluded in the consolidation.

The BSP, through MB Resolution Nos. 497 and 1693, dated April 15, 2004 and November 18, 2004, respectively, approved the request of the Parent Company for the establishment of 14 financial subsidiaries in Europe. In March 2005, the Parent Company acquired the following remittance centers/exchange services:

Company Name	Date Established	Date Acquired by Parent Company
MBTC Exchange Services, GmbH	March 28, 2003	March 3, 2005
Metro Remittance Center, S. A.	March 1, 2003	March 31, 2005
Metro Remittance (Italia), SpA	November 28, 2002	March 3, 2005

On June 23, 2005, the BOD of TMPC declared a ₱34.72 per share cash dividend amounting to ₱537,979,889 for stockholders of record as of December 31, 2004. On June 30, 2005, the Parent Company received its share amounting to ₱161,393,967.

On April 21, 2005, FMIC invested ₱8.2 million (representing 70% interest) in First Metro Asset Management, Inc. (FAMI). On April 26, 2005, the Parent Company acquired 35% interest in Cathay International Resources Corporation (CIRC) for ₱175.0 million. CIRC is engaged in hotels and resorts management.

On December 22, 2004, Tytana Corporation subscribed to 143 million of the unissued voting, non-redeemable, participating, non-convertible preferred shares (par value of ₱10 per share) of GBHI at a subscription price of ₱57.51 per share or an aggregate subscription price of
₱8.2 billion. As a result, the Parent Company's voting share in GBHI was diluted from 99.37% to 44.83%. Preferred shares shall have preference over common shares in case of liquidation and dissolution of GBHI. Preferred shares shall participate in income after December 31, 2004.

On June 28, 2004, the Parent Company's board of directors (BOD) approved the acquisition of 18,360,686 additional shares of stock of PSBank for ₱605.9 million. As a result, the Parent Company's ownership in PSBank increased from 64.01% to 74.24%.

On May 19, 2004, the Parent Company's BOD approved the acquisition of 100% shares of stock of Metro Remittance (UK) Limited for ₱30.6 million.

On February 24, 2004, the Parent Company's BOD approved the establishment and capitalization of Metro Remittance Singapore Pte. Ltd. for 350,000 Singaporean dollars (about ₱16.8 million).

12. Investment Properties

This account consists of ROPA as follows:

	2005					
	Group			Parent Company		
	Land	**Buildings and Improvements**	**Total**	**Land**	**Buildings and Improvements**	**Total**
Cost						
Balance at beginning of year	**₱30,753,167**	**₱8,427,270**	**₱39,180,437**	**₱25,669,863**	**₱7,081,109**	**₱32,750,972**
Additions	**2,323,569**	**603,764**	**2,927,333**	**1,350,670**	**389,531**	**1,740,201**
Disposals/others	**(1,790,058)**	**(493,139)**	**(2,283,197)**	**(1,139,797)**	**(357,609)**	**(1,497,406)**
Balance at end of year	**31,286,678**	**8,537,895**	**39,824,573**	**25,880,736**	**7,113,031**	**32,993,767**

(Forward)

	2005					
	Group			Parent Company		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Accumulated depreciation and amortization						
Balance at beginning of year	**–**	**3,336,415**	**3,336,415**	**–**	**2,891,800**	**2,891,800**
Depreciation and amortization	**–**	**586,936**	**586,936**	**–**	**502,093**	**502,093**
Disposals/others	**–**	**(1,129,485)**	**(1,129,485)**	**–**	**(1,121,679)**	**(1,121,679)**
Balance at end of year	**–**	**2,793,866**	**2,793,866**	**–**	**2,272,214**	**2,272,214**
Accumulated impairment losses (Note 14)						
Balance at beginning of year	**2,341,512**	**395,571**	**2,737,083**	**2,069,922**	**381,641**	**2,451,563**
Impairment loss	**34,661**	**8,537**	**43,198**	**50,810**	**13,629**	**64,439**
Disposals/others	**(272,925)**	**(69,715)**	**(342,640)**	**(205,421)**	**(69,714)**	**(275,135)**
Balance at end of year	**2,103,248**	**334,393**	**2,437,641**	**1,915,311**	**325,556**	**2,240,867**
Net book value at end of year	**₱29,183,430**	**₱5,409,636**	**₱34,593,066**	**₱23,965,425**	**₱4,515,261**	**₱28,480,686**

	2004					
	Group			Parent Company		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at beginning of year	₱28,201,334	₱8,569,129	₱36,770,463	₱23,138,390	₱7,247,101	₱30,385,491
Additions	4,005,333	440,010	4,445,343	3,462,751	305,424	3,768,175
Disposals/others	(1,453,500)	(581,869)	(2,035,369)	(931,278)	(471,416)	(1,402,694)
Balance at end of year	30,753,167	8,427,270	39,180,437	25,669,863	7,081,109	32,750,972
Accumulated depreciation and amortization						
Balance at beginning of year	–	2,919,047	2,919,047	–	2,538,709	2,538,709
Depreciation and amortization	–	587,812	587,812	–	508,379	508,379
Disposals/others	–	(170,444)	(170,444)	–	(155,288)	(155,288)
Balance at end of year	–	3,336,415	3,336,415	–	2,891,800	2,891,800
Accumulated impairment losses (Note 14)						
Balance at beginning of year	2,327,337	392,014	2,719,351	2,053,249	370,376	2,423,625
Impairment loss	66,154	4,152	70,306	68,652	11,861	80,513
Disposals/others	(51,979)	(595)	(52,574)	(51,979)	(596)	(52,575)
Balance at end of year	2,341,512	395,571	2,737,083	2,069,922	381,641	2,451,563
Net book value at end of year	₱28,411,655	₱4,695,284	₱33,106,939	₱23,599,941	₱3,807,668	₱27,407,609

As of December 31, 2005 and 2004, the aggregate market value of the investment properties amounted to ₱50.7 billion and ₱54.5 billion, respectively.

Net gains from sale of ROPA amounted to ₱113.3 million and ₱197.0 million in 2005 and 2004, respectively, for the Group, and ₱26.9 million and ₱93.4 million in 2005 and 2004, respectively, for the Parent Company and are included in Profit from Assets Sold in the statements of income.

13. Other Resources

This account consists of:

	Group		Parent Company	
	2005	2004 (As restated)	**2005**	2004 (As restated)
	(In Thousands)			
Assets held by SPV (Note 20)	**₱16,648,970**	₱16,688,930	**₱–**	₱–
Less allowance for impairment losses (Note 14)	**2,138,470**	2,138,470	**–**	–
	14,510,500	14,550,460	**–**	–
Goodwill (Note 2)	**7,824,458**	7,796,015	**1,203,189**	1,203,189
Deferred tax assets (Note 23)	**4,447,028**	5,811,956	**3,108,113**	5,249,580
Returned checks and other cash items	**309,344**	304,627	**287,867**	267,608
Prepaid expenses	**215,415**	897,755	**127,717**	819,744
Software costs - net	**138,164**	160,890	**23,789**	64,200
Other investments (Notes 11, 15 and 20)	**26,393**	3,313,128	**14,453**	2,049,583
Accounts receivable (Notes 9, 20 and 24)	**–**	5,684,773	**–**	3,209,033
Accrued interest receivable (Notes 9 and 20)	**–**	4,868,234	**–**	4,061,172
Sales contract receivable (Notes 9, 15 and 20)	**–**	1,301,769	**–**	1,445,966
Foreign currency notes and checks on hand (Note 7)	**–**	1,298,893	**–**	1,238,436
Miscellaneous	**3,077,800**	3,262,421	**2,297,516**	2,588,615
	30,549,102	49,250,921	**7,062,644**	22,197,126
Less allowance for impairment losses (Note 14)	**102,737**	2,019,323	**94,561**	1,663,889
	₱30,446,365	₱47,231,598	**₱6,968,083**	₱20,533,237

Assets held by SPV consist mainly of certain loans that are in the process of being resolved or disposed of by the SPV as of December 31, 2004. These assets are secured by real estate with an aggregate market value of ₱21.0 billion. On March 8, 2006, assets held by SPV were subsequently auctioned. Final settlement date was scheduled on March 30, 2006.

As of December 31, 2004, accounts receivable in the Group financial statements includes advances by GBHI to an affiliate amounting to ₱1.6 billion.

Movements in software costs accounts follow:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Balance at beginning of year	**₱160,890**	₱240,960	**₱64,200**	₱153,910
Additions/others	**24,015**	128,093	**835**	64,547
Amortization	**(46,741)**	(208,163)	**(41,246)**	(154,257)
Balance at end of year	**₱138,164**	₱160,890	₱23,789	₱64,200

14. Allowance for Impairment Losses

Changes in the allowance for impairment losses follow:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Balance at beginning of year:				
AFS investments/ASS and UA (Note 3)	**₱8,835**	₱–	**₱–**	₱–
HTM investments/IBODI (Note 8)	**62,147**	62,147	**–**	–
Loans and receivables (Note 9)	**18,820,919**	–	**20,543,372**	–
Receivables (Note 9)	**–**	18,506,361	**–**	19,987,455
Investments in associates and joint venture (Note 11)	**121,716**	332,292	**100,193**	265,746
Investment properties (Note 12)	**2,737,083**	2,719,351	**2,451,563**	2,423,625
Assets held by SPV (Note 13)	**2,138,470**	2,138,470	**–**	–
Other resources (Note 13)	**2,019,323**	2,951,788	**1,663,889**	414,768
	25,908,493	26,710,409	**24,759,017**	23,091,594
Provisions for impairment loss	**4,494,311**	2,886,887	**3,601,148**	2,706,499
Realized loss on NPL sold during the year	**(6,028,567)**	(801,550)	**(6,028,567)**	(801,550)
Accounts written off/others	**1,221,546**	(2,887,253)	**(1,638,176)**	(237,526)
Balance at end of year:				
AFS investments/ASS and UA (Note 3)	**214,102**	8,835	**81,129**	–
HTM investments/IBODI (Note 8)	**–**	62,147	**–**	–
Loans and receivables (Note 9)	**20,582,683**	–	**18,163,261**	–
Receivables from customers (Note 9)	**–**	18,820,919	**–**	20,543,372
Investments in associates and joint venture (Note 11)	**120,150**	121,716	**113,604**	100,193
Investment properties (Note 12)	**2,437,641**	2,737,083	**2,240,867**	2,451,563
Assets held by SPV (Note 13)	**2,138,470**	2,138,470	**–**	–
Other resources (Note 13)	**102,737**	2,019,323	**94,561**	1,663,889
	₱25,595,783	₱25,908,493	**₱20,693,422**	₱24,759,017

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

15. Deposit Liabilities

Of the total interest-bearing deposit liabilities of the Group as of December 31, 2005 and 2004, 11.71% and 12.27%, respectively, are subject to periodic interest repricing. Remaining peso-deposit liabilities earn annual fixed interest rates ranging from 0.20% to 11.25% in 2005 and 1.00% to 14.85% in 2004, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.01% to 7.50% in 2005 and 2004.

Under existing BSP regulations, non-FCDU deposit liabilities of the Parent Company are subject to liquidity reserves equivalent to 11.00% and statutory reserves equivalent to 10.00%. On the other hand, non-FCDU deposit liabilities of PSBank are subject to liquidity and statutory reserves equivalent to 2.00% and 6.00%, respectively. FMIC's deposit substitutes are subject to liquidity reserves of 11% and 9% and statutory reserves of 10% and 8% in 2005 and 2004, respectively.

The total liquidity and statutory reserves as reported to BSP as of December 31, 2005 and 2004 follow:

	Parent Company		PSBank		FMIC	
	2005	2004	**2005**	2004	**2005**	2004
Cash and other cash items	**₱9,009,302**	₱7,861,984	**₱739,690**	₱528,323	**₱3,490,877**	₱737,300
AFS investments	**26,002,140**	–	**11,579,364**	–	**294,515**	880,124
Due from BSP	**18,623,468**	13,230,156	**1,747,364**	1,123,793	**390,513**	81,500
HTM investments/IBODI	**4,238,606**	25,427,922	**4,022,862**	593,082	**–**	–
	₱57,873,516	₱46,520,062	**₱18,089,280**	₱2,245,198	**₱4,175,905**	₱1,698,924

The Parent Company, PSBank and FMIC were in compliance with such regulations as of December 31, 2005 and 2004.

16. Bills Payable

This account consists of borrowings from:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Foreign banks	**₱15,077,476**	₱16,970,680	**₱14,918,290**	₱16,970,680
Local banks (Note 9)	**10,670,999**	4,537,506	**3,778,420**	4,537,507
BSP (Note 9)	**788,675**	140,720	**788,675**	140,720
Others	**34,621,867**	14,462,509	**13,384,007**	722,163
	₱61,159,017	₱36,111,415	**₱32,869,392**	₱22,371,070

Interbank borrowings with foreign and local banks are mainly short-term borrowings. The Group's peso borrowings are subject to annual fixed interest rates ranging from 5.15% to 13.00% in 2005 and 5.25% to 12.50% in 2004, while the Group's foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 0.31% to 6.21% in 2005 and 0.31% to 3.23% in 2004.

Bills payable - others of the Parent Company mainly represents funds obtained from the Social Security System (SSS), which the Parent Company relends to borrowers availing of the financing programs of the SSS.

As of December 31, 2005 and 2004, bills payable - others of the Group consists mainly of the borrowings obtained by FMIC from the public.

17. Accrued Taxes, Interest and Other Expenses

This account consists of:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Accrued interest payable	**₱4,029,784**	₱2,655,063	**₱3,136,497**	₱2,410,554
Accrued income taxes	**791,535**	417,589	**639,974**	344,388
Accrued other taxes and other expenses payable	**1,796,879**	1,895,253	**1,142,534**	1,244,078
	₱6,618,198	₱4,967,905	**₱4,919,005**	₱3,999,020

18. Subordinated Debt

On June 24, 2003, the Parent Company's BOD approved the raising of Lower Tier 2 capital through the issuance in the international capital market of subordinated bonds up to US$125 million with green shoe option of US$25 million 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 8.0% per annum with step-up after 5 years (50% of the initial credit spread).

The issuance of the foregoing subordinated bonds under the terms approved by the BOD was approved by the MB in its Resolution No. 911 dated June 26, 2003, as amended by MB Resolution No. 1153 dated August 14, 2003, subject to the Parent Company's compliance with certain conditions.

Relative to this, on October 7 and 17, 2003, the Parent Company issued US$130 million and US$70 million, respectively, 8.375% Subordinated Notes due 2013 (the 2013 Notes). Among the significant terms and conditions of the issuance of the 2013 Notes are:

a. Issue Price at 98.937% and 99.25%, respectively, of the principal amount.

b. The 2013 Notes bear interest at 8.375% per annum from and including October 7, 2003 to but excluding December 7, 2008. Unless the 2013 Notes are previously redeemed, the interest rate from and including December 7, 2008 to but excluding December 7, 2013 will be reset at the U.S. Treasury rate plus 8.52% per annum. Interest will be payable semi-annually in arrears on June 7 and December 7 of each year, commencing on June 7, 2004.

c. The 2013 Notes will constitute direct, unconditional, subordinated and unsecured obligations of the Parent Company and will at all times rank pari passu and without any preference among themselves. The payment obligations of the Parent Company under the Notes shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equivalent with all other present and future unsecured and subordinated obligations of the Parent Company.

d. The Parent Company may redeem the 2013 Notes in whole but not in part at redemption price equal to 100% of the principal amount together with accrued and unpaid interest on December 7, 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 therefor.

e. Each noteholder by accepting a 2013 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 2013 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.

f. The 2013 Notes are not deposit liabilities 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 2013 Notes may not be redeemed at the option of the noteholders.

On October 25, 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 up to US$150 million 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 8.5% to 9.0% per annum with step-up after 5 years (higher of 100 basis points or 50% of the initial credit spread).

The issuance of the foregoing subordinated bonds under the terms approved by the BOD was approved by the MB, in its Resolution No. 1589 dated October 30, 2002, subject to the Parent Company's compliance with certain conditions.

Relative to this, on November 20, 2002, the Parent Company issued US$125 million, 8.5% Subordinated Notes due 2012 (the 2012 Notes). Among the significant terms and conditions of the issuance of such Notes are:

a. Issue Price at 99.5% of the principal amount.

b. The 2012 Notes bear interest at 8.5% per annum from and including November 20, 2002 to but excluding November 20, 2007. Unless the 2012 Notes are previously redeemed, the interest rate from and including November 20, 2007 to but excluding November 20, 2012 will be reset at the U.S. Treasury rate plus 8.67% per annum. Interest will be payable semi-annually in arrears on May 20 and November 20 of each year, commencing May 20, 2003.

c. The 2012 Notes will constitute direct, unconditional, subordinated and unsecured obligations of the Parent Company and will at all times rank pari passu and without any preference among themselves. The payment obligations of the Parent Company under the Notes shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equivalent with all other present and future unsecured and subordinated obligations of the Parent Company.

d. The Parent Company may redeem the 2012 Notes in whole but not in part at redemption price equal to 100% of the principal amount together with accrued and unpaid interest on November 20, 2007, 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 therefor.

e. Each noteholder by accepting a 2012 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 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.

f. The 2012 Notes are not guaranteed or insured by the PDIC and are not deposit liabilities of the Parent Company.

19. Other Liabilities

This account consists of:

	Group		Parent Company	
	2005	2004 (As restated)	2005	2004 (As restated)
	(In Thousands)			
Bills purchased - contra (Notes 9 and 20)	**₱6,389,643**	₱9,221,808	**₱6,264,948**	₱9,084,740
Liabilities of SPV (Notes 9 and 20)	**6,332,477**	6,094,776	**–**	–
Accounts payable (Note 20)	**3,335,610**	3,416,279	**1,736,201**	2,593,494
Outstanding acceptances (Note 20)	**1,833,278**	2,074,956	**1,809,383**	2,018,901
Retirement benefit liability (Note 26)	**51,258**	1,304,332	**51,258**	1,304,332
Deferred gains	**1,059,948**	746,490	**652,018**	464,296
Marginal deposits (Note 20)	**325,098**	457,145	**322,951**	448,583
Withholding taxes payable (Note 20)	**494,509**	335,135	**400,759**	278,054
Due to BSP (Note 20)	**227,688**	212,836	**209,606**	199,336
Deferred tax liability (Note 23)	**128,358**	124,257	**–**	–
Dividends payable (Note 20)	**291,491**	120,016	**–**	–
Due to other banks (Note 20)	**23,435**	25,344	**23,435**	25,344
Miscellaneous	**1,291,471**	1,318,336	**643,444**	692,120
	₱21,784,264	₱25,451,710	**₱12,114,003**	₱17,109,200

Liabilities of SPV account represents the principal balance of senior notes in the accounts of ARC, net of the costs and expenses. In 2005 and 2004, costs and expenses amounting to ₱0.4 billion and ₱1.4 billion, respectively, are attributable to the senior noteholders and are credited in the process of consolidation to Miscellaneous Income in the Group's statements of income (see Notes 9 and 22).

20. Maturity Profile of Financial Resources and Financial Liabilities

The following tables present the financial resources and financial liabilities by contractual maturity and settlement dates as of December 31, 2005 and 2004:

	Group					
	2005			2004		
Financial Resources	**Due Within One Year**	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
	(In Thousands)					
Due from BSP	**₱20,685,847**	**₱–**	**₱20,685,847**	₱15,276,930	₱–	₱15,276,930
Due from other banks	**25,469,420**	**–**	**25,469,420**	17,154,746	–	17,154,746
Interbank loans receivable and securities purchased under agreements to resell	**22,479,071**	**35,841,649**	**58,320,720**	14,958,375	22,135,759	37,094,134
Financial assets at FVPL/TAS (Note 8)	**4,411,032**	**7,534,877**	**11,945,909**	7,698,505	–	7,698,505
AFS investments/ASS and UA (Note 8)	**42,345,251**	**42,907,362**	**85,252,613**	55,953,764	–	55,953,764
HTM investments/IBODI (Note 8)	**6,808,860**	**9,510,813**	**16,319,673**	–	39,958,682	39,958,682
Receivables from customers - at gross (Note 9)	**174,720,143**	**99,170,282**	**273,890,425**	171,594,511	96,484,903	268,079,414
Assets held by SPV - at gross (Note 13)	**–**	**16,648,970**	**16,648,970**	16,684,710	4,220	16,688,930
Unquoted debt securities	**–**	**8,706,476**	**8,706,476**	–	–	–
Accrued interest receivable (Notes 9 and 13)	**5,637,117**	**284,496**	**5,921,613**	4,570,128	298,106	4,868,234
Accounts receivable (Notes 9 and 13)	**3,076,005**	**2,377,757**	**5,453,762**	3,516,174	2,168,599	5,684,773
Sales contract receivable (Notes 9 and 13)	**776,707**	**577,268**	**1,353,975**	283,399	1,018,370	1,301,769
Other investments	**13,114**	**13,279**	**26,393**	755,975	2,557,153	3,313,128
	₱306,422,567	**₱223,573,229**	**₱529,995,796**	₱308,447,217	₱164,625,792	₱473,073,009

	Group					
	2005			2004		
Financial Liabilities	**Due Within One Year**	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
	(In Thousands)					
Deposit liabilities						
Demand	**₱17,163,514**	**₱4,013,952**	**₱21,177,466**	₱18,750,626	₱–	₱18,750,626
Savings	**285,096,033**	**4,979,392**	**290,075,425**	277,697,089	–	277,697,089
Time	**92,540,831**	**20,454,251**	**112,995,082**	71,003,738	16,619,357	87,623,095
	394,800,378	**29,447,595**	**424,247,973**	367,451,453	16,619,357	384,070,810

(Forward)

Financial Liabilities	Group					
	2005			2004		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
	(In Thousands)					
Bills payable (Note 12)	**₱ 56,911,596**	**₱ 4,247,421**	**₱ 61,159,017**	₱ 32,149,539	₱ 3,961,876	₱ 36,111,415
Manager's checks and demand drafts outstanding	**1,167,278**	**–**	**1,167,278**	1,372,840	–	1,372,840
Accrued taxes, interest and other expenses (Note 17)	**6,618,198**	**–**	**6,618,198**	4,967,905	–	4,967,905
Subordinated debt (Note 18)	**–**	**17,072,464**	**17,072,464**	–	18,050,960	18,050,960
Other liabilities (Note 19):						
Bills purchased - contra	**₱6,124,695**	**₱264,948**	**₱6,389,643**	₱9,221,808	₱–	₱9,221,808
Liabilities of SPV	**–**	**6,332,477**	**6,332,477**	–	6,094,776	6,094,776
Accounts payable	**3,335,610**	**–**	**3,335,610**	3,416,279	–	3,416,279
Outstanding acceptances	**1,808,286**	**24,992**	**1,833,278**	2,065,026	9,930	2,074,956
Marginal deposits	**325,098**	**–**	**325,098**	457,145	–	457,145
Withholding taxes payable	**494,509**	**–**	**494,509**	335,135	–	335,135
Due to BSP	**209,605**	**18,083**	**227,688**	212,836	–	212,836
Dividends payable	**291,491**	**–**	**291,491**	120,016	–	120,016
Due to other banks	**23,435**	**–**	**23,435**	25,344	–	25,344
	₱472,110,179	**₱57,407,980**	**₱529,518,159**	₱421,795,326	₱44,736,899	₱466,532,225

Financial Resources	Parent Company					
	2005			2004		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
	(In Thousands)					
Due from BSP	**₱18,547,970**	**₱–**	**₱18,547,970**	₱13,230,156	₱–	₱13,230,156
Due from other banks	**23,276,867**	**–**	**23,276,867**	13,483,797	–	13,483,797
Interbank loans receivable and securities purchased under agreements to resell	**20,428,341**	**35,841,649**	**56,269,990**	13,176,375	22,135,759	35,312,134
Financial assets at FVPL/TAS (Note 8)	**4,177,032**	**2,716,988**	**6,894,020**	1,765,274	–	1,765,274
AFS investments/ASS and UA (Note 8)	**24,049,622**	**46,082,107**	**70,131,729**	24,049,622	29,247,733	53,297,355
HTM investments/IBODI (Note 8)	**5,734,626**	**1,476,570**	**7,211,196**	5,734,626	21,837,061	27,571,687
Receivables from customers - at gross (Note 9)	**157,399,753**	**70,786,998**	**228,186,751**	162,414,303	69,060,183	231,474,486
Unquoted debt securities	**–**	**14,420,136**	**14,420,136**	–	–	–
Accrued interest receivable	**5,042,065**	**–**	**5,042,065**	4,061,172	–	4,061,172
Accounts receivable (Notes 9 and 13)	**2,708,778**	**–**	**2,708,778**	2,766,466	442,567	3,209,033
Sales contract receivable (Notes 9 and 13)	**822,594**	**534,486**	**1,357,080**	1,445,966	–	1,445,966
Other investments (Note 13)	**–**	**14,453**	**14,453**	1,920,688	128,895	2,049,583
	₱262,187,648	**₱171,873,387**	**₱434,061,035**	₱244,048,445	₱142,852,198	₱386,900,643

Financial Liabilities	Parent Company					
	2005			2004		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
	(In Thousands)					
Deposit liabilities						
Demand	**₱19,296,873**	**₱–**	**₱19,296,873**	₱17,721,721	₱–	₱17,721,721
Savings	**281,679,004**	**–**	**281,679,004**	254,124,294	–	254,124,294
Time	**63,486,945**	**14,676,415**	**78,163,360**	62,281,963	12,625,703	74,907,666
	364,462,822	**14,676,415**	**379,139,237**	334,127,978	12,625,703	346,753,681
Bills payable (Note 12)	**29,243,834**	**3,625,558**	**32,869,392**	18,292,079	4,078,991	22,371,070
Manager's checks and demand drafts outstanding	**979,062**	**–**	**979,062**	1,161,299	–	1,161,299
Accrued taxes, interest and other expenses	**₱4,919,005**	**₱–**	**₱4,919,005**	₱3,999,020	₱–	₱3,999,020
Subordinated debt (Note 18)	**–**	**17,072,464**	**17,072,464**	–	18,050,960	18,050,960
Other liabilities (Note 13):						
Bills purchased - contra	**6,264,948**	**–**	**6,264,948**	9,084,740	–	9,084,740
Accounts payable	**1,736,201**	**–**	**1,736,201**	2,593,494	–	2,593,494
Outstanding acceptances	**1,784,391**	**24,992**	**1,809,383**	2,008,971	9,930	2,018,901
Marginal deposits	**322,951**	**–**	**322,951**	448,583	–	448,583
Withholding taxes payable	**400,759**	**–**	**400,759**	278,054	–	278,054
Due to BSP	**209,606**	**–**	**209,606**	199,336	–	199,336
Due to other banks	**23,435**	**–**	**23,435**	25,344	–	25,344
	₱410,347,014	**₱35,399,429**	**₱445,746,443**	₱372,218,898	₱34,765,584	₱406,984,482

21. Long-term Leases

The Parent Company leases the premises occupied by some of its branches (about 51% of the branch sites are Parent Company-owned). Also, some of its subsidiaries lease the premises occupied by their Head Offices and most of their branches. The lease contracts are for periods ranging from 1 to 25 years and are renewable at the Group's option under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5%-10%. As of December 31, 2005 and 2004, the Group had no contingent rent payable.

Rent expense charged to current operations (included in Occupancy and Equipment-related Expenses) amounted to ₱723.2 million and ₱778.4 million in 2005 and 2004, respectively, for the Group and ₱452.0 million and ₱473.3 million in 2005 and 2004, respectively, for the Parent Company.

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

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Within one year	**₱412,113**	₱500,735	**₱225,360**	₱222,119
After one year but not more than five years	**1,248,942**	1,230,674	**651,330**	627,693
After more than five years	**818,533**	842,102	**562,226**	542,773
	₱2,479,588	₱2,573,511	**₱1,438,916**	₱1,392,585

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's surplus office and ROPA. These non-cancelable leases have remaining non-cancelable lease terms between 1 and 20 years.

Rent income of the Parent Company amounting to P141.4 million and P154.6 million in 2005 and 2004, respectively, is included in Leasing Income in the statements of income.

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

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Within one year	**₱117,732**	₱124,519	**₱99,636**	₱110,408
After one year but not more than five years	**188,786**	133,459	**181,073**	117,490
After more than five years	**17,449**	21,347	**17,449**	21,347
	₱323,967	₱279,325	**₱298,158**	₱249,245

22. Miscellaneous Income/Expenses

Miscellaneous income of the Group includes:

a) as discussed in Note 19, net losses of ARC amounted to ₱0.4 billion and ₱1.4 billion as of December 31, 2005 and 2004, respectively.

b) miscellaneous income of the Bank's Trust Banking Group amounting to ₱219.2 million in 2005 and ₱236.6 million in 2004, respectively.

c) income amounting to ₱186.6 million in 2004 arising from the resolution of a court case with a local bank.

d) interest and penalties amounting to ₱75.0 million in 2004 as remuneration for the breach of contract between GBHI and a local company.

Miscellaneous expenses consist of:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Litigation	**₱913,285**	₱661,244	**₱579,079**	₱591,042
Insurance	**861,414**	812,821	**729,071**	728,576
Security, messengerial and janitorial	**788,977**	744,119	**623,944**	599,055
Information technology	**561,526**	394,829	**489,405**	426,066
Advertising	**254,292**	117,266	**49,229**	52,875
Supervision fees	**241,414**	214,438	**209,606**	199,336
Communication	**230,804**	254,121	**104,549**	150,790
Stationery and supplies used	**211,384**	199,928	**118,042**	145,223
Transportation and travel	**188,815**	173,312	**128,228**	118,872
Entertainment, amusement and recreation (EAR) (Note 23)	**131,110**	116,655	**104,881**	96,413
Management and professional fees	**223,313**	454,204	**313,799**	346,531
Miscellaneous	**1,280,907**	815,026	**733,457**	459,111
	₱5,887,241	₱4,957,963	**₱4,183,290**	₱3,913,890

23. 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 statements 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 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 rate was 32% until October 31, 2005 and 35% starting November 1, 2005. Interest allowed as a deductible expense is reduced by an amount equivalent to 38% (until October 31, 2005) and 42% (starting November 1, 2005) of interest income subjected to final tax.

Republic Act (RA) No. 9337, An Act Amending National Internal Revenue Code, provides that effective July 1, 2005, the regular corporate income tax rate shall be 35% until December 31, 2008. Starting January 1, 2009, the regular corporate income tax rate shall be 30%. However, such amendment was the subject of a restraining order by the Supreme Court. On October 28, 2005, the Supreme Court lifted the restraining order and ruled that the amendment was in effect starting November 1, 2005.

Current tax regulation also provides for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company and some of its subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1% of net revenue. The regulations also provide for MCIT of 2% on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Group's income tax liability and taxable income, respectively, over a three-year period from the year of inception.

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 7.50%. 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.

The provision for income tax consists of:

	Group		Parent Company	
	2005	2004 (As restated)	2005	2004 (As restated)
	(In Thousands)			
Current:				
Final tax	**₱727,098**	₱1,076,449	**₱453,460**	₱903,298
Regular corporate income tax*	**451,448**	444,318	**148,367**	103,540
MCIT	**238,585**	172,070	**202,141**	140,331
	1,417,131	1,692,837	**803,968**	1,147,169
Deferred	**549,734**	(448,203)	**857,155**	(544,574)
	₱1,966,865	₱1,244,634	**₱1,661,123**	₱602,595

* Includes income taxes of foreign subsidiaries.

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

	Group		Parent Company	
	2005	2004 (As restated)	2005	2004 (As restated)
	(In Thousands)			
Deferred tax asset on:				
Allowance for impairment losses	**₱2,547,176**	₱3,473,087	**₱1,761,122**	₱3,043,866
NOLCO	**1,850,463**	1,121,587	**1,298,513**	1,027,165
Accumulated depreciation of investment properties	**847,575**	1,010,166	**771,351**	941,248
Unamortized past service cost	**552,397**	202,378	**505,158**	196,864
Accrued retirement liability	**106,388**	496,836	**17,940**	417,386
Accrued expenses	**80,197**	245,877	**60,043**	204,700
Unearned rental income	**3,982**	11,344	**7,657**	(3,880)
Others	**15,651**	(34,340)	**15,652**	–
MCIT	**24,608**	284,012	**–**	241,599
	6,028,437	6,810,947	**4,437,436**	6,068,948
Deferred tax liability on:				
Unrealized gain on initial measurement of investment properties	**1,033,715**	1,033,885	**828,962**	857,723
Unrealized gain on AFS investments	**313,028**	–	**313,028**	–
Unrealized foreign exchange gains (losses) - net	**214,967**	(24,614)	**171,092**	(24,614)
Unrealized market gains (losses) - net	**16,241**	(13,321)	**16,241**	(13,741)
Prepaid retirement	**3,458**	3,041	**–**	–
	1,581,409	998,991	**1,329,323**	819,368
Net deferred tax assets (Note 13)	**₱4,447,028**	₱5,811,956	**₱3,108,113**	₱5,249,580
Deferred tax liabilities on leasing income differential between finance and operating lease method (Note 19)	**₱128,358**	₱124,257	**₱–**	₱–

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

	Group		Parent Company	
	2005	2004	2005	2004
	(In Thousands)			
Allowance for probable losses	**₱14,125,685**	₱12,797,279	**₱13,500,583**	₱12,292,244
Accumulated depreciation	**364,388**	72,870	**–**	–
MCIT	**262,641**	117,571	**241,559**	73,109
NOLCO	**64,852**	1,335,469	**–**	1,293,534
Others	**46,815**	41,975	**–**	–
	₱14,864,381	₱14,365,164	**₱13,742,142**	₱13,658,887

The Group believes that it is not reasonably probable that these temporary differences will be realized in the future (see Note 3).

There are no income tax consequences attaching to the payment of dividends by the Group to the shareholders of the Group.

Details of the Parent Company's NOLCO follow (in thousands):

Inception Year	**Amount**	Used/Expired	**Balance**	Expiry Year
2002	**₱3,257,536**	₱3,257,536	**₱–**	2005
2003	**1,114,736**	–	**1,114,736**	2006
2005	**2,595,300**	–	**2,595,300**	2008
	₱6,967,572	₱3,257,536	**₱3,710,036**	

Details of the Parent Company's MCIT follow (in thousands):

Inception Year	**Amount**	Used/Expired	**Balance**	Expiry Year
2002	**₱73,109**	₱73,109	**₱–**	2005
2003	**101,228**	–	**101,228**	2006
2004	**140,157**	–	**140,157**	2007
2005	**203,043**	–	**203,043**	2008
	₱517,537	₱73,109	**₱444,428**	

A reconciliation of the statutory income tax rate to effective income tax rate follows:

	Group		**Parent Company**	
	2005	2004 (As restated)	**2005**	2004 (As restated)
Statutory income tax rate	**32.50%**	32.00%	**32.50%**	32.00%
Tax effect of:				
Tax-paid and tax-exempt income	**(19.44)**	(16.96)	**(17.41)**	(33.74)
Nondeductible interest expense	**1.85**	8.32	**9.60**	8.23
FCDU income	**(2.41)**	(7.33)	**(12.45)**	(11.02)
Nonrecognition of deferred tax asset	**16.28**	0.50	**17.86**	12.75
Others - net	**2.73**	4.74	**(2.35)**	4.07
Effective income tax rate	**31.51%**	21.27%	**27.75%**	12.29%

24. Common Stock

This account consists of:

	2005	2004
	(In Thousands, except par value and number of shares)	
Common stock - ₱20 par value		
Authorized - 2,500,000,000 shares		
Issued - 1,633,650,950 shares	**₱32,673,019**	₱32,673,019

There was no issuance of shares in 2005 and 2004.

Details of the Parent Company's dividend distribution follow:

	Dividend				
Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record date	Payment date
April 24, 2002	₱0.40	₱653,460,380	December 10, 2003	December 30, 2003	January 9, 2004
December 15, 2003	₱0.40	₱653,460,380	January 12, 2004	January 30, 2004	February 12, 2004
April 28, 2004	₱0.40	₱653,460,380	May 20, 2004	June 10, 2004	June 22, 2004
November 25, 2004	₱0.40	₱653,460,380	January 7, 2005	February 3, 2005	February 14, 2005
April 11, 2005	₱0.60	₱980,190,570	May 5, 2005	May 24, 2005	May 31, 2005
October 19, 2005	₱0.40	₱653,460,380	November 16, 2005	December 8, 2005	December 12, 2005

On March 3, 2005, the Parent Company's BOD approved the issuance of up to a maximum of 350,000,000 shares out of the authorized but unissued capital stock of the Parent Company at the issue price to be determined by the President based on a 0% to 10% discount to either the closing price on the trading day preceding the pricing date or the weighted average price of the shares in the last 10 trading days preceding the pricing date. On March 7, 2005, the BSP approved the said issuance.

On September 29, 2005, PSBank declared a ₱0.15 per share regular dividend and a ₱1.20 per share special dividend which were both approved by the BSP on December 2, 2005. On December 10, 2005, SMBC declared a ₱5.0 per share dividend which was approved by the BSP on December 16, 2005. In January 2006, the Parent Company received its share of such dividends amounting to ₱179.9 million and ₱9.0 million from PSBank and SMBC, respectively.

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 net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies, which differ from Philippine GAAP in some respects.

Specifically under existing BSP regulations, the combined capital accounts of the Parent Company should not be less than an amount equal to ten percent (10%) of its risk assets. Risk assets consist of total resources less cash on hand, due from BSP, loans covered by holdout 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 17.11% and 17.24% (as restated) as of December 31, 2005 and 2004, respectively, while that of the Parent Company was 12.32% and 12.95% (as restated), respectively.

25. Surplus Reserves

This account consists of:

	2005	2004
	(In Thousands)	
Reserve for trust business	**₱313,364**	₱252,214
Reserve for self-insurance	**203,815**	182,315
	₱517,179	₱434,529

In compliance with existing BSP regulations, 10% of the Parent Company's income from trust business is appropriated to surplus reserves. This yearly appropriation is required until the surplus reserve for trust business equals 20% of the Parent Company's regulatory net worth.

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

26. Retirement Plan and Other Employee Benefits

The Group and most of its subsidiaries have funded noncontributory retirement plan covering all their respective permanent and full-time employees. Retirement expense (included in Compensation and Fringe Benefits in the statement of income) in 2005 and 2004 amounted to ₱416.7 million and ₱423.5 million, respectively, for the Group and ₱363.0 million and ₱362.5 million, respectively, for the Parent Company.

As of December 31, 2005 and 2004, retirement liability amounted to ₱393.2 million and ₱1.6 billion, respectively, for the Group and ₱51.3 million and ₱1.3 billion, respectively for the Parent Company.

The principal actuarial assumptions used in determining retirement liability of the Parent Company as of January 1, 2005 and 2004 are shown below:

	2005	2004
Discount rate	**14.09%**	12.05%
Expected rate of return on assets	**6.00%**	6.45%
Future salary increases	**6.00%**	3.00%

Actuarial valuation of the Parent Company is generally made every two years.

The amounts recognized in the Parent Company's statement of condition as of December 31, 2005 and 2004 are as follows (in thousands):

	2005	2004
Present value of the obligation	**₱2,078,206**	₱2,073,731
Fair value of plan assets	**2,455,862**	1,028,810
Present value of unfunded obligation	**(377,656)**	1,044,921
Unrecognized actuarial gains	**428,914**	259,411
Net pension liability	**₱51,258**	₱1,304,332

The amounts included in Compensation and fringe benefits in the Parent Company's statement of income in 2005 and 2004 follow (in thousands):

	2005	2004
Current service cost	**₱135,006**	₱135,006
Interest cost	**292,189**	283,949
Expected return on plan assets	**(61,729)**	(56,496)
Net actuarial gains recognized during the year	**(2,502)**	–
	₱362,964	₱362,459

The actual return on the plan assets of the Parent Company amounted to a loss of P95.8 million and a gain of P56.6 million in 2005 and in 2004, respectively.

The movements in the retirement liability as of December 31, 2005 and 2004 recognized in the Parent Company's statements of condition follow (in thousands):

	2005	2004
Balance at beginning of year	**₱1,304,332**	₱1,480,519
Retirement expense	**362,965**	362,459
Contribution paid	**(1,616,039)**	(538,646)
Balance at end of year	**₱51,258**	₱1,304,332

In addition, the Parent Company has a Provident Plan which is a supplementary contributory retirement plan to and forms part of the main plan, the Retirement Plan, for the exclusive benefit of eligible employees of the Parent Company in the Philippines. Based on the provisions of the plan, upon retirement or resignation, a member shall be entitled to receive as retirement or resignation benefits 100% of the accumulated value of his personal contribution plus a percentage of the accumulated value arising from the Parent Company's contributions for him in accordance with the completed number of years serviced. The Parent Company's contribution to the Provident Fund in 2005 and 2004 amounted to ₱82.5 million and ₱82.2 million, respectively.

The retirement fund of the Parent Company's employees amounting to ₱2.5 billion is being managed by the Parent Company's Trust Banking Group.

Directors' fees and bonus in 2005 and 2004 amounted to ₱33.8 million and ₱50.5 million, respectively. On the other hand, officers' compensation and benefits aggregated to ₱2.0 billion and ₱1.8 billion in 2005 and 2004, respectively.

27. Related Party Transactions

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 lending company within the Group. In the aggregate, loans to DOSRI generally should not exceed the respective total capital funds or 15% of total loan portfolio, whichever is lower, of the Parent Company, PSBank, and FMIC.

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 guarantees classified as DOSRI accounts under regulations existing prior to said circular, and new DOSRI loans, other credit accommodations granted under said circular (amounts in thousands) as of December 31, 2005 and 2004:

	Group		Parent Company	
	2005	2004	**2005**	2004
Total outstanding DOSRI accounts	**₱13,128,082**	₱14,460,509	**₱11,636,963**	₱12,400,067
Percent of DOSRI accounts granted prior to effectivity of BSP Circular No. 423 to total loans	**4.76%**	5.35%	**5.06%**	5.30%
Percent of DOSRI accounts granted after effectivity of BSP Circular No. 423 to total loans	**0.04%**	0.05%	**0.04%**	0.06%
Percent of DOSRI accounts to total loans	**4.80%**	5.40%	**5.10%**	5.36%
Percent of unsecured DOSRI accounts to total DOSRI accounts	**10.80%**	12.80%	**9.22%**	11.41%
Percent of past due DOSRI accounts to total DOSRI accounts	**0.01%**	–	**0.01%**	–
Percent of nonaccruing DOSRI accounts to total DOSRI accounts	**0.01%**	–	**0.01%**	–

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) as of December 31, 2004:

	Group	Parent Company
Total outstanding non-DOSRI accounts granted prior to BSP Circular No. 423	₱4,535,852	₱4,535,852
Percent of unsecured non-DOSRI accounts granted prior to BSP Circular No. 423 to total loans	1.66%	1.99%
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	–	–

Total interest income on the DOSRI loans amounted to ₱1.0 billion in 2005 and 2004, for the Group and ₱815.2 million and ₱916.6 million in 2005 and 2004, respectively, for the Parent Company.

Deposit liabilities to associates and other related parties amounted ₱11.2 billion and ₱1.9 billion as of December 31, 2005 and 2004, respectively. Related interest expense amounted to ₱40.4 million in 2005 and ₱8.8 million in 2004.

The Group also leases the premises occupied by some of their Head Offices and many of their branches from certain investees which own such premises. Other related party transactions conducted in the normal course of business include outright purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances.

The compensation of the key management personnel of the Parent Company follows:

	2005	2004
Short-term employee benefits	**₱1,891,822**	₱1,732,242
Post employment benefits	**91,033**	74,290
	₱1,982,855	₱1,806,532

28. Trust Operations

Properties held by the Parent Company and certain subsidiaries in fiduciary or agency capacity for their customers are not included in the accompanying statements of condition since these are not resources of the Parent Company and its subsidiaries (see Note 29).

In compliance with current banking regulations relative to the Parent Company and a certain subsidiary's trust functions, government securities with a total face value of ₱1.5 billion and ₱1.4 billion as of December 31, 2005 and 2004, respectively, are deposited with the BSP.

29. Commitments and Contingent Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities, such as guarantees, commitments to extend credit, forward exchange contracts, interest rate swaps and similar arrangements which are not reflected in the accompanying financial statements. No material losses are anticipated as a result of these transactions.

The following is a summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items as of December 31, 2005 and 2004:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Trust Banking Group accounts (Note 28)	**₱156,115,974**	₱147,798,167	**₱155,950,371**	₱147,218,395
Unused commercial letters of credit	**10,471,992**	11,444,440	**10,353,839**	11,366,459
Late deposits/payments received	**1,722,080**	1,815,912	**1,591,717**	1,714,924
Spot exchange bought	**1,073,784**	1,374,630	**1,073,784**	1,374,630
Spot exchange sold	**439,363**	1,350,426	**439,363**	1,350,426
Outward bills for collection	**1,050,607**	1,297,024	**1,008,588**	1,112,444
Confirmed export letters of credits	**278,517**	1,242,935	**264,598**	1,237,940
Inward bills for collection	**804,916**	1,133,982	**796,798**	1,133,982
Outstanding guarantees	**455,456**	1,078,748	**455,456**	1,078,748
Outstanding shipside bonds/airway bills	**294,866**	423,631	**294,866**	423,631
Traveller's check unsold	**219,704**	250,075	**219,704**	250,075
Others	**3,931,163**	2,069,447	**3,931,027**	2,068,221

The Parent Company, PSBank and FMIC have received tax assessments from the Bureau of Internal Revenue (BIR) on two industry issues. Management and tax counsels believe that they have a valid defense against such claims.

Several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the financial statements.

30. Financial Performance

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows:

		Group		Parent Company	
		2005	2004	**2005**	2004
a.	Net income attributable to equity holdings of the Parent Company (in thousands)	**₱3,786,629**	₱4,084,344	**₱4,325,338**	₱4,302,038
b.	Weighted average number of outstanding common shares of the Parent Company (in thousands)	**1,633,651**	1,633,651	**1,633,651**	1,633,651
c.	Basic earnings per share (a/b)	**₱2.32**	₱2.50	**₱2.65**	₱2.63

As of December 31, 2005 and 2004, there were no shares of stock that had a dilutive effect on the basic earnings per share of the Parent Company.

The following basic ratios measure the financial performance of the Parent Company:

	2005	2004
Return on average capital funds	**9.36%**	9.50%
Return on average assets	**0.84**	0.88
Net interest margin on average earning assets	**5.17**	3.97

31. Notes to Statements of Cash Flows

The amounts of interbank loans receivable and securities purchased under agreements to resell considered as cash and cash equivalents follow:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Interbank loans receivable and securities purchased under agreements to resell	**₱58,320,720**	₱37,094,134	**₱56,269,990**	₱35,312,134
Interbank loans receivable and securities purchased under agreements to resell not considered as cash and cash equivalents	**(35,841,649)**	(25,870,773)	**(35,841,649)**	(25,870,773)
	₱22,479,071	₱11,223,361	**₱20,428,341**	₱9,441,361

The following table present supplemental cash flow disclosure on interest:

	Group		Parent Company	
	2005	2004	**2005**	2004
	(In Thousands)			
Interest received	**₱35,902,653**	₱30,972,406	**₱27,055,722**	₱18,290,421
Interest paid	**15,725,472**	18,723,747	**12,495,463**	15,210,591

32. Subsequent Events

On January 27, 2006, PSBank issued ₱2.0 billion, 10.00% unsecured subordinated notes due in 2016. Such issuance was approved by the BOD of PSBank and the BSP on September 29, 2005 and December 28, 2005, respectively.

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

a. issue price at 100.00% of the principal amount;
b. bear interest at 10.00% per annum from and including January 27, 2006 but excluding January 27, 2011 which is payable quarterly in arrears every 27th of January, April, July and October of each year, commencing April 27, 2006;
c. constitute direct, unconditional, and unsecured obligations of PSBank and claim in respect of such subordinated notes shall be at all times pari passu and without any preference among themselves; and
d. subject to satisfaction of certain regulatory approval requirements, PSBank may redeem all and not less than the entire outstanding subordinated note, at a redemption price equal to the face value together with accrued and unpaid interest based on the interest rate.

In addition, on February 6, 2006, the BOD of PSBank approved the offering for subscription of 22,437,690 common shares (offer shares) of PSBank with a par value of ₱10.00 at an exercise price of ₱33.50 per share, by way of pre-emptive rights offering to existing shareholders of PSBank at the proportion of one (1) right share for every eight (8) existing common shares. The offer shares will come from the unissued authorized capital stock of PSBank. Any offer shares that may be left unsubscribed by the existing shareholders entitled to such offer shares, after the second round of offering, shall be purchased at the same price by the Parent Company.

On February 15, 2006, the Parent Company received the proceeds from the issuance of Hybrid Tier 1 (HT1) Capital Securities amounting to US$123.1 million, net of fee and other charges. Net proceeds will be used to strengthen the capital base of the Group and for working capital purposes of the Parent Company. The issuance of HT1 Capital Securities was approved by the Parent Company's BOD on December 9, 2005.

The HT1 Capital Securities represent US$125.0 million, 9.00% non-cumulative step-up callable perpetual capital securities issued pursuant to a trust deed dated 15 February 2006 between the Parent Company and The Bank of New York (Trustee) with a liquidation preference of US$100,000 per capital security. The Parent Company has received approval in-principle from the Singapore Exchange Securities Trading Limited (SGX-ST) for the listing and quotation of the HT1 Capital Securities on the SGX-ST in a minimum board lot size of US$200,000. Further, the HT1 Capital Securities are governed by the English law except on certain clauses in the Trust Deed which are governed by the Philippine law. The BSP has approved up to US$125.0 million issuance of the HT1 Capital Securities which are eligible to qualify as Tier 1 capital of the Parent Company subject to the limitation based on BSP Circular No. 503 issued on December 22, 2005.

Basic features of the HT1 Capital Securities follow:

- Coupons - bear interest at 9.00% per annum payable semi-annually in arrear from (and including) 15 February 2006 to (but excluding) 15 February 2016, and thereafter at a rate, reset and payable quarterly in arrear, of 6.14% per annum above the then prevailing London interbank offered rate for three-month U.S. dollar deposits. Under certain conditions specified in the terms of the issuance, the Parent Company is not obliged to make any coupon payment if the BOD of the Parent Company, in its absolute discretion, elects not to make any coupon payment in whole or in part.

- Coupon Payment Dates - payable on 15 February and 15 August in each year, commencing on 15 August 2006 (in respect of the period from (and including) 15 February 2006 to (but excluding) 15 August 2006) and ending on 15 February 2016 (first optional redemption date); thereafter coupon amounts will be payable (subject to adjustment for days which are not business days) on 15 February, 15 May, 15 August and 15 November in each year commencing on 15 May 2016.

- Dividend and Capital Stopper - in the event that any coupon payment is not made, the Parent Company: (a) will not declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on any junior share capital or any parity securities; or (b) will not redeem, purchase, cancel, reduce or otherwise acquire any junior share capital or any parity securities. Such dividend and capital stopper shall remain in force so as to prevent the Parent Company from undertaking any such declaration, payment or other activity unless and until a payment is made to the holders in an amount equal to the unpaid amount, if any, of coupon payments in respect of coupon periods in the 12 months including and immediately preceding the date such coupon payment was due, and the BSP does not otherwise object.

- Redemption
  - the HTI Capital Securities may be redeemed at the option of the Parent Company (but not the holders) under optional redemption, tax event call, and regulatory event call, subject to limitation as discussed in the offering circular.
  - the HTI Capital Securities may not be redeemed (i) for so long as the dividend and capital stopper is in force; and (ii) without the prior written approval of the BSP which, as of February 8, 2006, is subject to the following conditions: (a) the Parent Company's capital adequacy must be at least equal to the minimum capital ratio required by the BSP; and (b) the HTI Capital Securities are simultaneously replaced with the issue of new capital which is neither smaller in size nor lower in quality than the original issue.

In addition, the HT1 Capital Securities are unsecured securities and are subordinated to the claims of senior creditors. In the event of the dissolution or winding-up of the Parent Company, holders will be entitled, subject to satisfaction of certain conditions and applicable law, to receive a liquidation distribution equivalent to the liquidation preference. Also, these securities are not deposits of the Parent Company and are not guaranteed or insured by the Parent Company or any of its related parties or the Philippine Deposit Insurance Corporation and these may not be used as collateral for any loan made by the Parent Company or any of its subsidiaries or affiliates.

The Parent Company or any of its subsidiaries may not at any time purchase HTI Capital Securities except as permitted under optional redemption, tax event call, and regulatory event call as described in the terms of issuance.

The HTI Capital Securities are sold to non-U.S. persons outside the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended, and are represented by a global certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream.

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33. Other Matters

The Group has no significant matters to report on the following:

a. Explanatory comments about the seasonality or cyclicality of interim operations;
b. Unusual items as to nature, size or incidents affecting resources, liabilities, equity, net income or cash flows;
c. Issuances, repurchases and repayments of debt and equity securities except for those matters discussed in Note 32;
d. Effect of changes in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations, except for the disposition by the Parent Company of its 41.12% equity share in IBC as discussed in Note 11.

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34. Approval of the Release of the Financial Statements

The accompanying financial statements of the Group and of the Parent Company were authorized for issue by the BOD on March 29, 2006.

Report of Independent Auditors

The Stockholders and the Board of Directors
Metropolitan Bank & Trust Company
Metrobank Plaza, Sen. Gil J. Puyat Avenue
Makati City

We have audited the accompanying statements of condition of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company) as of December 31, 2005 and 2004, and the related statements of income, changes in capital funds and cash flows for the years then ended. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not examine the financial statements of certain subsidiaries as of and for the years ended December 31, 2005 and 2004, which are consolidated in the accompanying Group financial statements and reflected in the Parent Company financial statements using the cost method of accounting. Total assets and total liabilities of these subsidiaries included in the accompanying Group financial statements amounted to ₱8.0 billion and ₱3.7 billion, respectively, as of December 31, 2005 and ₱5.9 billion and ₱1.9 billion, respectively, as of December 31, 2004. Gross income and total expenses amounted to ₱1.1 billion and ₱0.6 billion, respectively, in 2005 and ₱0.8 billion and ₱0.3 billion, respectively, in 2004. In the accompanying Parent Company financial statements, the investments in these subsidiaries are carried at cost amounting to ₱354.2 million and ₱224.8 million as of December 31, 2005 and 2004, respectively. The financial statements of these subsidiaries were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to these amounts included for these subsidiaries, is based solely on the reports of the other auditors whose opinions are unqualified.

We conducted our audits in accordance with auditing standards generally accepted in the Philippines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Group and of the Parent Company as of December 31, 2005 and 2004, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the Philippines.

SYCIP GORRES VELAYO & CO.

Renato J. Galve
Partner
CPA Certificate No. 37759
SEC Accreditation No. 0081-A
Tax Identification No. 102-087-055
PTR No. 4180840, January 2, 2006, Makati City

March 29, 2006

Statement of Management's Responsibility for Financial Statements

March 29, 2006

The management of **Metropolitan Bank & Trust Company** (the Bank) is responsible for all information and representations contained in the financial statements as of December 31, 2005 and 2004 and for the years then ended. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflects amounts that are based on the best estimates and informed judgement 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 Bank's audit committee and to its external auditor: (i) all significant deficiencies in the design and 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 Board of Directors reviews 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 Board of Directors, has examined the financial statements of the Bank 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 stockholders and the Board of Directors.

Signed under oath by the following:

GEORGE S.K. TY
Chairman

ANTONIO S. ABACAN, JR.
President

JOSHUA E. NAING
Senior Vice President/ Controller

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

SUBSCRIBED AND SWORN to before me on March 31, 2006, affiants exhibiting to me their respective Community Tax Certiicates, as follows:

Names	Community Tax Certificate Numbers	Date of Issue	Place of Issue
METROPOLITAN BANK & TRUST COMPANY	00120071	January 2, 2006	Makati City
GEORGE S.K. TY	20527239	January 27, 2006	Makati City
ANTONIO S. ABACAN, JR.	24830120	January 20, 2006	Makati City
JOSHUA E. NAING	23871726	January 28, 2006	Taytay, Rizal

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Series of 2006

CYNTHIA G. RUIZ - Notary Public
Until December 31, 2006
PTR No. 9446748C/01-13-05/ Makati City

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George S. K. Ty
Chairman, Board of Directors

Washington SyCip
Chairman, Board of Advisers

Placido L. Mapa, Jr.
Vice Chairman

Arthur V. Ty
Vice Chairman

Antonio S. Abacan, Jr.
Director/President

Francisco C. Sebastian
Director

Remedios L. Macalincag
Director

Renato C. Valencia
Director

Gabriel C. Chua
Director

Henry M. Sun
Director

Valentin A. Araneta
Director

Vy Tonne So
Director

Antonio V. Viray
Director/Assistant Corporate Secretary

Alfred V. Ty
Corporate Secretary

George S.K. Ty
Chairman, Board of Directors
Chairman, Metrobank Foundation, Inc.
Chairman, Toyota Motor Philippines Corporation

Washington SyCip
Chairman, Board of Advisers

Placido L. Mapa, Jr.
Vice Chairman
Former President, Bankers Association of the Philippines
Chairman, Parents for Education Foundation
Chairman, Board of Trustees, University of Asia and the Pacific

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Vice Chairman
Director, Metrobank Card Corporation
Vice Chairman, Philippine Savings Bank

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Director/President
Chairman, First Metro Investment Corporation
Chairman, Toyota Financial Services (Philippines), Inc.

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President, First Metro Investment Corporation

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Former President, Development Bank of the Philippines

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Former President, Social Security System

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President, Solid State Multi Products Corporation

Henry M. Sun
Director
Chairman, Toyota Manila Bay Corporation

Valentin A. Araneta
Director
Former President, Rizal Commercial Banking Corporation

Vy Tonne So
Director
Chairman/Acting President, Philippine Charter Insurance Corporation
Chairman, Federal Land, Inc.

Antonio V. Viray
Director/Assistant Corporate Secretary
Chairman, Panay Power Corporation
Chairman, Toledo Power Company

Alfred V. Ty
Corporate Secretary
President, Federal Land, Inc.
Vice Chairman, Toyota Motor Philippines Corporation

Board of Advisers

Seated from left: Ricardo V. Puno, Jr., Roberto F. De Ocampo, Washington SyCip, Hon. Jesli A. Lapus
Standing from left: Edmund A. Go, Tan Tian Siong, Pascual M. Garcia III, Angelito M. Villanueva, Cornelio C. Gison , James Go

Washington SyCip
Chairman, Board of Advisers
Founder, The SGV Group

Hon. Jesli A. Lapus
Congressman, 3rd District, Tarlac
Former President, Land Bank of the Philippines

James Go
Chairman, Toyota Cubao, Inc.
Vice Chairman, Metrobank Foundation, Inc.

Pascual M. Garcia III
Director/President, Philippine Savings Bank
Director, Metrobank Card Corporation

Edmund A. Go
Chairman, ORIX Metro Leasing and Finance Corporation
Director, First Metro International Investment Co., Ltd., Hong Kong

Roberto F. De Ocampo
President, Asian Institute of Management
Former Secretary, Department of Finance

Ricardo V. Puno, Jr.
Senior Partner, Puno & Puno Law Offices
President, Philslife Foundation, Inc.
Vice Chairman, Guagua National College
Anchor, Insider (ABS-CBN)

Tan Tian Siong
President, Nation Paper Products & Printing Corporation

Cornelio C. Gison
Former Undersecretary, Department of Finance

Angelito M. Villanueva
Chairman/Director, BancNet, Inc.
Director, Philippine Clearing House Corporation
Director, Toyota Motor Philippines Corporation
Executive Director, First Metro International Investment Co., Ltd., Hong Kong

Principal Officers

Seated from left: Henry M. Sun and Angelito M. Villanueva
Standing: Edmund A. Go

Seated from left: Josefina E. Sulit, Fabian S. Dee
Standing: Aniceto M. Sobrepeña, Melinda C. Ching, Patricio O. Go, Kenichi Katakura

President
Antonio S. Abacan, Jr.

Senior Executive Vice Presidents
Edmund A. Go
Henry M. Sun
Angelito M. Villanueva

Executive Vice Presidents
Melinda C. Ching
Fabian S. Dee
Patricio O. Go
Kenichi Katakura
Aniceto M. Sobrepeña
Josefina E. Sulit

Senior Vice Presidents
Carmelita R. Araneta
Jose M. Chan, Jr.
Fermin T. Chio
Angelica S. Hernandez
Edgardo M. Herrera
Eligio C. Labog, Jr.
Bernardito M. Lapuz
Benedicto C. Legaspi, Jr.
Reynaldo H. Liao
Cesar L. Lugtu
Edgardo C. Marquez
Joshua E. Naing
Dennis G. Suico
Vivian L. Tiu
Amelin S. Yao

First Vice Presidents
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Rafael G. Ayuste, Jr.
Reynante S. Banico
Mauricio M. Chiong
Antonio P. Chua
Helen U. Fargas
Domingo C. Go
Alex C. Lim
Alfredo D. Lim
Irene L. Lim
Alfred V. Madrid
Yuji Mikoshiba
Corazon Ma. Therese B. Nepomuceno
Masato Nomura
Rowena R. Oliveros
Dennis C. Qua
William Y. Rasines
Teodosio C. Sangil, Jr.
Rosendo G. Sia
Lucia C. Tiu
Josefina T. Tuplano
Adrian Francisco A. Villanueva

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Milagros S. Alegre
Rainelda A. Andrews
L. Paula B. Arjonillo
Maria Antonia N. Bacabac
Luz I. Blanco
Jose A. Camello
Jovencio R. Capulong
Josephine G. Cervero
Rosalie W. Chu
Mary Beck C. Dy
Edgar G. Esguerra
Antonio T. Gianan
Emmeline D. Go
Oscar Manuel C. Guerrero, Jr.
Sophia Huang
Ava Marie T. Ignacio
Jocelyn Y. Kho
Moriji Matsuda
Quintin T. Medrano, Jr.
Romulo P. Ney
Angel O. Pagaspas
Avmir D. Pangilinan
Maritess D. Rivera
Carmen S. Santos
Mary W. Sy
Amelia V. Teneza
Bernardo H. Tocmo
Leopoldo M. Ubaldo
Rogelio T. Uy
Josephine Kee Hong S. Yap
Yong Tong
Allan S. Yu

Principal Officers

Seated from left: Fermin T. Chio, Amelin S. Yao, Bernardito M. Lapuz
Standing from left: Carmelita R. Araneta, Reynaldo H. Liao, Benedicto C. Legaspi, Jr., Edgardo C. Marquez

Seated from left: Joshua E. Naing, Vivian L. Tiu, Eligio C. Labog
Standing from left: Angelica S. Hernandez, Jose M. Chan, Jr., Cesar L. Lugtu, Dennis G. Suico, Edgardo M. Herrera

Assistant Vice Presidents
Mary Jacqueline H. Almeda
Alfredo F. Amahan
Robert Y. Ang
Victorino M. Arejola
Alex F. Arnaldo
Ivan S. Atmaja
Alfredo L. Ayson
Adorable M. Batac
Elaida A. Bellon
Adelo C. Brabante
Alicia A. Castro
Gabriel N. Cayanan
Senen A. Celino
Valentino C. Chang
Antonietta O. Chua
Reynaldo C. Cortez
Teresita Q. Cortez
Ma. Yolanda C. Crisanto
Godofredo V. Cruz
Antonio C. Danao
Alfredo P. Dayrit
Crisostomo P. De Guzman
Marie Joan J. De Jesus
Pocholo V. De la Peña
Justina Ma. Teresita M. De Santos
Barry Jay M. Del Rosario
Teresita L. Dy
Ma. Theresa A. Fajardo
Herman Rufino S. Felipe
Rene L. Francisco
Fatima P. Gamboa
Rodolfo I. Garganera
Emmanuel C. Geronimo
Lelany O. Goyenechea
Edgar Allan P. Guerrero
Leonides V. Guevarra
Melizza Doris L. Guiao
Milagros L. Gumban
Richard L. Haosen
Vicente F. Jandayan
Reynaldo S. Jose
Shirley T. Kho
Flordeliz T. Kwan
Ma. Lorna T. Labitan
Limuel L. Lao
Abelardo V. Laya, Jr.
Alfredo O. Lim
Manolo T. Lugue
Milna L. Madlangbayan
Aristeo S. Maralit
Maximiano D. Marfa, Jr.
Federico T. Mariano
Benedicto F. Mendoza
Rizaldo G. Mercado
Josephine M. Papelera
Mark Anthony B. Perez
Paul Richard P. Regondola
Erlinda V. Reyes
Ma. Sharon G. Reyes
Elmer R. Rivera
Cynthia G. Ruiz
Vicente P. Salazar, Jr.
Mark Anthony H. Salgado
Edmundo L. San Juan
Hae Won Seok
Charles Y. Tan
Lita S. Tan
Maria Gina R. Tan
Elmer R. Tanglao
Lorna Y. Tolentino
Reymundo L. Tolentino
Zandra M. Ty
Rufo C. Venus, Jr.
Maritess A. Veracruz
Rolando V. Villacorte
Ricardo F. Villanueva
Julito R. Vinluan
Marilyn M. Yao

Branch Network

METRO MANILA

HEAD OFFICE CENTER
Metrobank Plaza
Sen. Gil J. Puyat Ave., Makati City
Tel. Nos. 893-6422
812-5292

20TH AVENUE-CUBAO
100 20th Ave.
Cubao, Quezon City
Tel. Nos. 913-1740
913-1744

A. ARNAIZ-SAN LORENZO
908 Arnaiz Ave.
San Lorenzo Village, Makati City
Tel. Nos. 818-2027
818-2093

A. LACSON AVE.-SAMPALOC
1243 A.H. Lacson Ave.
Sampaloc, Manila
Tel. Nos. 711-5689 to 90

A. MACEDA
1174 A. Maceda St.
Sampaloc, Manila
Tel. Nos. 749-3929
749-5689

ACACIA-AYALA ALABANG
Alabang Business Tower
Acacia Ave., Madrigal Business Park
Alabang, Muntinlupa City
Tel. Nos. 809-2662
807-8419

ACACIA LANE-MANDALUYONG
VSK Corporate Circle
2 Acacia Lane corner
Shaw Blvd. & Pinagtipunan Sts.
Mandaluyong City
Tel. Nos. 531-1591
531-1588

ACROPOLIS
E. Rodriguez Ave.
Acropolis, Quezon City
Tel. Nos. 636-0091 to 93

ADB EXTENSION OFFICE
6 ADB Ave. Extension
Ortigas Comm'l. Complex
Mandaluyong City
Tel. Nos. 632-5099
632-4200

ADDITION HILLS
204 Wilson St., San Juan
Tel. Nos. 727-4773
725-8514

ADRIATICO
Rothman Inn Hotel
1633 Adriatico St.
Malate, Manila
Tel. Nos. 526-0223
526-0202

AGUIRRE-SALCEDO
235 Salcedo St.
Legaspi Village, Makati City
Tel. Nos. 812-3743
813-3493

ALABANG
Montillano St.
Alabang, Muntinlupa City
Tel. Nos. 807-2544 to 45

ALFARO
ALPAP-I Bldg., LP Leviste St.
Salcedo Village, Makati City
Tel. Nos. 867-3113
892-6708

ALMANZA-LAS PIÑAS
RR Gonzales Comm'l. Bldg.
467 Alabang-Zapote Rd.
Gonzales Compound
Almanza I, Las Piñas City
Tel. Nos. 806-0473
806-0265

ANDA CIRCLE-PORT AREA
Champ Bldg., Anda Circle
Bonifacio Drive, Port Area, Manila
Tel. Nos. 527-6813 to 14

ANNAPOLIS-GREENHILLS
Annapolis St. corner
La Salle St., San Juan
Tel. Nos. 722-4469
722-8139

ARANETA CENTER
P. Tuazon St. corner 12th Ave.
Cubao, Quezon City
Tel. Nos. 913-3080
911-5813

ARAYAT-CUBAO
Arayat St. corner Pinatubo St.
Cubao, Quezon City
Tel. Nos. 721-7263
721-1955

ARRANQUE CENTER
1344 Soler St.
Sta. Cruz, Manila
Tel. Nos. 733-8501 to 08

ASUNCION
Chinatown Steel Tower
Asuncion St., Binondo, Manila
Tel. Nos. 242-2139
242-4150

AURORA BOULEVARD
Aurora Tower, Aurora Blvd.
corner Aguinaldo St.
Cubao, Quezon City
Tel. Nos. 911-0843
437-4010

AURORA BOULEVARD-ANONAS
Caly Building
986 Aurora Blvd., Quezon City
Tel. Nos. 913-7819
913-6467

AYALA ALABANG
Doña Marta Bldg.
Alabang-Zapote Rd.
Muntinlupa City
Tel. Nos. 807-0408
850-8842

AYALA AVENUE-BANKMER
Bankmer Bldg.
6756 Ayala Ave., Makati City
Tel. Nos. 891-3328
891-3522

AYALA AVENUE-V.A. RUFINO
Rufino Bldg.
6784 Ayala Ave., Makati City
Tel. Nos. 811-0147
811-0134

B.F. HOMES
22 A. Aguirre Ave.
B.F. Homes, Parañaque City
Tel. Nos. 842-5307
842-4766

BACLARAN
Quirino Ave. corner
M. Roxas St., Parañaque City
Tel. Nos. 832-0487
832-5895

BAESA
154 Quirino Highway
Baesa, Quezon City
Tel. Nos. 330-7148
330-7150

BAGBAGUIN-VALENZUELA
Gen. Luis St. corner
G. Molina St., Brgy. Bagbaguin
Valenzuela City
Tel. Nos. 983-8547
443-5904

BALINTAWAK
936 A. Bonifacio Ave.
Balintawak, Quezon City
Tel. Nos. 363-0930 to 31

BAMBANG
1411-1413 G. Masangkay St.
Sta. Cruz, Manila
Tel. Nos. 254-7665
254-7510

BANAWE
11 Banawe St., Quezon City
Tel. Nos. 712-1298
712-1317

BARANGKA-RIVERBANKS
119 A. Bonifacio St.
Barangka, Marikina
Tel. Nos. 997-6634
997-5957

BAYVIEW
Bayview International Tower
Roxas Blvd., Parañaque City
Tel. Nos. 855-7025 to 26

BENAVIDEZ
943-945 Benavidez St.
Sta. Cruz, Manila
Tel. Nos. 245-3592
244-8082

BLUE RIDGE
222 Katipunan Rd.
Blue Ridge, Quezon City
Tel. Nos. 647-1022
647-1016

BLUMENTRITT-STA. CRUZ
Rizal Ave. corner Cavite St.
Sta. Cruz, Manila
Tel. Nos. 732-2134
732-2131

BONI AVENUE
Blk. 39, Boni Ave.
Mandaluyong City
Tel. Nos. 533-0824
532-4876

BONI SERRANO
45 Boni Serrano Ave. corner
Greenview Compound St.
Quezon City
Tel. Nos. 724-0157
725-7235

BONIFACIO-GLOBAL CITY
32nd Ave., 5th St.
Fort Bonifacio, Global City, Taguig
Tel. No. 844-5290

BRIXTON HILL
118 G. Araneta Ave. corner
Palanca St., Quezon City
Tel. Nos. 716-0674
714-1196

BUENDIA-DIAN
Sen. Gil J. Puyat Ave. corner
Dian St., Makati City
Tel. Nos. 845-0359
892-9603

BUSTILLOS-SAMPALOC
443 J. Figueras St.
Sampaloc, Manila
Tel. Nos. 735-5748
734-6378

C-3-A. MABINI
Magsimpan Complex
200 A. Mabini St.
Maypajo, Caloocan City
Tel. Nos. 285-9298 to 99

C.M. RECTO-MENDIOLA
2046-2050 C.M. Recto Ave.
Sampaloc, Manila
Tel. Nos. 735-5556
735-5552

CALOOCAN
315 Rizal Ave. Extension
Grace Park, Caloocan City
Tel. Nos. 361-1301
361-1292

CALUMPANG-MARIKINA
J.P. Rizal St.
Calumpang, Marikina City
Tel. Nos. 681-6611 to 12

CAMARIN ROAD-CALOOCAN
Camarin Rd. corner
Susano Rd., Caloocan City
Tel. Nos. 951-5109
983-1666

CASIMIRO-LAS PIÑAS
Las Piñas Comm'l. Complex
Alabang-Zapote Rd.
Talon, Las Piñas City
Tel. Nos. 874-2072
873-6475

CHINA PLAZA
China Plaza Twin Towers
Ongpin St., Sta. Cruz, Manila
Tel. Nos. 735-2788
735-2471

COMERCIO
New Divisoria Market
Comercio, Manila
Tel. Nos. 242-3412
242-3421

COMMONWEALTH AVENUE
Don Enrique Heights
Commonwealth Ave., Capitol Hills
Diliman, Quezon City
Tel. Nos. 932-6296
931-3365

CONCEPCION-MALABON
Gen. Luna St. corner
Luna II St., Malabon
Tel. Nos. 281-1744
281-7148

CONCEPCION-MARIKINA
15 Bayan-Bayanan Ave.
Concepcion, Marikina City
Tel. Nos. 942-2824 to 25

CONGRESSIONAL AVENUE
141 Congressional Ave.
Proj. 8, Quezon City
Tel. Nos. 925-5048
925-5051

CORINTHIAN PLAZA-MAKATI
Corinthian Plaza
Paseo de Roxas Ave., Makati City
Tel. Nos. 892-1661
811-3209

CUBAO
Aurora Blvd., Cubao
Quezon City
Tel. Nos. 911-0434
911-0432

CULIAT-TANDANG SORA
Royal Midway Plaza
419 Tandang Sora Ave.
Brgy. Culiat, Quezon City
Tel. Nos. 951-9067
951-9082

DAPITAN-BANAWE
Dapitan St. corner
Banawe St., Quezon City
Tel. Nos. 743-7510
743-4781

DASMARIÑAS-T. PINPIN
321 Dasmariñas St. corner
Ugalde St., Binondo, Manila
Tel. Nos. 242-9452 to 53

DEL MONTE
295 Del Monte Ave. corner
G. Roxas St., Brgy. Manresa
Sta. Mesa Heights, Quezon City
Tel. Nos. 363-1103
363-1108

DEL MONTE-TALAYAN VILLAGE
670 Del Monte Ave.
Quezon City
Tel. Nos. 743-0096
743-0174

DELA ROSA-SALCEDO STREET
Kalayaan Bldg., Salcedo St.
corner dela Rosa St.
Legaspi Village, Makati City
Tel. Nos. 894-0362
894-0359

DIVISORIA CENTER
760 Ilaya St.
Binondo, Manila
Tel. Nos. 242-7007
242-9186

DON ANTONIO HEIGHTS
Holy Spirit Drive
Don Antonio Heights, Diliman
Quezon City
Tel. Nos. 932-9935 to 36

DON BOSCO-MAKATI
C.J. Yulo Bldg.
Don Bosco St. corner
Chino Roces Ave., Makati City
Tel. Nos. 892-9371
817-4776

DOÑA SOLEDAD AVENUE-BICUTAN
65 Doña Soledad Ave.
Better Living Subdivision
Parañaque City
Tel. Nos. 823-0925
823-9201

DOWNTOWN CENTER
Tytana Plaza
Plaza Lorenzo Ruiz
Binondo, Manila
Tel. Nos. 242-5801
242-5823

E. RODRIGUEZ
1661 E. Rodriguez Sr. Blvd.
Quezon City
Tel. Nos. 727-1696
448-7372

E. RODRIGUEZ-CORDILLERA
E. Rodriguez Sr. Blvd.
corner Cordillera St.
Quezon City
Tel. Nos. 743-8132
743-8095

EAST SERVICE ROAD-BICUTAN
Bicutan Market, East Service Rd.
Bicutan, Parañaque City
Tel. Nos. 837-1315
837-1317

EASTWOOD CITY
Techno Plaza One Bldg.
118 E. Rodriguez Ave.
Brgy. Bagumbayan, Quezon City
Tel. Nos. 421-2954 to 55

EDSA-CALOOCAN CENTER
487 EDSA near corner
A. De Jesus St., Caloocan City
Tel. Nos. 364-9464
363-2092

EDSA-CONGRESSIONAL
Near corner Congressional Ave.
1194 EDSA, Muñoz, Quezon City
Tel. Nos. 929-6517
924-3962

EDSA-CORINTHIAN
CLMC Bldg., EDSA
Mandaluyong City
Tel. Nos. 722-4894
723-1852

EDSA-CUBAO AURORA
493-495 Aurora Blvd. corner EDSA
Cubao, Quezon City
Tel. Nos. 726-5214
727-1202

EDSA DASMARIÑAS VILLAGE-MAKATI
Petron Makati City Service Station
EDSA corner Pasay Rd., Makati City
Tel. Nos. 845-0265 to 66

EDSA-MAGALLANES
19 EDSA, Bangkal, Makati City
Tel. Nos. 831-6887 to 88

EDSA-MUÑOZ MARKET
1197 EDSA
San Francisco del Monte
Quezon City
Tel. Nos. 371-5934 to 36

EDSA-SHAW
Beside Shangri-la Plaza
Shaw Blvd., Mandaluyong City
Tel. Nos. 634-5380 to 81

EDSA-TRAMO
Highway Master Bldg.
453 EDSA corner Tramo St.
Pasay City
Tel. Nos. 831-6391
833-6545

EL GRANDE-B.F. HOMES
Aguirre Ave. corner Tehran St.
B.F. Homes, Parañaque City
Tel. Nos. 825-1081
825-1127

ERMITA
1149 A. Mabini St. corner
A. Flores St., Ermita, Manila
Tel. Nos. 523-9160
525-8607

ESCOLTA TOWER
Panpisco Bldg.
288 Escolta, Manila
Tel. Nos. 241-5457
241-5464

ESPAÑA
1717 España Blvd. corner
Pepin St., Sampaloc, Manila
Tel. Nos. 731-3784
731-3333

EVANGELISTA-PIO DEL PILAR MAKATI
1847 Evangelista St. corner
Calhoun St., Brgy. Pio del Pilar
Makati City
Tel. Nos. 844-9815 to 16

EVANGELISTA-QUIAPO
675 B. Evangelista St.
Quiapo, Manila
Tel. Nos. 733-2345
733-2348

EXAMINER-QUEZON AVENUE
Ave Maria Bldg.
1517 Quezon Ave.
Quezon City
Tel. Nos. 371-1633 to 34

F.B. HARRISON-GIL PUYAT AVE.
Gil J. Puyat Ave. corner
F.B. Harrison St., Pasay City
Tel. Nos. 551-0609
551-0625

F. BLUMENTRITT-SAN JUAN
F. Blumentritt St. corner
M. Salvador St., San Juan
Tel. Nos. 724-3550
724-4509

FAIRVIEW
Commonwealth Ave. corner
Winston St., Quezon City
Tel. Nos. 938-0394
937-9221

FARMERS PLAZA
Farmers Plaza, Araneta Center
Cubao, Quezon City
Tel. Nos. 912-7216
911-3991

FEDERAL TOWER CENTER
Dasmariñas St. corner
San Nicolas St., Manila
Tel. Nos. 243-0001 to 05

FELIX AVENUE
Felix Ave., Brgy. Tatlong Kawayan
Pasig City
Tel. Nos. 681-6572
646-7235

FILINVEST CORPORATE CITY
Asian Star Bldg.
Asean Drive & Singapoura Lane
Filinvest Corporate City
Alabang, Muntinlupa City
Tel. Nos. 850-8083 to 84

FOLGUERAS
922 Carmen Planas St.
Tondo, Manila
Tel. Nos. 245-2457
245-2540

FTI COMPLEX-TAGUIG
FTI Administration Bldg.
FTI Complex, Taguig
Tel. Nos. 821-4872
824-9127

G. ARANETA-QUEZON AVENUE
Ramirez & Co. Bldg.
G. Araneta St. corner Quezon Ave.
Quezon City
Tel. Nos. 712-8348
712-8338

GEN. LUIS-NOVALICHES
St. Claire Bldg.
Gen. Luis St., Novaliches
Quezon City
Tel. Nos. 935-0693
935-0695

GEN. LUNA-PACO
1547 Gen. Luna St.
Paco, Manila
Tel. Nos. 525-8204
525-8250

GRACE PARK CENTER
446 Rizal Ave. Extension
Caloocan City
Tel. Nos. 366-1571
361-0078

GREENBELT
Pioneer House Bldg.
Paseo de Roxas Ave. corner
Legaspi St., Legaspi Village
Makati City
Tel. Nos. 812-7174
892-2175

GREENHILLS-EISENHOWER
258 Goldland Plaza Bldg.
Eisenhower St., Greenhills
San Juan
Tel. Nos. 722-4547
722-0833

GREENHILLS-WILSON CENTER
Ortigas Ave. corner Wilson St.
Greenhills, San Juan
Tel. Nos. 721-4315
721-4354

GT TOWER CENTER
GT Tower International
Ayala Ave., Makati City
Tel. Nos. 810-3355
810-1510

H.V. DELA COSTA
Westgate Plaza
H.V. dela Costa St.
Salcedo Village, Makati City
Tel. Nos. 840-0650
840-0652

HARRISON PLAZA-ADRIATICO
A. Adriatico St.
Malate, Manila
Tel. Nos. 523-3466
523-5598

HARVARD-CUBAO
Aurora Blvd. corner Harvard St.
Cubao, Quezon City
Tel. Nos. 911-0428
912-9847

HONORIO LOPEZ BLVD.-BALUT
Honorio Lopez Blvd., Navotas
Tel. Nos. 255-1217
255-1233

INTRAMUROS
BF Condominium Bldg.
Andres Soriano St.
Intramuros, Manila
Tel. Nos. 527-3323
527-3326

J. ABAD SANTOS-MAYHALIGUE
1385 J. Abad Santos St. near
corner Mayhaligue St., Manila
Tel. Nos. 253-1577
251-5587

J. NAKPIL-TAFT AVENUE
Taft Ave. near corner
J. Nakpil St., Manila
Tel. Nos. 536-1178
526-1088

J.P. RIZAL
J. P. Rizal St., Makati City
Tel. Nos. 897-6833 to 34

JUPITER-BEL AIR
130 Jupiter St., Bel-Air Village
Makati City
Tel. Nos. 895-0275
896-6040

KABIHASNAN
Quirino Ave. corner
Kabihasnan St.
Parañaque City
Tel. Nos. 826-2077
826-2317

KALAW HILL
Commonwealth Ave. corner
Kalaw Hill Subdivision
Culiat, Quezon City
Tel. Nos. 932-0630 to 32

KALAYAAN AVENUE
Fil Garcia Tower, Kalayaan Ave.
corner Mayaman St., Diliman
Quezon City
Tel. Nos. 924-4130
924-4565

KALAYAAN-BEL AIR
Makati Prime Tower
Kalayaan St., Bel-Air
Makati City
Tel. Nos. 750-3141
896-9784

KALENTONG-MANDALUYONG
188 Kalentong St.
Mandaluyong City
Tel. Nos. 531-9712
531-1403

KAMAGONG-SAMPALOC
Kamagong St. corner Sampaloc St.
San Antonio Village, Makati City
Tel. Nos. 895-7125
895-7127

KAMIAS
Kamias Rd. corner K-H St.
Diliman, Quezon City
Tel. Nos. 925-4149
925-4180

KAMUNING
22 Kamuning Rd.
Quezon City
Tel. Nos. 920-7813
920-7816

KARUHATAN-VALENZUELA
235-I MacArthur Highway
Karuhatan, Valenzuela City
Tel. Nos. 293-1392
291-7962

KATIPUNAN
339 Katipunan Ave.
Loyola Heights, Quezon City
Tel. Nos. 426-6537 to 38

KAYAMANAN C
PIFCO Bldg.
2300 Pasong Tamo Extension
Makati City
Tel. Nos. 867-3260
810-8658

LAGRO
Km. 21, Quirino Highway
Lagro, Novaliches, Quezon City
Tel. Nos. 930-1340
930-1343

LAS PIÑAS
Real St., Alabang Zapote Road
Almanza, Las Piñas City
Tel. Nos. 873-5030
873-6995

LAVEZARES
CDC Bldg. Lavezares St.
corner Asuncion St.
Binondo, Manila
Tel. Nos. 242-4076
242-7064

LEGASPI VILLAGE-MAKATI
Amorsolo Mansion
130 Herrera St. corner
Amorsolo St., Legaspi Village
Makati City
Tel. Nos. 894-3422
818-0901

LEONOR RIVERA-BLUMENTRITT
Leonor Rivera St. corner
Blumentritt St.
Sta. Cruz, Manila
Tel. Nos. 742-9173
742-9177

LIBERTAD-MANDALUYONG
PGMC Bldg.
Libertad St. corner Calbayog St.
Mandaluyong City
Tel. Nos. 533-2977
533-2974

LUNETA-T.M. KALAW
470 T.M. Kalaw St. corner
Cortada St., Ermita, Manila
Tel. Nos. 525-9952
525-9982

M. NAVAL-NAVOTAS
767 M. Naval St., Navotas
Tel. Nos. 282-1111
281-3959

MACARTHUR HIGHWAY-MALINTA
PureGold Valenzuela
MacArthur Highway, Malinta
Valenzuela City
Tel. Nos. 293-2014
291-9966

MADRIGAL BUSINESS PARK-ALABANG
Madrigal Ave.
Madrigal Business Park
Alabang, Muntinlupa City
Tel. Nos. 772-3043
772-3046

MAGDALENA
Magdalena Mansion
G. Masangkay St.
Binondo, Manila
Tel. Nos. 244-8730
244-8639

MAGALLANES VILLAGE
Paseo de Magallanes, Makati City
Tel. Nos. 852-4902
852-4908

MALABON
Rizal Ave. Extension, Malabon
Tel. Nos. 281-5999
281-5797

MALANDAY-VALENZUELA
Km. 16, MacArthur Highway
Brgy. Malanday, Valenzuela City
Tel. Nos. 294-1612
440-2823

MARIKINA CENTER
321 J.P. Rizal St.
Sta. Elena, Marikina City
Tel. Nos. 681-2932
646-1922

MARULAS-VALENZUELA
Km. 12 MacArthur Highway
Marulas, Valenzuela City
Tel. Nos. 293-4617 to 18

MASANGKAY-LUZON
1161-1163 Masangkay St.
Sta. Cruz, Manila
Tel. Nos. 255-1125
251-9030

MASANGKAY-MAYHALIGUE
Broadview Towers
1348-1352 G. Masangkay St.
Sta. Cruz, Manila
Tel. Nos. 254-7650 to 51

MAYON-STA. TERESITA
Mayon St. and Isarog St.
Brgy. Sta. Teresita
Quezon City
Tel. Nos. 741-7280
741-7290

MAYSILO CIRCLE-MANDALUYONG
Maysilo St., Mandaluyong City
Tel. Nos. 533-5884
532-8730

METROPOLITAN PARK-ROXAS BOULEVARD
EDSA Extension corner
D. Macapagal Blvd.
Metropolitan Park
Roxas Blvd., Pasay City
Tel. Nos. 833-0464
833-0552

MIDTOWN-U.N. AVENUE
Midtown Executive
Commercial Townhouse
U. N. Ave., Manila
Tel. Nos. 522-4580
522-4518

MINDANAO AVENUE
Randa Bldg.
146 Mindanao Ave., Quezon City
Tel. Nos. 925-6437 to 39

MORAYTA
866 N. Reyes Ave.
Sampaloc, Manila
Tel. Nos. 735-1477
735-4551

MOTHER IGNACIA-TIMOG
23 Carlos P. Garcia Ave.
Quezon City
Tel. Nos. 372-4471 to 72

MUNTINLUPA
National Rd.
Poblacion, Muntinlupa City
Tel. Nos. 862-0068 to 69

N. DOMINGO-SAN JUAN
128-132 N. Domingo St.
San Juan
Tel. Nos. 724-0283
727-4790

NAIA
Ninoy Aquino Ave.
Parañaque City
Tel. Nos. 853-5951
853-5952

NEW DIVISORIA MARKET
New Divisoria Market
M. de Santos St., Manila
Tel. Nos. 244-4530
244-4532

NEW MANILA
676 Aurora Blvd., Quezon City
Tel. Nos. 725-6790
413-1627

NORTH BAY BLVD.-NAVOTAS
130 Northbay Blvd., Navotas
Tel. Nos. 282-6513
282-7360

NOVALICHES
Quirino Highway near corner
Forest Hills Drive, Brgy. Gulod
Novaliches, Quezon City
Tel. Nos. 936-3649
930-6185

NUEVA
562-568 Guan Huat & Sons Bldg.
Nueva St. near corner
T. Pinpin St., Binondo, Manila
Tel. Nos. 241-3486
242-3691

OCEAN TOWER
Ocean Tower
Roxas Blvd., Manila
Tel. Nos. 526-1322
526-1192

ONGPIN
Ongpin St., Binondo, Manila
Tel. Nos. 734-5201 to 04

ORTIGAS COMMERCIAL COMPLEX
Banker's Centre
Julia Vargas St. corner
ADB Ave., Pasig City
Tel. Nos. 635-5076 to 80

ORTIGAS-EMERALD AVENUE
Wynsum Corporate Plaza
between Emerald Ave. &
Ruby Rd., Ortigas Center
Pasig City
Tel. Nos. 638-8144 to 45

ORTIGAS-GREENHILLS NORTH
City Center Bldg., Ortigas Ave.
San Juan
Tel. Nos. 724-3107
724-4568

ORTIGAS-MERALCO AVENUE
Ortigas Bldg., Meralco Ave.
corner Ortigas Ave, Pasig City
Tel. Nos. 631-6664
631-2662

ORTIGAS-ROBINSON'S GALLERIA
Food Blvd., Robinson's Galleria
San Miguel Ave.
Ortigas Center, Pasig City
Tel. Nos. 632-7365 to 66

ORTIGAS-SAN MIGUEL AVENUE
Belvedere Condominium
San Miguel Ave.
Ortigas Center, Pasig City
Tel. Nos. 637-9705
638-9178

ORTIGAS-TAIPAN
Taipan Place, Emerald Ave.
Ortigas Center, Pasig City
Tel. Nos. 637-5703
637-5700

ORTIGAS-XAVIER
Ortigas Ave. corner
Xavier St., San Juan
Tel. Nos. 724-1982
725-2233

PACIFIC CENTER
E. Rodriguez Ave.
Quezon City
Tel. Nos. 721-5601
721-5068

PACO
1756 Singalong St.
Paco, Manila
Tel. Nos. 521-6816
523-3604

PARANG-MARIKINA
113 Gen. Molina St.
Parang, Marikina City
Tel. Nos. 948-2771 to 72

PASAY-BUENDIA AVENUE
2183 Taft Ave. near
Sen. Gil J. Puyat Ave., Pasay City
Tel. Nos. 831-4111
831-0394

PASAY-LIBERTAD
232 Libertad St., Pasay City
Tel. Nos. 831-6765
831-0219

PASAY-ROTONDA
2717 Taft Ave. Extension
Pasay City
Tel. Nos. 551-4282
831-7435

PASEO DE ROXAS AVENUE
777 Paseo de Roxas Ave.
Makati City
Tel. Nos. 811-4558
840-1297

PASIG-MABINI
A. Mabini St., Pasig City
Tel. Nos. 641-5197
628-4155

PASO DE BLAS-MAYSAN
Maysan Rd., Paso de Blas
Valenzuela City
Tel. Nos. 292-8797
292-8591

PASONG TAMO
2300 Leelin Bldg.
Chino Roces Ave., Makati City
Tel. Nos. 843-0571
810-5006

PASONG TAMO-BAGTIKAN
GMA Lou-Bel Plaza
Bagtikan St. corner
Chino Roces Ave., Makati City
Tel. Nos. 896-9708 to 10

PASONG TAMO-BUENDIA
Chino Roces Ave., Makati City
Tel. Nos. 841-0563
810-1031

PASONG TAMO EXTENSION
Moridel Bldg.
2280 Pasong Tamo Extension
Makati City
Tel. Nos. 867-1260 to 62

PASONG TAMO-JAVIER
Marvin Plaza
Chino Roces Ave., Makati City
Tel. Nos. 892-1213
819-3292

PASONG TAMO-METROPOLITAN AVENUE
1133 Chino Roces Ave. corner
Metropolitan Ave., Makati City
Tel. Nos. 897-8656
897-5658

PATEROS
30 M. Almeda St., Pateros
Tel. Nos. 642-7042
642-6118

PEDRO GIL-PACO
1343 Pedro Gil St. corner
Merced St., Paco, Manila
Tel. Nos. 561-9645 to 46

PEREA-GALLARDO
Century Plaza
120 Perea St., Legaspi Village
Makati City
Tel. Nos. 813-3430
813-3445

PIONEER-KAPITOLYO
8006 Pioneer St. corner
United St. and Brixton St.
Brgy. Kapitolyo, Pasig City
Tel. Nos. 633-5288
633-5575

PLAZA CERVANTES
Dasmariñas St. corner
Juan Luna St., Binondo, Manila
Tel. Nos. 245-8888
242-1889

PLAZA LORENZO RUIZ
475 Juan Luna St.
Plaza Lorenzo Ruiz
Binondo, Manila
Tel. Nos. 242-0695
242-7001

POTRERO-MALABON
MacArthur Highway corner
Del Monte Ave., Malabon
Tel. Nos. 363-8238
363-8257

PRC-J.P. RIZAL
A & M Bldg.
397 J.P. Rizal St. corner
Binakod St., Brgy. Tejeros
Makati City
Tel. Nos. 896-0826 to 27

PRITIL-TONDO
Unit 6, 7 & 8
Landwealth Mansion
Juan Luna St., Manila
Tel. Nos. 253-4818
251-6896

PUREZA-R. MAGSAYSAY BLVD.
De Ocampo Memorial School
2244 R. Magsaysay Ave.
near corner Pureza St.
Sta. Mesa, Manila
Tel. Nos. 713-5719
714-4692

Q.C. ROTONDA CENTER
Quezon Ave. corner
Speaker Perez St., Quezon City
Tel. Nos. 740-5311
732-9739

QUEZON AVENUE
982 Quezon Ave., Quezon City
Tel. Nos. 374-7769
411-6026

QUIAPO
129 C. Palanca St.
Quiapo, Manila
Tel. Nos. 733-4590
733-7139

QUIRINO AVE.-LEON GUINTO
Quirino Ave. corner L. Guinto St.
Malate, Manila
Tel. Nos. 526-7439 to 40

RADA-RODRIGUEZ
La Maison Bldg.,115 Rada St.
Legaspi Village, Makati City
Tel. Nos. 817-4939
817-4956

RAON
633 Gonzalo Puyat St.
Sta. Cruz, Manila
Tel. Nos. 736-6252
733-1669

REDEMPTORIST-BACLARAN
27 Quirino Ave.
Baclaran, Parañaque City
Tel. Nos. 551-7723
551-4946

REINA REGENTE
Reina Regente St., Manila
Tel. Nos. 244-1246
244-1236

RETIRO-CORDILLERA
N.S. Amoranto Ave. corner
Cordillera St., Quezon City
Tel. Nos. 740-8885 to 86

RETIRO-MAYON
308-310 N.S. Amoranto Ave.
corner Mayon St., La Loma
Quezon City
Tel. Nos. 731-2054
740-2025

RIZAL AVENUE EXTENSION-3RD AVENUE
213 Rizal Ave. Extension
(Between 2nd Ave. & 3rd Ave.)
Grace Park, Caloocan City
Tel. Nos. 365-3317 to 18

ROBINSON'S PLACE-ADRIATICO
1413 M. Adriatico St.
Ermita, Manila
Tel. Nos. 522-4653
521-1808

ROCES AVENUE
56 Timog Ave. near
Tomas Morato Ave.
Quezon City
Tel. Nos. 373-9316
373-2539

ROCKWELL CENTER
Phinma Bldg.
Rockwell Center, Makati City
Tel. Nos. 898-1507
898-1511

ROOSEVELT
285 Roosevelt Ave.
San Francisco Del Monte
Quezon City
Tel. Nos. 411-2052
371-5192

ROSARIO-PASIG
Ortigas Avenue Extension
Rosario, Pasig City
Tel. Nos. 643-6551
643-6571

ROXAS BLVD.-VITO CRUZ
Legaspi Tower 300
Roxas Blvd. corner
Vito Cruz St., Manila
Tel. Nos. 521-6164
525-8053

SALCEDO VILLAGE
Plaza Royale Bldg.
Alfaro St., Salcedo Village
Makati City
Tel. Nos. 819-3390
816-1215

SAMSON ROAD-CALOOCAN
Samson Rd. corner UE Tech.
Caloocan City
Tel. Nos. 361-0606
361-1905

SAN AGUSTIN-H.V. DELA COSTA
Liberty Center
104 H.V. dela Costa St. corner
San Agustin St., Salcedo Village
Makati City
Tel. Nos. 845-2930
845-2926

SAN JOAQUIN-PASIG
R. Jabson St., San Joaquin
Pasig City
Tel. Nos. 642-1192
642-1090

SAN LORENZO VILLAGE
Lao Center
1000 Arnaiz Ave., Makati City
Tel. Nos. 843-6946
844-2172

SAN NICOLAS CENTER
455 Clavel St., San Nicolas, Manila
Tel. Nos. 243-4048 to 49

SAN ROQUE-MARIKINA
67 Tuazon St. corner Chestnut St.
San Roque, Marikina City
Tel. Nos. 646-9131
646-9074

SANTOLAN-PASIG
A. Rodriguez Ave. corner
Santolan St., Santolan, Pasig City
Tel. Nos. 645-0351
645-0447

SEAFRONT
Seafront Garden Homes
Roxas Blvd., Pasay City
Tel. Nos. 833-2675
833-2686

SHAW BOULEVARD
676 Dominga Bldg.
Shaw Blvd., Kapitolyo, Pasig City
Tel. Nos. 631-3652
631-3548

SHAW BOULEVARD-J.M. ESCRIVA
Shaw Blvd. corner
Amber St., Pasig City
Tel. Nos. 635-6041
635-6044

SHAW BOULEVARD-ORANBO
Shaw Blvd., Pasig City
Tel. Nos. 637-8934
637-3858

SHAW-PINAGTIPUNAN
Shaw Blvd. corner Pinagtipunan St.
Mandaluyong City
Tel. Nos. 533-8393
533-8292

SIKATUNA VILLAGE-ANONAS
Anonas Rd. corner K-7th St.
Proj. 2, Quezon City
Tel. Nos. 929-7952
929-7829

SKYLAND PLAZA
Skyland Plaza Annex
Sen. Gil J. Puyat Ave., Makati City
Tel. Nos. 843-2576
888-6764

SOLER
Soler St., Binondo, Manila
Tel. Nos. 244-1185
244-3082

STA. ANA
2447 Pedro Gil St.
Sta. Ana, Manila
Tel. Nos. 561-0949
564-4503

STA. CRUZ-MANILA
582 Gonzalo Puyat St.
Sta. Cruz, Manila
Tel. Nos. 733-0468
733-0470

STA. ELENA
602 Sta. Elena St.
Binondo, Manila
Tel. Nos. 243-2693
241-7491

STA. MESA
73 Aurora Blvd.
corner G. Araneta Ave.
Sta. Mesa, Manila
Tel. Nos. 716-5227
716-5218

STA. MONICA-NOVALICHES
1035 Quirino Highway
Sta. Monica, Novaliches
Quezon City
Tel. Nos. 936-4235
930-0940

STO. CRISTO-C.M. RECTO
871 Chua Lim Co Bldg.
Sto. Cristo St., Binondo, Manila
Tel. Nos. 241-9369 to 71

STO. CRISTO-SAN NICOLAS STREET
600 Sto. Cristo St. corner
San Nicolas St., Binondo, Manila
Tel. Nos. 243-6314 to 15

STO. NIÑO-MARIKINA
Sumulong Highway corner
Toyota Ave., Brgy. Sto. Niño
Marikina City
Tel. Nos. 647-8850 to 51

SUCAT-GATCHALIAN
Dr. A. Santos Ave.
Parañaque City
Tel. Nos. 825-9232
828-0223

SUCAT-IRENEVILLE
Dr. A. Santos Ave. corner
Ireneville Subdivision
Parañaque City
Tel. Nos. 820-5124
825-0341

SUCAT-SAN ANTONIO VALLEY
Dr. A. Santos Ave. (beside Uniwide)
Parañaque City
Tel. Nos. 820-4495
820-3103

SUSANO ROAD-NOVALICHES
29 Susano Rd.
Novaliches, Quezon City
Tel. Nos. 936-1063
930-3523

TABORA
807-809 Tabora St.
Tondo, Manila
Tel. Nos. 241-2762
241-8668

TAFT AVENUE
1915 Taft Ave., Pasay City
Tel. Nos. 526-5931
536-3042

TAFT AVENUE-LA SALLE
2456 Taft Ave., Manila
Tel. Nos. 404-3912
405-0221

TALIPAPA-NOVALICHES
526 Quirino Highway
Talipapa, Novaliches
Quezon City
Tel. Nos. 930-6051
938-8661

TANDANG SORA
Tandang Sora Ave.
Brgy. Tandang Sora, Quezon City
Tel. Nos. 938-8581
938-8609

TAYUMAN-FELIX HUERTAS
Tayuman St. corner Felix Huertas St.
Sta. Cruz, Manila
Tel. Nos. 711-1552
711-1512

TIMOG
Timog Ave. corner Scout Torillo St.
Quezon City
Tel. Nos. 924-7518 to 19

TOMAS MAPUA-L. DE VEGA
Tomas Mapua St. corner
L. de Vega St., Sta. Cruz, Manila
Tel. Nos. 711-3332
711-3329

TOMAS MORATO
46 Tomas Morato Ave. corner
Scout Gandia St., Quezon City
Tel. Nos. 410-1894
372-0364

TORDESILLAS-GIL PUYAT AVENUE
328 Sen. Gil J. Puyat Ave.
Makati City
Tel. Nos. 815-0414
817-2117

TUGATOG-MALABON
M.H. del Pilar St.
Tugatog, Malabon
Tel. Nos. 285-5650
287-3090

TUTUBAN
Cluster Bldg. II, Tutuban Center
Dagupan St., Tondo, Manila
Tel. Nos. 251-0069 to 70

TUTUBAN-PRIMEBLOCK
Primeblock Bldg., Tutuban Center
C.M. Recto Ave., Manila
Tel. Nos. 251-9918 to 19

U.N. AVENUE CENTER
Don Norberto Ty Tower
667 U.N. Ave., Ermita, Manila
Tel. Nos. 526-6710
523-6895

URDANETA VILLAGE-MAKATI
The Atrium
Makati Ave. corner
Paseo de Roxas Ave., Makati City
Tel. Nos. 811-4182
811-4084

UST-ESPAÑA
1364 España St. corner
Centro St., Sampaloc, Manila
Tel. Nos. 740-3017
740-3019

V. LUNA-EAST AVENUE
Lyman Comm'l. Bldg.
East Ave. corner V. Luna Rd.
Quezon City
Tel. Nos. 924-6930
924-9269

V. MAPA
V. Mapa St. corner Valenzuela St.
Sampaloc, Manila
Tel. Nos. 713-6201
713-6260

VALENCIA HILLS
Valencia St., Brgy. Valencia
Quezon City
Tel. Nos. 723-9569
723-8935

VALLE VERDE
73 E. Rodriguez Jr. St. corner
P.E. Antonio St.
Bo. Ugong, Pasig City
Tel. Nos. 671-9557 to 58

VASRA-VISAYAS AVENUE
Visayas Ave., Proj. 6
Quezon City
Tel. Nos. 925-3585
925-3582

VISAYAS AVENUE
Visayas Ave. corner
Congressional Ave.
Quezon City
Tel. Nos. 924-9880 to 82

WACK-WACK
Cherry Foodarama
514 Shaw Blvd.
Mandaluyong City
Tel. Nos. 533-0775
532-3744

WEST AVENUE
98 West Ave., Quezon City
Tel. Nos. 928-6402
929-7548

WEST SERVICE ROAD-ALABANG HILLS
West Service Rd. corner
Don Jesus Blvd., Alabang
Hills Village, Muntinlupa City
Tel. Nos. 772-2534
772-2537

WEST SERVICE ROAD-MERVILLE
Near Merville Subdivision
Km. 12., West Service Rd.
Pasay City
Tel. Nos. 824-3599
824-3799

WEST TRIANGLE
1387 Quezon Ave., Quezon City
Tel. Nos. 373-3550
373-3251

XAVIERVILLE
Xavierville Ave. corner
B. Gonzales St.
Loyola Heights, Quezon City
Tel. Nos. 929-4033
928-3332

YLAYA-TONDO
1057 Ylaya Mansion
Ylaya St., Tondo, Manila
Tel. Nos. 245-0515
245-0552

ZABARTE-NOVALICHES
C.I. Plaza, 1151 Old Zabarte Rd.
corner Quirino Highway
Novaliches, Quezon City
Tel. Nos. 935-4885
938-2040

ZURBARAN
V. Fugoso St. corner
Oroquieta St., Manila
Tel. Nos. 735-0919
735-8082

LUZON

AGOO, LA UNION
Sta. Barbara National Highway
Agoo, La Union
Tel. Nos. (072) 710-0369
521-2058

ALAMINOS, PANGASINAN
Quezon Ave., Poblacion
Alaminos, Pangasinan
Tel. Nos. (075) 551-4791
654-1096

ANABU-IMUS CAVITE
Aguinaldo Highway
Anabu, Imus, Cavite
Tel. Nos. (046) 471-5319
471-5374

ANGELES-BALIBAGO
MacArthur Highway, Balibago
Angeles City
Tel. Nos. (045) 625-7566
892-6883

ANGELES-MAIN
Henson St., Angeles City
Tel. Nos. (045) 323-4123
887-1858

ANGELES-STO. ROSARIO
464 Sto. Rosario St.
Angeles City
Tel. Nos. (045) 323-4451
888-9740

ANGONO
M.L. Quezon Ave.
Brgy. San Isidro, Angono, Rizal
Tel. Nos. (02) 651-2928 to 29

APALIT
Quintos Bldg., MacArthur Highway
San Vicente, Apalit, Pampanga
Tel. Nos. (045) 652-0231
879-0225

APARRI
Rizal St. corner Magsaysay St.
Aparri, Cagayan
Tel. Nos. (078) 888-2018 to 19

BACAO-CEPZ
Bacao Diversion Rd.
Gen. Trias, Cavite
Tel. Nos. (046) 437-6409 to 10

BACOOR-CAVITE
206 Aguinaldo Highway
Brgy. Panapaan, Bacoor, Cavite
Tel. Nos. (046) 417-0559
502-4698

BAGUIO-BONIFACIO
64 Bonifacio St.
Baguio City
Tel. Nos. (074) 442-9535
304-1031

BAGUIO-CARIÑO
Prycemont Plaza Square
Cariño St. corner Abanao St.
Baguio City
Tel. No. (074) 444-9275

BAGUIO-MAGSAYSAY
Magsaysay Ave. corner
Gen. Luna Rd., Baguio City
Tel. Nos. (074) 442-5932
442-3129

BAGUIO-SESSION
Porta Vaga Bldg., Upper
Session Rd., Baguio City
Tel. Nos. (075) 445-0829
445-0615

BALAGTAS-BULACAN
MacArthur Highway
Brgy. Wawa, Balagtas, Bulacan
Tel. Nos. (044) 693-2057
693-3641

BALANGA, BATAAN
Paterno St. corner Hugo
Banzon St., Balanga, Bataan
Tel. Nos. (047) 237-1992
237-2090

BALAYAN-BATANGAS
Antorcha St. corner Emma
Sison St., Balayan, Batangas
Tel. No. (043) 211-5325

BALIUAG-J.P. RIZAL
J.P. Rizal St., Poblacion
Baliuag, Bulacan
Tel. No. (044) 766-2294

BALIUAG-TRINIDAD HIGHWAY
Doña Remedios Trinidad Highway
Baliuag, Bulacan
Tel. Nos. (044) 766-5188 to 89
673-0197

BANGUED, ABRA
McKinley St. corner Taft St.
Bangued, Abra
Tel. Nos. (074) 752-5457 to 58

BATAC, ILOCOS NORTE
Washington St., Brgy. Ablan
Batac, Ilocos Norte
Tel. Nos. (077) 792-2112 to 13

BATANGAS-KUMINTANG ILAYA
National Highway
Kumintang Ilaya, Batangas City
Tel. Nos. (043) 723-5801
980-1090

BATANGAS-MAIN
J.P. Rizal St. corner
P. Burgos St., Batangas City
Tel. Nos. (043) 980-1024
(02) 844-5870

BAUAN-BATANGAS
Along National Highway
Poblacion 1, Bauan, Batangas
Tel. Nos. (043) 727-3968
980-6178

BINANGONAN
National Rd., Binangonan, Rizal
Tel. Nos. (02) 652-1925
652-0888

BIÑAN
A. Bonifacio Ave.
Canlalay, Biñan, Laguna
Tel. Nos. (049) 411-2109
(02) 699-2078

BOCAUE-BULACAN
23 MacArthur Highway
Brgy. Wakas, Bocaue, Bulacan
Tel. Nos. (044) 692-1815
692-1813

BULAN, SORSOGON
Magsaysay St. corner Gullaba St.
Poblacion, Bulan, Sorsogon
Tel. Nos. (056) 555-2256
411-1006

CABANATUAN-MAIN
Burgos Ave. corner
Sanciangco St., Cabanatuan City
Tel. Nos. (044) 463-1337
463-1339

CABANATUAN-MAHARLIKA NORTH
Maharlika Highway
Cabanatuan City
Tel. Nos. (044) 463-3185
463-1867

CABANATUAN-MAHARLIKA SOUTH
Maharlika Highway
Cabanatuan City
Tel. Nos. (044) 463-7461
463-7369

CABUYAO-LAGUNA
National Highway corner
F. Bailon St., Sala
Cabuyao, Laguna
Tel. Nos. (049) 531-4678
(02) 781-3002

CAINTA
Felix Ave., Cainta, Rizal
Tel. Nos. (02) 655-2901
655-2632

CALAMBA-CROSSING
J.P. Rizal St., Calamba, Laguna
Tel. Nos. (049) 545-1917
545-6227

CALAMBA-MARKET
Market Site, R. Pabalan St.
Poblacion, Calamba, Laguna
Tel. Nos. (049) 545-1807
545-1809

CALAMBA-PARIAN
728 South National Highway
Brgy. Parian, Calamba, Laguna
Tel. Nos. (049) 545-7152 to 53
(02) 889-3366

CALAMBA-REAL
PJM Bldg., National Highway
Brgy. Real, Calamba, Laguna
Tel. Nos. (049) 545-7092
(02) 889-3363

CALAPAN
J.P. Rizal St., Calapan
Oriental Mindoro
Tel. Nos. (043) 288-1985
288-4634

CAMILING, TARLAC
Quezon Ave., Camiling, Tarlac
Tel. Nos. (045) 934-0206
934-0203

CANLUBANG-CARMELRAY
Integrity corner Excellence Ave.
Carmelray Industrial Park 1
Canlubang, Laguna
Tel. Nos. (02) 889-6948
(049) 549-0484

CANDON
National Highway corner
Calle Gray, Candon, Ilocos Sur
Tel. Nos. (077) 742-6514
742-6519

CARIDAD-CAVITE
P. Burgos St., Caridad, Cavite
Tel. Nos. (046) 431-1898
431-2318

CARMEN ROSALES, PANGASINAN
MacArthur Highway
Carmen, Rosales, Pangasinan
Tel. Nos. (075) 582-3226 to 27

CARMONA-BIÑAN HIGHWAY
National Highway
Maduya, Carmona, Cavite
Tel. Nos. (046) 430-1571
430-1449

CARMONA-CAVITE
Grandville Industrial Complex
Bangkal, Carmona, Cavite City
Tel. Nos. (046) 430-1920
430-1931

CAUAYAN
Rizal Ave. corner Roxas St. &
Reyes St., Cauayan, Isabela
Tel. Nos. (078) 634-5140
652-1328

CIRCUMFERENTIAL ROAD-ANTIPOLO
Circumferential Rd., Antipolo City
Tel. Nos. (02) 696-4305
696-4307

CLARK
Four Seasons Market Deli
Claro M. Recto, Clark Field
Pampanga
Tel. Nos. (045) 599-3499
599-3599

CONCEPCION, TARLAC
Poblacion, Concepcion, Tarlac
Tel. Nos. (045) 923-0097
923-0125

DAET
Vinzons Ave., Daet
Camarines Norte
Tel. Nos. (054) 721-1676
440-3185

DAGUPAN-MAIN
A.B. Fernandez Ave.
Brgy. Herrero-Perez, Dagupan City
Tel. Nos. (075) 522-5565 to 66

DAGUPAN-FERNANDEZ AVENUE
A.B. Fernandez Ave., Brgy. 1
Dagupan City
Tel. Nos. (075) 522-5638
515-3729

DAGUPAN-PEREZ
Perez Blvd., Dagupan City
Tel. Nos. (075) 523-1288
515-5285

DARAGA, ALBAY
Rizal St., Daraga, Albay
Tel. Nos. (052) 483-3439
824-3041

DASMARIÑAS-CAVITE
Aguinaldo Highway
Dasmariñas, Cavite City
Tel. Nos. (046) 416-0308
(02) 843-2108

DASMARINAS (FCIE)
MC Center Building (across FCIE)
Governor's Drive
Dasmarinas, Cavite
Tel. Nos. (046) 402-0781 to 82

DAU
MacArthur Highway
Dau, Mabalacat, Pampanga
Tel. Nos. (045) 892-6525
331-2152

DINALUPIHAN, BATAAN
RAMCON, Bonifacio St.
Dinalupihan, Bataan
Tel. Nos. (047) 481-2559
636-1120

FPIP STO. TOMAS-BATANGAS
First Philippine
Industrial Park (FPIP)
Sto. Tomas, Batangas
Tel. Nos. (043) 405-5420 to 21

GAPAN
Gen. Tinio St., Sto. Niño
Gapan, Nueva Ecija
Tel. Nos. (044) 486-0924
486-0517

GENERAL TRIAS-CAVITE
Governor's Drive
Gen. Trias, Cavite City
Tel. Nos. (046) 402-0555
402-0645

GUAGUA
Sto. Cristo, Guagua, Pampanga
Tel. Nos. (045) 901-0519
900-0964

GUIGUINTO-BULACAN
MacArthur Highway
Bo. Tuktukan
Guiguinto, Bulacan
Tel. Nos. (044) 690-0258
794-1851

GUMACA
A. Bonifacio St.
Gumaca, Quezon
Tel. Nos. (042) 421-1492
317-6600

HAGONOY, BULACAN
Poblacion, Hagonoy, Bulacan
Tel. Nos. (044) 793-3654 to 55

IBA, ZAMBALES
Magsaysay National Highway
Iba, Zambales
Tel. Nos. (047) 811-2596
811-2600

ILAGAN
Rizal St., Ilagan, Isabela
Tel. Nos. (078) 624-2201
622-2910

IMUS-CAVITE
Nuevo Ave., Tansang Luma
Imus, Cavite
Tel. Nos. (046) 471-0183
471-0076

IRIGA, CAMARINES SUR
Poblacion, Iriga
Camarines Sur
Tel. Nos. (054) 456-1707 to 08

KAWIT-CAVITE
National Rd. corner Visita St.
Binakayan, Kawit, Cavite
Tel. Nos. (046) 434-3814
434-1388

LA TRINIDAD-BENGUET
Peliz Loy Centrum Bldg.
Km. 5, La Trinidad, Benguet
Tel. Nos. (074) 422-1173 to 74

LA UNION-MAIN
Quezon Ave., National Highway
San Fernando, La Union
Tel. Nos. (072) 888-2068
700-3275

LA UNION-M.L. QUEZON
Virginia Bldg.
Manuel L. Quezon Ave.
San Fernando, La Union
Tel. Nos. (072) 242-0470
242-4339

LAGUNA BEL AIR-STA. ROSA
Sta. Rosa-Tagaytay National Rd.
corner Rodeo Drive, Brgy. Don Jose
Sta. Rosa, Laguna
Tel. Nos. (049) 541-2306 to 07

LAGUNA TECHNOPARK
Spine St., Laguna Technopark
Biñan, Laguna
Tel. Nos. (049) 541-2234 to 36

LAOAG-GEN. SEGUNDO AVENUE
Gen. Segundo Ave., Laoag City
Tel. Nos. (077) 770-3344
771-3454

LAOAG-RIZAL
Rizal St. corner Guerrero St.
Brgy. 19, Sta. Marcella
Laoag City
Tel. Nos. (077) 772-0220
771-4797

LEGASPI-MABINI
Rizal St. corner Mabini St.
Legaspi City
Tel. Nos. (052) 820-0521
480-7128

LEGASPI-RIZAL
85 Rizal St., Brgy. 35
Tinago, Legaspi City
Tel. Nos. (052) 480-6432 to 33

LEMERY-BATANGAS
Independencia St. corner
Ilustre St., Lemery, Batangas
Tel. Nos. (043) 214-2618
409-0838

LINGAYEN-PANGASINAN
7 Avenida Rizal West
Lingayen, Pangasinan
Tel. Nos. (075) 542-8001 to 02

LIPA-AYALA
Ayala Highway (Lipa Bypass)
Lipa City
Tel. Nos. (043) 756-2100
312-4126

LIPA-B. MORADA
B. Morada Ave., Lipa City
Tel. Nos. (043) 981-0360
756-1412

LOS BAÑOS
129 National Highway
Batong Malake, Los Baños
Laguna
Tel. Nos. (049) 536-0142
536-0034

LUCENA-MAIN
Enriquez St.
corner Magallanes St.
Lucena City
Tel. Nos. (042) 373-2679
(02) 741-8025

LUCENA-QUEZON
Enriquez St. near corner
San Fernando St., Lucena City
Tel. Nos. (042) 373-4663
373-4665

LUCENA-RED V
National Highway, Red-V
Lucena City
Tel. Nos. (042) 710-4401
710-2693

MACARIA BUSINESS CENTER-CARMONA
Macaria Business Center
Governor's Drive, Carmona, Cavite
Tel. Nos. (046) 430-2753
430-2750

MALOLOS
Paseo del Congreso
Bo. Catmon, Malolos, Bulacan
Tel. Nos. (044) 791-5010
791-0985

MARILAO-BULACAN
National Rd, Bo. Abangan
Marilao, Bulacan
Tel. Nos. (044) 711-1510
711-2521

MASBATE
Tara St., Masbate, Masbate
Tel. Nos. (056) 333-4545
333-2644

MAYAMOT-COGEO
Cherry Foodarama
Brgy. Mayamot, Antipolo City
Tel. Nos. (02) 647-8023
647-8026

MEYCAUAYAN-BULACAN
MacArthur Highway, Bo. Calvario
Meycauayan, Bulacan
Tel. Nos. (044) 935-2441 to 42

MOLINO-BACOOR
Molino Rd.
Bacoor, Cavite
Tel. Nos. (046) 477-1852 to 53

MUÑOZ, N.E.
T. delos Santos St.
Muñoz, Nueva Ecija
Tel. Nos. (044) 456-0797
456-5085

NAGA-GEN. LUNA
Gen. Luna St., Naga City
Tel. Nos. (054) 811-3876
473-9181

NAGA-MAIN
Caceres St. corner dela Rosa St.
Naga City
Tel. Nos. (054) 472-2896
473-7855

NAGA-PEÑAFRANCIA
Peñafrancia Ave. corner
Arana St., Naga City
Tel. Nos. (054) 473-2525
811-1618

NAIC-CAVITE
Governor's Drive
Brgy. Ibayo Silang
Naic, Cavite City
Tel. Nos. (046) 412-1140 to 41

NASUGBU, BATANGAS
J.P. Rizal St.
Nasugbu, Batangas
Tel. Nos. (043) 412-0071
931-3484

OCCIDENTAL MINDORO
C. Liboro St. corner
Rajah Soliman St., San Jose
Occidental Mindoro
Tel. Nos. (043) 491-1352
491-1439

ORTIGAS AVE. EXT.-CAINTA
Km. 23, Ortigas Ave. Extension
Cainta, Rizal
Tel. Nos. (02) 656-0798
656-0797

OLONGAPO
Rizal Ave., West Bajac-Bajac
Olongapo City
Tel. Nos. (047) 224-5877
222-2971

PALAWAN
Rizal Ave. corner
Valencia St., Puerto Princesa City
Tel. Nos. (048) 433-2238
433-2779

PANIQUI-TARLAC
M.H. del Pilar St.
Paniqui, Tarlac
Tel. Nos. (045) 931-0006
931-0820

PASEO DE STA. ROSA
Paseo de Sta. Rosa
Brgy. Don Jose, Balibago
Tagaytay Rd., Sta. Rosa, Laguna
Tel. Nos. (049) 541-2662
(02) 889-3385

PLARIDEL-BULACAN
Gov. Padilla Rd., Brgy. Banga
Plaridel, Bulacan
Tel. Nos. (044) 795-1422
670-1131

ROSARIO-BATANGAS
Gualberto Ave.
Poblacion Rosario
Batangas City
Tel. Nos. (043) 321-2504
321-2506

ROSARIO-CAVITE
Gen. Trias Drive, Rosario, Cavite
Tel. Nos. (046) 438-3629 to 31

SAN CARLOS, PANGASINAN
Mabini St., San Carlos City
Pangasinan
Tel. Nos. (075) 532-5008
532-5018

SAN FERNANDO-MAIN
V. Tiomico St., Poblacion
San Fernando City
Tel. Nos. (045) 961-2856
961-1345

SAN FERNANDO-B. MENDOZA
B. Mendoza St., San Fernando City
Tel. Nos. (045) 963-5360 to 61

SAN FERNANDO-DOLORES
MacArthur Highway
Dolores, San Fernando City
Tel. Nos. (045) 963-3173 to 74

SAN FERNANDO-OLONGAPO HIGHWAY
Olongapo-Gapan Highway
San Fernando City
Tel. Nos. (045) 961-7655
961-7429

SAN FERNANDO-SINDALAN
Sindalan, San Fernando City
Tel. Nos. (045) 636-4094
860-1025

SAN JOSE, NUEVA ECIJA
Ramar Village, Phase I
Maharlika Road, San Jose
Nueva Ecija
Tel. Nos. (044) 947-1450 to 51

SAN MATEO
22 Gen. Luna St.
San Mateo, Rizal
Tel. Nos. (02) 297-4730
297-4720

SAN MIGUEL, BULACAN
Norberto St.
San Miguel, Bulacan
Tel. Nos. (044) 764-0998
764-0958

SAN PABLO-COLAGO
011 Colago Ave. Extension
San Pablo City
Tel. Nos. (049) 561-1360 to 61

SAN PABLO-MAHARLIKA
Maharlika Highway
San Pablo City
Tel. Nos. (049) 562-0080
562-3848

SAN PABLO MAIN
Regidor St. corner Paulino St.
San Pablo City
Tel. Nos. (049) 562-0443
562-3939

SAN PEDRO-LAGUNA
National Highway
San Pedro, Laguna
Tel. Nos. (02) 808-4931
847-6029

SANTIAGO CITY ROAD
City Rd., Centro West
Santiago City
Tel. Nos. (078) 682-7353
682-6036

SANTIAGO-MAHARLIKA
Daang Maharlika St. corner
Camacam St., Santiago City
Tel. Nos. (078) 682-8830
682-7418

SILANG-CAVITE
J.P. Rizal St., Silang, Cavite
Tel. Nos. (046) 414-2042 to 43

SINILOAN, LAGUNA
Redor St., Brgy. P. Burgos
Siniloan, Laguna
Tel. Nos. (049) 813-0861
(02) 520-8381

SOLANO
National Highway corner
Mabini St., Solano
Nueva Vizcaya
Tel. Nos. (078) 326-5033
326-5527

SORSOGON
Magsaysay St. near
Sorsogon Shopping Center
Sorsogon, Sorsogon
Tel. Nos. (056) 211-1833
421-5099

STA. CRUZ-LAGUNA
P. Burgos St.
Sta. Cruz, Laguna
Tel. Nos. (049) 808-1361
808-1325

STA. MARIA-BULACAN
Gen. Luna St., Poblacion
Sta. Maria, Bulacan
Tel. Nos. (044) 641-1687
641-2823

STA. ROSA-BALIBAGO
National Highway, Balibago
Sta. Rosa, Laguna
Tel. Nos. (049) 534-2962
699-2180

SUBIC-BARACA
0156 National Rd.
Baraca Camachili
Subic, Zambales
Tel. No. (047) 232-3379

SUBIC BAY
Subic Bay Free Port Zone
Olongapo City
Tel. Nos. (047) 252-3356
252-6278

SUMULONG
Kingsville Arcade
Marcos Highway
Mayamot, Antipolo City
Tel. Nos. (02) 646-0003
645-4655

TABACO
Gen. Luna St. corner
Llorente St., Tabaco, Albay
Tel. Nos. (052) 487-5314
558-2129

TAGAYTAY
Foggy Heights Subdivision
Aguinaldo Highway
Tagaytay City
Tel. Nos. (046) 413-1053
413-1404

TANAUAN
J.P. Laurel Highway
Tanauan, Batangas
Tel. Nos. (043) 778-0702 to 03

TANAY
Felix Catapusan St.
Plaza Aldea, Tanay, Rizal
Tel. Nos. (02) 654-2990 to 91

TANZA-CAVITE
A. Soriano Highway
Daang Amaya I
Tanza, Cavite City
Tel. Nos. (046) 437-6977 to 78

TARLAC-F. TAÑEDO
F. Tañedo St., Tarlac City
Tel. Nos. (045) 982-2933
982-2998

TARLAC-MACARTHUR HIGHWAY
MacArthur Highway
Sto. Cristo, Tarlac City
Tel. Nos. (045) 982-7044 to 45

TARLAC-MAIN
MacArthur Highway
San Roque, Tarlac City
Tel. Nos. (045) 982-0732
982-0057

TAYTAY
East Rd. Ave., Taytay, Rizal
Tel. Nos. (02) 660-5801
660-5718

TAYUG, PANGASINAN
Bonifacio St. (National Highway)
Tayug, Pangasinan
Tel. Nos. (075) 572-2635 to 36

TRECE MARTIRES-CAVITE
Governor's Drive
Bo. Quintana, Trece Martires
Cavite City
Tel. Nos. (046) 419-2214 to 15

TUGUEGARAO-BALZAIN
Balzain Rd.
Tuguegarao, Cagayan
Tel. Nos. (078) 844-7652 to 53

TUGUEGARAO-MAIN
Luna St. corner Blumentritt St.
Tuguegarao, Cagayan
Tel. Nos. (078) 844-8558
844-1955

TUNGKONG MANGGA
Quirino Highway
Bo. Tungkong Mangga
San Jose del Monte, Bulacan
Tel. Nos. (02) 951-5234 to 35

URDANETA, PANGASINAN
Alexander St.
Urdaneta, Pangasinan
Tel. Nos. (075) 568-2912
624-2817

VIGAN
30 M.L. Quezon Ave.
Vigan, Ilocos Sur
Tel. Nos. (077) 722-2583
722-2266

VISAYAS

ANTIQUE
T.A. Fornier St.
San Jose, Antique
Tel. Nos. (036) 540-8660
540-9944

BACOLOD-ARANETA
Araneta St., Bacolod City
Tel. Nos. (034) 434-0582
434-2924

BACOLOD-CAPITOL
Capitol Shopping Center
Hilado St. corner Yakal St.
Bacolod City
Tel. Nos. (034) 434-2365 to 66

BACOLOD-EASTSIDE
Villa Angela Arcade Annex Bldg.
Burgos St. corner Circumferential Rd.
Bacolod City
Tel. Nos. (034) 433-2032
433-5993

BACOLOD-GATUSLAO
175-177 Gov. Gatuslao St.
Bacolod City
Tel. Nos. (034) 435-0557
434-1284

BACOLOD-GONZAGA
MGL Bldg.
Gonzaga St., Bacolod City
Tel. Nos. (034) 434-2481
435-0822

BACOLOD-LACSON
Lacson St. corner Luzurriaga St.
Bacolod City
Tel. Nos. (034) 435-1691
433-0593

BACOLOD-LIBERTAD
San Lorenzo Ruiz Bldg.
Lopez Jaena St., Bacolod City
Tel. Nos. (034) 433-5209
433-9642

BACOLOD-NORTH DRIVE
B.S. Aquino Drive
Bacolod City
Tel. Nos. (034) 432-0081 to 82

BACOLOD-SINGCANG
UTC Bldg.
Araneta St. corner Alunan St.
Bacolod City
Tel. Nos. (034) 434-5734
434-5737

BAYBAY
A. Bonifacio St.
Baybay, Leyte
Tel. Nos. (053) 335-2473
563-9332

BORACAY
Blue Lotus Grocery & Bakery
Boracay Main Road
Boracay, Aklan
Tel. Nos. (036) 288-5868
260-2888

BORONGAN-SAMAR
Gregorio Abogado St.
Borongan, Eastern Samar
Tel. Nos. (055) 261-2927
560-9092

CALBAYOG
Eduardo's Hotel
Pajarito St. corner Rosales Blvd.
Calbayog City
Tel. Nos. (055) 209-1951 to 52

CATARMAN
Bonifacio St. corner
P. Garcia St., Brgy. Mabolo
Catarman, Northern Samar
Tel. Nos. (055) 500-9155
251-8458

CATBALOGAN
Lot 116, Rizal Ave., Calayaan
Catbalogan, Samar
Tel. Nos. (055) 251-2080 to 81

CEBU-A.S. FORTUNA
A. S. Fortuna St.
Mandaue City
Tel. Nos. (032) 343-7187
343-7172

CEBU-BANILAD
Gov. Cuenco Ave.
Banilad, Cebu City
Tel. Nos. (032) 346-5519
416-1769

CEBU-BOGO
P. Rodriguez St.
Bogo, Cebu
Tel. Nos. (032) 434-8090
251-2977

CEBU-BORROMEO
Borromeo St. corner
Lopez St., Cebu City
Tel. Nos. (032) 253-7565
253-7750

CEBU-BUSINESS PARK
Ayala Center, Cebu Business Park
Cebu City
Tel. Nos. (032) 231-5723 to 24

CEBU-CAPITOL
N. Escario St. corner
M. Zosa St., Cebu City
Tel. Nos. (032) 255-6944 to 45

CEBU-COLON
0251 Pelaez St., Cebu City
Tel. Nos. (032) 254-8288
256-3281

CEBU-CONSOLACION
North Road, Consolacion
Cebu City
Tel. Nos. (032) 564-3913
423-9229

CEBU-DOWNTOWN CENTER
191 Plaridel St., Cebu City
Tel. Nos. (032) 254-3585
253-6765

CEBU-FUENTE OSMEÑA CENTER
Metrobank Plaza
Osmeña Blvd., Fuente Osmeña
Cebu City
Tel. Nos. (032) 253-3011
254-9721

CEBU-GORORDO
117 Gorordo Ave.
Lahug, Cebu City
Tel. Nos. (032) 231-0712 to 13

CEBU-GUADALUPE
M. Velez St., Cebu City
Tel. Nos. (032) 253-3728
253-5468

CEBU-LAHUG
Gorordo Ave. corner
Archbishop Reyes Ave.
Lahug, Cebu City
Tel. Nos. (032) 231-4496
231-4507

CEBU LAPU-LAPU
National Highway
Pusok, Lapu-Lapu City
Tel. Nos. (032) 340-1181
340-1183

CEBU-LEON KILAT
RFDC Bldg.
Sanciangco St. corner
Leon Kilat St., Cebu City
Tel. Nos. (032) 256-0396
254-9581

CEBU-MABOLO
1956 M.J. Cuenco Ave.
Mabolo, Cebu City
Tel. Nos. (032) 231-2391 to 92

CEBU-MACTAN MEPZ
Block B, Mactan Marina Mall
Quezon Hall, Lapu-Lapu City
Tel. Nos. (032) 341-3012
341-3014

CEBU-MAGALLANES
Magallanes St., Brgy. Ermita
Cebu City
Tel. Nos. (032) 254-1340
254-1349

CEBU-MAMBALING
N. Basalco Ave.
(Cebu South Rd.)
Mambaling, Cebu City
Tel. Nos. (032) 261-9051 to 52

CEBU-MANALILI
V. Guillas corner D. Jakosalem
Sto. Niño, Cebu City
Tel. Nos. (032) 255-1030
255-1037

CEBU-MANDAUE
National Highway corner
Jayme St., Mandaue City
Tel. Nos. (032) 346-3568
346-1302

CEBU-MANGO AVENUE
Adela Bldg., Gen. Maxilom Ave.
Cebu City
Tel. Nos. (032) 253-9564
254-2204

CEBU-MEPZ II
Donalen Bldg.
Basak Highway, Basak
Lapu-Lapu City
Tel. Nos. (032) 341-5408
495-9885

CEBU-MINGLANILLA
1449 Poblacion
Minglanilla, Cebu City
Tel. Nos. (032) 272-6617 to 18

CEBU-NORTH ROAD
North National Rd.
Brgy. Tabok, Mandaue City
Tel. Nos. (032) 346-6871 to 72

CEBU-OPON
G.Y. dela Serna St.
Poblacion, Lapu-Lapu City
Tel. Nos. (032) 340-1050
340-1040

CEBU-PLAZA INDEPENDENCIA
44-50 M. J. Cuenco Ave.
Cebu City
Tel. Nos. (032) 412-1299
255-0225

CEBU-RAMOS
F. Ramos St. corner
Junquera Extension, Cebu City
Tel. Nos. (032) 255-1047 to 48

CEBU-SALINAS DRIVE
Amon Trading Corp. Bldg.
Salinas Drive, Cebu City
Tel. Nos. (032) 232-7979
232-7999

CEBU-SUBANGDAKU
Lopez Jaena St., Subangdaku
Mandaue City
Tel. Nos. (032) 346-7560
346-4310

CEBU-TABOAN
B. Aranas St., Taboan
Cebu City
Tel. Nos. (032) 261-6172 to 73

CEBU-TABUNOK
South National Rd.
Bulacao, Talisay, Cebu
Tel. Nos. (032) 273-1002
272-0462

CEBU-TALAMBAN
PNF Commercial Bldg.
Talamban, Cebu City
Tel. Nos. (032) 346-6931
346-6942

DUMAGUETE-MAIN
Dr. Vicente Locsin St.
Dumaguete City
Tel. Nos. (035) 422-7553
422-7551

DUMAGUETE-REAL
131 Real St., Dumaguete City
Tel. Nos. (035) 225-4555
225-4629

ILOILO-DELGADO
Delgado St., Iloilo City
Tel. Nos. (033) 337-7883
338-0114

ILOILO DIVERSION ROAD
JSB Bldg., B.S. Aquino Ave.
Mandurriao, Iloilo City
Tel. Nos. (033) 336-2193
335-0690

ILOILO-GEN. LUNA
Gen. Luna St., Iloilo City
Tel. Nos. (033) 335-1090
335-0269

ILOILO-GUANCO
Guanco St., Iloilo City
Tel. Nos. (033) 335-1246
335-0192

ILOILO-IZNART
Iznart St., Iloilo City
Tel. Nos. (033) 335-0477
335-0857

ILOILO-J.M. BASA
Magdalena Bldg.
J.M. Basa St., Iloilo City
Tel. Nos. (033) 335-0649 to 50

ILOILO-JARO
Simon Ledesma St.
Jaro, Iloilo City
Tel. No. (033) 329-2631 to 32

ILOILO-LA PAZ
Huervana St. La Paz, Iloilo City
Tel. Nos. (033) 329-6813 to 14

ILOILO-MABINI
39-AD Valiant Bldg.
Mabini St., Iloilo City
Tel. Nos. (033) 336-5500
338-0630

KALIBO
Roxas Ave.
Kalibo, Aklan
Tel. Nos. (036) 262-3028
262-4852

MAASIN, LEYTE
R. Garcia St. corner
P. Enage St., Maasin
Southern Leyte
Tel. Nos. (053) 381-2580
570-9660

ORMOC
Real St. corner Lopez Jaena St.
Ormoc City
Tel. Nos. (053) 255-2358
561-8008

ROXAS
Roxas Ave., Roxas City, Capiz
Tel. Nos. (036) 621-0813
621-0816

ROXAS-ARNALDO BOULEVARD
Gaisano Arcade, Arnaldo Blvd.
Roxas City, Capiz
Tel. Nos. (036) 621-4555
621-4575

SAN CARLOS-NEGROS OCCIDENTAL
Carmona St., San Carlos City
Tel. Nos. (034) 729-9689
312-5119

SILAY-NEGROS OCCIDENTAL
Rizal St., Silay City
Tel. Nos. (034) 495-1328
495-1321

TACLOBAN-MAIN
P. Zamora St., Tacloban City
Tel. Nos. (053) 321-3147
321-2735

TACLOBAN-P. BURGOS
P. Burgos St. corner
Del Pilar St., Tacloban City
Tel. Nos. (053) 325-2332
523-0234

TACLOBAN-RIZAL AVENUE
109 Rizal Ave., Tacloban City
Tel. Nos. (053) 325-9311
321-2188

TAGBILARAN-COGON
C.P. Garcia North Ave.
Cogon, Tagbilaran City
Tel. Nos. (038) 501-8570
411-2205

TAGBILARAN-MAIN
20 C.P. Garcia Ave.
Tagbilaran City
Tel. Nos. (038) 411-2405
501-8283

MINDANAO

AGUSAN DEL SUR
Bonifacio St., San Francisco
Agusan del Sur
Tel. Nos. (085) 343-9521
343-8027

BASILAN
J.S. Alano St. corner
L. Magno St., Isabela, Basilan
Tel. Nos. (062) 200-3624 to 25

BUTUAN-MAIN
San Francisco St. corner
P. Burgos St., Butuan City
Tel. Nos. (085) 341-5246
341-5212

BUTUAN-MONTILLA BOULEVARD
Montilla Blvd., Butuan City
Tel. Nos. (085) 342-2892
815-3399

CAGAYAN DE ORO-CARMEN
Max Suniel St. corner
Ipil St., Carmen Market
Cagayan de Oro City
Tel. Nos. (088) 858-5162
858-1722

CAGAYAN DE ORO-COGON
Osmeña St., Cogon
Cagayan de Oro City
Tel. Nos. (08822) 723-006
726-200

CAGAYAN DE ORO-MAIN
Corales Ave.
Cagayan de Oro City
Tel. Nos. (08822) 726935
(088) 856-2070

CAGAYAN DE ORO-DIVISORIA PARK
RN Abejuela Pabayo St.
Cagayan de Oro City
Tel. Nos. (088) 857-6999
(08822) 724-783

CAGAYAN DE ORO-J.R. BORJA
J.R. Borja St.
Cagayan de Oro City
Tel. Nos. (088) 857-1999
(08822) 723-093

CAGAYAN DE ORO-LAPASAN
National Highway corner
Agora Rd., Lapasan District
Cagayan de Oro
Tel. Nos. (08822) 726-595
(088) 856-4343

CAGAYAN DE ORO-VELEZ
A. Velez St. corner Yacapin St.
Cagayan De Oro City
Tel. Nos. (088) 856-1724
(08822) 726-054

COTABATO-MAIN
Makakua St., Cotabato City
Tel. Nos. (064) 421-2371
421-2692

COTABATO-QUEZON AVENUE
Quezon Ave., Cotabato City
Tel. Nos. (064) 421-9822
421-9825

DAVAO-AGDAO
J.P. Cabaguio Ave.
Agdao, Davao City
Tel. Nos. (082) 221-6176
227-0859

DAVAO-BAJADA
Victoria Plaza Comm'l. Complex
Bajada, Davao City
Tel. Nos. (082) 221-6614 to 15

DAVAO-BANKEROHAN
Quirino Ave. corner
Pichon St., Davao City
Tel. Nos. (082) 221-4780 to 81

DAVAO-BUHANGIN
Km. 5, Buhangin Rd.
Davao City
Tel. Nos. (082) 222-3754
222-3752

DAVAO CENTER
Magsaysay Ave. corner
J. dela Cruz St., Davao City
Tel. Nos. (082) 221-0611
221-0617

DAVAO-D. SUAZO
Seng Bldg., Sta. Ana Ave. corner
Damaso Suazo St., Davao City
Tel. Nos. (082) 221-1143
222-1101

DAVAO-DOCTORS
Davao Doctors Medical Tower
Quirino Ave., Davao City
Tel. Nos. (082) 224-4347
224-4357

DAVAO-ECOLAND
AMYA Bldg. 2
Quimpo Blvd. corner
Tulip Drive, Matina, Davao City
Tel. Nos. (082) 297-7377
297-4177

DAVAO-MATINA
Centro Supermarket
Pangi St., Matina, Davao City
Tel. Nos. (082) 297-0862
297-0865

DAVAO-PANABO
Poblacion, Panabo
Davao del Norte
Tel. Nos. (084) 628-6028
822-5409

DAVAO-RIZAL
J. Rizal St. corner
F. Iñigo St., Davao City
Tel. Nos. (082) 226-4660
227-1481

DAVAO-ROXAS
Chapter Millennium Bldg.
Manuel Roxas Ave., Davao City
Tel. Nos. (082) 224-1110
222-8953

DAVAO-STA. ANA
Monteverde Ave. corner
Lizada St., Sta. Ana District
Davao City
Tel. Nos. (082) 221-0201 to 02

DAVAO-TAGUM
Tagum Comm'l. Bldg.
Pioneer Ave., Tagum
Davao del Norte
Tel. Nos. (084) 218-1172 to 73

DAVAO-TORIL
61 Saavedra St. corner
D. Agaton St., Toril, Davao City
Tel. Nos. (082) 291-1857
291-0773

DIGOS
Estrada St. corner Cabrillo St.
Digos, Davao del Sur
Tel. Nos. (082) 553-2261
553-3422

DIPOLOG-GEN. LUNA
Gen. Luna St., Dipolog City
Tel. Nos. (065) 212-2227
212-2703

DIPOLOG-P. BURGOS
P. Burgos St., Dipolog City
Tel. Nos. (065) 212-8960 to 61

GEN. SANTOS-MAKAR
Veres Bldg., National Highway
Makar, Gen. Santos City
Tel. Nos. (083) 553-5666
553-5665

GEN. SANTOS-PIONEER
Pioneer Ave., Gen. Santos City
Tel. Nos. (083) 301-7881
552-4303

GEN. SANTOS-SANTIAGO BOULEVARD
I. Santiago Blvd.
Gen. Santos City
Tel. Nos. (083) 552-4581
553-5539

ILIGAN-MAIN
0055 Gen. Aguinaldo St.
Iligan City
Tel. Nos. (063) 221-5334
221-3148

ILIGAN-PALA-O
Quezon Ave. corner B.S. Ong St.
Pala-o, Iligan City
Tel. Nos. (063) 221-2284 to 85

JOLO
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National Highway
Kidapawan, North Cotabato
Tel. Nos. (064) 288-1324
288-5008

MARBEL
Gen. Santos Drive
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Tel. Nos. (083) 228-3368
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MIDSAYAP
M.L. Quezon Ave.
Poblacion 6, Midsayap
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Tel. Nos. (064) 229-8704 to 05

OZAMIS-BURGOS
602-604 Burgos St.
Ozamis City
Tel. Nos. (088) 521-1610
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OZAMIS-RIZAL
38-C Rizal Ave., Ozamis City
Tel. Nos. (088) 521-0016
521-1617

PAGADIAN-RIZAL
Rizal Ave. corner J.S. Alano St.
Pagadian City
Tel. No. (062) 214-1631

PAGADIAN-STA. LUCIA
J.P. Rizal Ave., Sta. Lucia
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SURIGAO
Borromeo St., Surigao City
Tel. Nos. (086) 231-7296 to 97

TACURONG
National Highway, Tacurong
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Tel. Nos. (064) 200-3325 to 27

VALENCIA, BUKIDNON
Apolinario Mabini St.
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Tel. Nos. (088) 828-0394
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ZAMBOANGA-BRILLANTES
Pura Brillantes St.
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Gov. Lim Ave. corner
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ZAMBOANGA-GOV. LIM
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Executive Vice President

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LEO J. FERRERIA
President/General Manager

Banking Services

DEPOSIT SERVICES
Savings Account
Unique Savings Account (UNISA)
UNISA Step-Up Series B
Demand Deposit Account
MetroChecking Extra
Easy Tuition Savings Plan
Time Deposit
TD Extra
TD Extra Assure Plus
TD Extra Assure B

ELECTRONIC BANKING FACILITIES
Metrobank Electronic Bills Payment
(ATM, Metrobank*direct*, Phone banking)
Metrobank E.T. International ATM
(Affiliated with Cirrus-Maestro/BancNet)
Metrobank E.T. Payroll Account
Metrophone Banking
Metrobank*direct* – Corporate
Metrobank*direct* – Retail
Metrobank Mobile Banking
Metrobank Tax*direct*
(for BIR Electronic Tax Filing & Payments)
Metrobank E.T. ATM Visa Credit Card Advances
Metrobank E.T. ATM Visa Plus/Electron Cash Withdrawal
Metrobank E.T. ATM China Union Pay Withdrawal
Metrobank E.T. ATM BancNet Point of Sale
Metrobank E.T. ATM Purchase of Prepaid PINs
Metrobank E.T. Interbank ATM Funds Transfer

CASH MANAGEMENT SOLUTIONS
Account Information/Statement
Check Status Inquiry
Loan Inquiry
Check Writer
Payroll Service
Auto Credit
SSS Payment
Auto Debit
Real Time Debit
Post Dated Check Warehousing
Bills Payment and Collection Arrangement
Account Sweeping
Reverse Sweeping
Deposit Pick-up

PAYMENT COLLECTION SERVICES
One-way Deposit Arrangement
SSS Premiums
Tax Payments/Returns
PhilHealth Premiums
SSS Direct Deposit Pension Payment
U.S. Direct Deposit Pension Payment

CUSTODIAL SERVICES
Safety Deposit Boxes
Quick Check Deposit

FOREIGN CURRENCY DEPOSIT SERVICES
Savings Account
Checking Account
Time Deposit
Dollar UNISA Step-Up

FUND TRANSFER AND RELATED SERVICES
Foreign and Domestic Telegraphic Transfer
Foreign and Domestic Demand Draft
Traveler's Checks
Purchase and Sale of Foreign Currency Notes

MISCELLANEOUS OVER-THE-COUNTER SERVICES
Gift Checks
Cashier's Checks

CREDIT AND LENDING SERVICES
Business Loans
Real Estate Maximizer
MetroCar Financing
MetroHome Financing
Metrobank Visa and Mastercard

EXPORT TRADE SERVICES
Red Clause Advances
Green Clause Advances
Export Bills Purchased
Letter of Credit Advising
Letter of Credit Confirmation
Letter of Credit Negotiation
Transferable Letter of Credit
Discounting Usance Letter of Credit
Export Bills for Collection
Export Packing Credit
Dollar, Yen and Peso Rediscounting

IMPORT TRADE SERVICES
Commercial Letters of Credit (LC)
Import Financing
Remittance of Non-LC Trade Services
Shipping Guarantee/Shipside Bond
Trust Receipt
Collection of Import Advance and Final Duties
Bank Guarantee
Standby Letter of Credit

SPECIALIZED LENDING FACILITIES
Industrial Guarantee and Loan Fund (IGLF)
International Export Credit Agency
(ECA) Financing
USDA Commodity Financing
Countryside Loan Fund
SSS-GSIS Special Financing Program
SSS Financing Program for Tourism Projects
SSS Dormitory/Apartment Program
SSS Hospital Financing Program
SSS Industry Loan Facility
SSS Program for Educational Institutions
Japan Bank for International Cooperation (JBIC) Facility
US EXIMBANK Facility
Environmental Infrastructure Support Credit Program (EISCP)

TREASURY SERVICES
Trading of Peso & Dollar-Denominated Government Securities
Treasury Bills
Fixed Rate Treasury Notes
Retail Treasury Bonds
ROP/BSP Dollar-Denominated Bonds
Foreign Exchange Trading
Dollar : Peso
Dollar : Third Currency
Peso : Third Currency
Currency Forwards
Commercial Buy-Sell Swap

TRUST SERVICES

Unit Investment Trust Funds
Metrofund Starter
Metrofund Peak Earner
Metrofund Elite
Metro Invest Plus
Metro Capital Growth Fund
Metro Dollar Phil. Liquid Fund
Metro Dollar Phil. Bond Fund
Metro Dollar Asian Bond Fund

Personal Trust
Metrobank Abundance
Living Trust
Life Insurance Trust
Estate Planning Services
Investment Management

Corporate & Institutional Trust
Metrobank Corporate Stewardship
Employee Benefit Trust
Pre-Need Trust
Corporate Trust
Investment Management

Other Trust and Fiduciary Services
Escrow
Custodianship
Mortgage Trust Indenture
Loan Agency

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