Metrobank

2010 Annual Report

Always Driven

Contents

1 Group Financial Highlights

2 Results of Operation

4 Supplementary Management Discussion

6 Statement of Management's Responsibility for Financial Statements

7 Independent Auditors' Report

9 Statements of Financial Position

10 Statements of Income

11 Statements of Comprehensive Income

12 Statements of Changes in Equity

14 Statements of Cash Flows

16 Notes to Financial Statements

108 Products and Services

110 Branch Network

121 International Offices and Subsidiaries

126 Domestic Subsidiaries

Shareholder Information

Group Financial Highlights

In Million pesos (except per share amounts)

Group Financial Highlights

	2010	2009	Increase (Decrease) Amount	%
At Year End				
Total Assets	**₱887,323**	₱854,307	₱33,016	3.86%
Trading and Investment Securities	**171,710**	197,402	(25,692)	(13.02%)
Loans and Receivables, net	**392,659**	362,327	30,332	8.37%
Deposit Liabilities	**651,262**	615,700	35,562	5.78%
Subordinated Debt	**21,673**	21,634	39	0.18%
Equity				
Attributable to:				
Equity Holders of the Parent Company	**87,634**	75,225	12,409	16.50%
Minority Interest	**5,383**	5,093	290	5.69%
Book value per share	**42.53**	38.11	4	11.60%
Foreign Exchange				
PDS Closing Rate	**43.84**	46.20		
PDS Weighted Average Rates	**45.12**	47.64		
(*PDS: Philippine Dealing System*)				

	2010	2009	2008	Increase (Decrease) 2010 VS 2009 Amount	%	Increase (Decrease) 2009 VS 2008 Amount	%
For the Year							
Net Interest Income	**₱26,390**	₱26,679	₱23,069	₱(289)	(1.08%)	₱3,610	15.65%
Other Operating Income	**20,092**	16,081	11,486	4,011	24.94%	4,595	40.01%
Total Operating Income	**46,482**	42,760	34,555	3,722	8.70%	8,205	23.74%
Provision for Credit and Impairment Losses	**7,285**	8,793	3,249	(1,508)	(17.15%)	5,544	170.64%
Other Operating Expenses	**27,818**	25,842	24,194	1,976	7.65%	1,648	6.81%
Total Operating Expenses	**35,103**	34,635	27,443	468	1.35%	7,192	26.21%
Share in Net Income of Investees	**1,618**	919	992	699	76.06%	(73)	(7.36%)
Provision for Income Tax	**3,731**	2,249	3,027	1,482	65.90%	(778)	(25.70%)
Net Income	**9,266**	6,795	5,077	2,471	36.36%	1,718	33.84%
Attributable to:							
Equity Holders of the Parent Company	**8,366**	6,029	4,408	2,337	38.76%	1,621	36.77%
Minority Interest	**900**	766	669	134	17.49%	97	14.50%
Basic/Diluted Earnings							
Per Share Attributable to							
Equity Holders of the Parent Company	**4.18**	3.07	2.17	1.11	36.16%	0.90	41.47%

Results of Operation

For the year 2010, consolidated net income attributable to the equity holders of the Parent Company stood at ₱8.4 billion, representing a 38.8% increase over the previous year's ₱6.0 billion, given improved market conditions in the local and global economy.

Total Group revenues consisting of net interest income, other operating income, and share in income of investees reached ₱48.1 billion, or 10.1% higher than the ₱43.7 billion registered in 2009. Net interest income derived from lending, investment and borrowing activities reached ₱26.4 billion, representing approximately 54.9% of total revenues net of interest expense.

Other operating income comprised of net trading and securities gain, service charges, fees and commissions, net foreign exchange gain or loss, profit or loss from assets sold, income from trust operations, leasing income, dividend income, miscellaneous income, and share in net income of investees increased by 27.7% to ₱21.7 billion, accounting for 45.1% of total revenues net of interest expense. Income from trading and foreign exchange transactions increased by ₱3.1 billion, buoyed by improved market conditions. Service charges, fees and commissions, profit from assets sold and miscellaneous income improved by ₱354 million, ₱247 million and ₱509 million, respectively. Meanwhile, leasing and trust income declined by ₱184 million and ₱36 million, respectively. Share in net income of investees increased by 76.1% or ₱699 million due to the strong performance of certain associates.

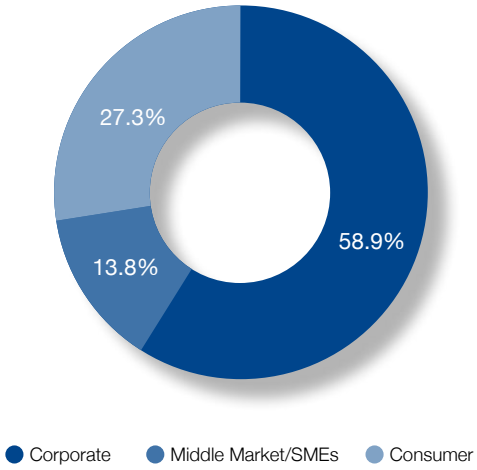
Total operating expenses of the Group (excluding provision for credit and impairment losses) grew by 7.6% to ₱27.8 billion, mainly driven by the 10.4% increase in the compensation and fringe benefits to ₱11.4 billion. The material components of total operating expenses are compensation and fringe benefits which accounted for 41.2%, taxes and licenses at 15.8%, and miscellaneous expenses at 28.6%. Meanwhile, the Group set aside provision for credit and impairment losses of ₱7.3 billion, representing a 17.2% decrease from the ₱8.8 billion registered in 2009.

Provision for income tax increased by ₱1.5 billion due to the increase in provision for deferred income tax by ₱1.1 billion and ₱358 million hike in provision for current tax. Effective income tax rate of the Group was at 28.7% in 2010 compared to 24.9% in 2009.

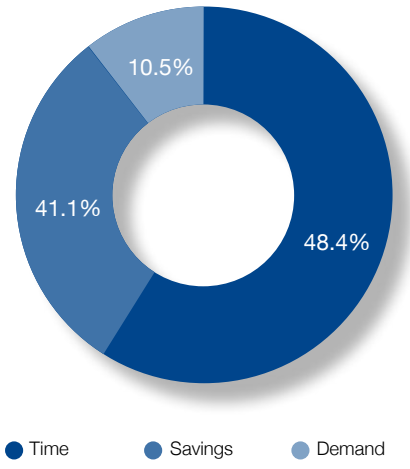
Given the improvement in net profits for the year, Return on Average Equity rose to 10.3% from 8.6% in 2009, and Return on Average Assets was at 1.0% in 2010 from 0.7% in the previous year.

For the year 2010, Metrobank paid total cash dividends of ₱1.1 billion representing a total payout of 22.7% of the Parent Company's net earnings for the year.

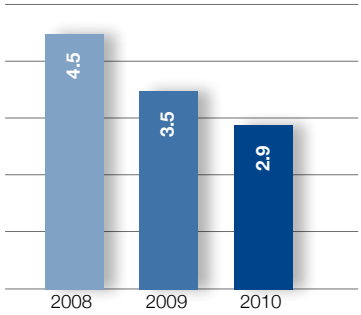
Loan Breakdown



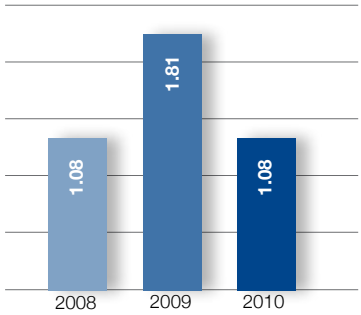
Deposit Breakdown



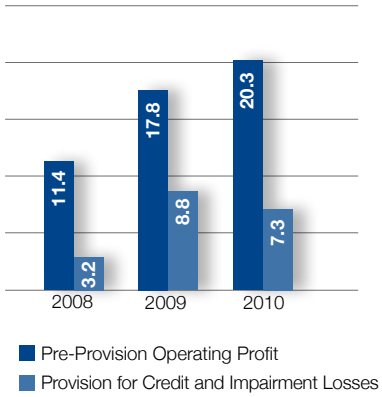
Non Performing Loans Ratio (%)



Cash Dividends Declared
(in billion pesos)



Pre-Provision Operating Profit
(in billion pesos)



Following the recovery in stock markets across the globe, the Philippine Stock Exchange index climbed by 37.6%, and the Metrobank share price increased to ₱72.00 at the last trading day of December 2010 from ₱45.00 in the comparative period in 2009. Market capitalization stood at ₱137.6 billion as at December 31, 2010.

Financial Condition

The Metrobank Group closed the year 2010 with audited consolidated total resources of ₱887.3 billion, or ₱33.0 billion higher than the figure reported in 2009. The growth was driven by the ₱35.6 billion increase in deposits, sourced mainly by the Parent Company and PSBank while bills payable and securities sold under repurchase agreements decreased by ₱10.4 billion. Deposit liabilities represent 82.0% of the consolidated total liabilities as of December 31, 2010. At year-end, deposits stood at ₱651.3 billion, with demand, savings, and time deposits accounting for 10.5%, 41.1% and 48.4%, respectively. With the continued push for low cost deposit generation, total low cost deposits now represent 51.6% of the Group's total deposits, from only 47.2% in 2009.

Loans and receivables, net of allowance for impairment and credit losses, recorded an increase of ₱30.3 billion or 8.4% to ₱392.7 billion. The ₱30.1 billion spike in gross loans was mainly driven by the strong demand in corporate and consumer loans. The consumer book, which accounted for 27.3% of the total portfolio, was bolstered by steady demand across the housing, auto, and credit card segments. Corporate loans continue to account for the biggest share of total book at 58.9%, with demand coming from the manufacturing, wholesale and retail trade, real estate, renting and business activities, and private households. Continuing its efforts to enhance credit quality, total nonperforming loans (NPL) was reduced by ₱1.5 billion to ₱11.0 billion. Thus, the NPL ratio further improved to 2.9% in 2010 from 3.5% in 2009. On the other hand, the net book value of investment properties, which consist of foreclosed real estate properties and investment in real estate, declined by ₱3.3 billion to ₱18.4 billion as of end 2010, due to the sales and redemptions of various properties in line with the Parent Company's continuing efforts to dispose of nonperforming assets.

Liquid assets increased by 4.9% to ₱425.1 billion on account of the 134.0% hike in Due from Bangko Sentral ng Pilipinas . On the other hand, Interbank Loans Receivable and Securities Purchased under Agreements to Resell decreased by 66.7% to ₱26.5 billion. Meanwhile, Investment Securities which consist of Financial Assets at Fair Value through Profit or Loss, Available-for-Sale and Held-to-Maturity Investments, decreased by 13.0% to ₱171.7 billion.

Capital excluding minorities increased by 16.5% to ₱87.6 billion, on account of proceeds from the issuance of additional common shares and increase in the market valuation of AFS investments, net of the 3.0% cash dividends declared and the coupon payments on the Hybrid Tier 1 capital securities in 2010.

Supplementary Management Discussion

The capital-to-risk assets ratio of the Group as reported to the BSP as of December 31, 2010 and 2009 are shown in the table below.

	Consolidated		Parent Company	
	December 31			
	2010	2009	2010	2009
	(In Millions)			
Tier 1 capital	₱67,670	₱56,212	₱65,134	₱53,824
Tier 2 capital	25,796	25,147	21,234	21,114
Gross qualifying capital	93,466	81,359	86,368	74,938
Less: Required deductions	2,037	2,521	33,655	23,104
Total qualifying capital	₱91,429	₱78,838	₱52,713	₱51,834
Credit risk-weighted assets	₱459,764	₱467,590	₱327,899	₱358,494
Market risk-weighted assets	18,396	11,830	15,954	9,563
Operational risk-weighted assets	78,081	72,426,	52,580	49,958
Risk weighted assets	₱556,241	₱551,846	₱396,433	₱418,015
Tier 1 capital ratio	12.0%	10.0%	12.2%	10.1%
Total capital ratio	16.4%	14.3%	13.3%	12.4%

The regulatory qualifying capital of the Parent Company consists of Tier 1 (core) capital, which comprises paid-up common stock, hybrid tier 1 capital securities, surplus including current year profit, surplus reserves and minority interest less required deductions such as unsecured credit accommodations to DOSRI, deferred income tax, and goodwill. Certain adjustments are made to PFRS - based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debt, net unrealized gains on debt equity securities and general loan loss provision.

The components of Tier 1 capital and deductions follow:

	Consolidated		Parent Company	
	December 31			
	2010	2009	2010	2009
	(In Millions)			
Tier 1 capital				
Paid-up common stock	₱38,228	₱36,145	₱38,228	₱36,145
Additional paid-in capital	7,543	4,697	7,543	4,697
Retained Earnings	29,053	22,808	29,053	22,808
Cumulative foreign currency translation	419	646	419	646
Minority interest in subsidiary financial allied undertakings which are less than wholly-owned	5,009	4,469	-	-
Sub-total	80,252	68,765	75,243	64,296
Less deductions:				
Net unrealized losses on available for sale equity securities purchased	-	94	-	94
Common stock treasury shares	21	10	-	-
Total outstanding unsecured credit accommodations, both direct and indirect, to DOSRI, and insecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates (net of specific provisions, if any) referred to in Circular No. 560	5,847	5,135	4,680	4,809
Deferred income tax (net of allowance for impairment, if any	7,542	7,928	6,304	6,231
Goodwill (net of allowance for impairment, if any)	4,570	5,075	4,523	5,027
Total deductions from Tier 1 capital	17,980	18,242	15,507	16,161
Total core Tier 1 capital	62,272	50,523	59,736	48,135
Add hybrid Tier 1 capital	5,398	5,689	5,398	5,689
Total Tier 1 capital	₱67,670	₱56,212	₱65,134	₱53,824

Tier 2 capital, as reported to BSP as of December 31, 2010 and 2009 consist of the following:

	Consolidated		Parent Company	
	December 31			
	2010	2009	2010	2009
	(In Millions)			
Tier 2 capital				
Net unrealized gains on available for sale equity securities (subject to a 55% discount)	₱4	₱-	₱4	₱-
General loan loss provision	4,212	3,570	2,904	2,788
Unsecured subordinated debts	21,580	21,577	18,326	18,326
Total Tier 2 capital	₱25,796	₱25,147	₱21,234	₱21,114

Deductions from Tier 1 and Tier 2 capital include the following:

	Consolidated		Parent Company	
	December 31			
	2010	2009	2010	2009
	(In Millions)			
Investments in equity of unconsolidated Subsidiary securities dealers/brokers, Insurance companies, and non-financial allied undertakings, after deducting related goodwill	₱416	₱330	₱264	₱285
Investments in equity of unconsolidated Subsidiary banks and quasi-banks, and other financial allied undertakings (excluding Subsidiary securities dealers/brokers, and insurance companies), after deducting related goodwill	-	-	32,602	21,416
Significant minority investments in Banks and quasi-banks, and other Financial allied undertakings	1,342	1,279	510	491
Securitization tranches in the banking book which are rated below investment grade	279	912	279	912
Total deductions	₱2,037	₱2,521	₱33,655	₱23,104

Risk weighted assets by type of exposure as of December 31, 2010 and 2009 consist of the following:

	Credit Risk		Market Risk		Operational Risk	
	December 31, 2010					
	Group	Parent	Group	Parent	Group	Parent
	(In Millions)					
On-Balance Sheet	₱447,707	₱315,877	₱-	₱-	₱-	₱-
Off-Balance Sheet	10,439	10,416	-	-	-	-
Counterparty (Banking/Trading Book)	1,618	1,606	-	-	-	-
Securitization Exposures	-	-	-	-	-	-
Interest Rate Exposures -	-	9,984	9,041	-	-	
Equity Exposures	-	-	1,680	-	-	-
Foreign Exposures	-	-	6,732	6,913	-	-
Options	-	-	-	-	-	-
Basic Indicator	-	-	-	-	78,081	52,580
Total	₱459,764	₱327,899	₱18,396	₱15,954	₱78,081	₱52,580
Capital Requirements	₱45,976	₱32,790	₱1,840	₱1,595	₱7,808	₱5,258

	Credit Risk		Market Risk		Operational Risk	
	December 31, 2009					
	Group	Parent	Group	Parent	Group	Parent
	(In Millions)					
On-Balance Sheet	₱450,426	₱345,413	₱-	₱-	₱-	₱-
Off-Balance Sheet	14,229	10,155	-	-	-	-
Counterparty (Banking/Trading Book)	2,935	2,925	-	-	-	-
Securitization Exposures	-	-	-	-	-	-
Interest Rate Exposures	-	-	7,279	6,073	-	-
Equity Exposures	-	-	790	-	-	-
Foreign Exposures	-	-	3,760	3,490	-	-
Options	-	-	1	1	-	-
Basic Indicator	-	-	-	-	72,426	49,958
Total	₱467,590	₱358,493	₱11,830	₱9,564	₱72,426	₱49,958
Capital Requirements	₱46,759	₱35,849	₱1,183	₱956	₱7,243	₱4,996

Risk-weighted on-balance sheet assets covered by credit risk mitigants were based on collateralized transactions as well as guarantees by the Philippine National Government (PNG) and those guarantors and exposures with highest credit rating.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on the ratings by Standard & Poor's, Moody's, Fitch and PhilRatings on exposures to Sovereigns, MDBs, Banks, LGUs, Government Corporations, Corporates.

Statement of Management's Responsibility for Financial Statements

The Management of Metropolitan Bank & Trust Company (the Bank) and subsidiaries is responsible for all information and representations contained in the consolidated financial statements as of December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010. The consolidated financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect 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 or operation of internal controls that could adversely affect its ability to record, process and report financial data; (ii) material weaknesses in the internal controls, and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the consolidated financial statements before such statements are approved and submitted to the stockholders of the Bank.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has examined the consolidated financial statements of the Bank and subsidiaries in accordance with Philippine Standards on Auditing 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:

ANTONIO S. ABACAN JR.	ARTHUR TY	JOSHUA E. NAING
Chairman	President	Executive Vice President/Controller

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

SUBSCRIBED AND SWORN to before me on March 09, 2011, affiants exhibiting to me their respective Tax Identification Numbers/Social Security System Numbers as follows:

Name	Tax Identificaiton Nos.	Social Security System Nos.
METROPOLITAN BANK & TRUST COMPANY	000-477-863-000	03-2409900-1
ANTONIO S. ABACAN JR.	221-607-426	03-0646600-5
ARTHUR TY	121-526-520	03-9660341-2
JOSHUA E. NAING	121-523-967	03-6695744-4

Doc No. 14;
Page No. 4;
Book No. 2;
Series of 2011.

Cynthia G. Ruiz
Notary Public - Makati City
Appointment #M-178
Until December 31, 2012
7th Flr., Metrobank Plaza
Sen. Gil Puyat Ave., Makati City
PTR No. 2670685, 01-10-2011 Makati City
IBP 836873, 11-17-2010 Makati City
Roll of Attorneys No. 37155

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company), which comprise the statements of financial position as at December 31, 2010 and 2009 and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2010 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Group's management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the reports of other auditors are sufficient and appropriate to provide a basis for our audit opinion.

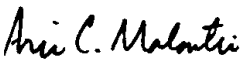
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and of the Parent Company as of December 31, 2010 and 2009 and their financial performance and their cash flows for each of the three years in the period ended December 31, 2010 in accordance with Philippine Financial Reporting Standards.

Report on Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

SYCIP GORRES VELAYO & CO.



Aris C. Malantic
Partner
CPA Certificate No. 90190
SEC Accreditation No. 0326-AR-1
Tax Identification No. 152-884-691
PTR No. 2641538, January 3, 2011, Makati City

February 23, 2011

NOTES:

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Statements of Financial Position

(In Millions)

	Consolidated		Parent Company	
	As of December 31			
	2010	2009	2010	2009
ASSETS				
Cash and Other Cash Items (Note 15)	₱20,201	₱19,727	₱16,996	₱17,049
Due from Bangko Sentral ng Pilipinas (Note 15)	168,402	71,981	162,391	63,578
Due from Other Banks	38,308	36,702	19,416	29,815
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (Notes 7 and 31)	26,507	79,554	18,006	73,943
Financial Assets at Fair Value Through Profit or Loss (Notes 8 and 27)	12,580	17,046	9,083	14,687
Available-for-Sale Investments (Notes 8, 15 and 27)	126,467	156,735	96,325	116,711
Held-to-Maturity Investments (Note 8)	32,663	23,621	13,947	14,996
Loans and Receivables (Notes 9, 15 and 27)	392,659	362,327	292,433	281,188
Investments in Subsidiaries (Note 11)	–	–	25,802	17,497
Investments in Associates (Note 11)	15,575	21,651	1,263	11,257
Property and Equipment (Note 10)	13,119	13,086	9,219	9,397
Investment Properties (Note 12)	18,401	21,680	13,739	17,126
Deferred Tax Assets (Note 26)	7,496	8,476	6,361	6,941
Goodwill (Note 11)	6,449	6,449	1,203	1,203
Other Assets (Note 13)	8,496	15,272	6,569	10,197
	₱887,323	₱854,307	₱692,753	₱685,585
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 15 and 27)				
Demand	₱68,261	₱48,568	₱61,216	₱44,521
Savings	267,930	242,145	260,269	234,378
Time	315,071	324,987	242,323	264,630
	651,262	615,700	563,808	543,529
Bills Payable and Securities Sold Under Repurchase Agreements (Notes 16 and 27)	85,513	95,868	10,405	27,577
Derivative Liabilities (Note 8)	3,161	2,384	3,001	2,245
Manager's Checks and Demand Drafts Outstanding	2,043	1,955	1,394	1,458
Income Taxes Payable	331	485	69	258
Accrued Interest and Other Expenses (Note 17)	5,174	4,847	2,772	2,886
Subordinated Debt (Note 18)	21,673	21,634	18,406	18,372
Deferred Tax Liabilities (Note 26)	137	165	–	–
Other Liabilities (Note 19)	25,012	30,951	17,844	22,969
	794,306	773,989	617,699	619,294
EQUITY				
Equity Attributable to Equity Holders of the Parent Company				
Common stock (Note 21)	38,228	36,145	38,228	36,145
Hybrid capital securities (Note 21)	6,351	6,351	6,351	6,351
Capital paid in excess of par value	13,484	10,638	13,484	10,638
Surplus reserves (Note 22)	912	843	912	843
Surplus (Notes 21 and 22)	27,640	20,942	16,201	13,085
Net unrealized gain (loss) on available-for-sale investments (Note 8)	1,238	230	822	(27)
Equity in net unrealized gain on available-for-sale investments of associates (Note 11)	284	103	–	–
Translation adjustment and others	(503)	(27)	(944)	(744)
	87,634	75,225	75,054	66,291
Non-controlling Interest	5,383	5,093	–	–
	93,017	80,318	75,054	66,291
	₱887,323	₱854,307	₱692,753	₱685,585

See accompanying Notes to Financial Statements.

NOTES:

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Statements of Income

(In Millions, Except Earnings Per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2010	2009	2008	2010	2009	2008
INTEREST INCOME ON						
Loans and receivables (Notes 9 and 27)	₱27,216	₱28,582	₱29,152	₱15,679	₱18,446	₱18,883
Trading and investment securities (Note 8)	9,553	10,500	8,185	5,588	6,303	6,284
Interbank loans receivable and securities purchased under resale agreements (Note 27)	938	1,005	1,511	729	905	1,230
Deposits with banks and others	3,757	3,628	2,866	3,031	3,086	2,400
	41,464	43,715	41,714	25,027	28,740	28,797
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 15 and 27)	9,713	11,293	13,426	7,070	8,901	11,164
Bills payable and securities sold under repurchase agreements, subordinated debt and others (Notes 16, 18 and 27)	5,361	5,743	5,219	1,868	2,037	1,791
	15,074	17,036	18,645	8,938	10,938	12,955
NET INTEREST INCOME	26,390	26,679	23,069	16,089	17,802	15,842
Service charges, fees and commissions (Note 27)	6,853	6,499	6,783	3,608	3,180	4,071
Trading and securities gain (loss) - net (Note 8)	6,122	3,623	(1,265)	2,546	2,423	(1,641)
Foreign exchange gain - net	2,855	2,210	761	2,588	1,956	139
Profit from assets sold (Note 12)	1,172	925	2,889	1,091	607	1,671
Leasing (Notes 12, 24 and 27)	824	1,008	365	217	255	325
Income from trust operations (Notes 22 and 28)	480	516	491	473	511	482
Dividends (Note 11)	118	141	166	2,142	1,018	1,513
Miscellaneous (Note 25)	1,668	1,159	1,296	281	521	460
TOTAL OPERATING INCOME	46,482	42,760	34,555	29,035	28,273	22,862
Compensation and fringe benefits (Notes 23 and 27)	11,452	10,370	9,307	7,618	7,126	6,492
Provision for credit and impairment losses (Note 14)	7,285	8,793	3,249	4,485	5,613	1,278
Taxes and licenses (Note 26)	4,391	4,005	3,729	2,634	2,531	2,427
Depreciation and amortization (Notes 10, 12 and 13)	2,061	1,852	1,882	1,258	1,127	1,252
Occupancy and equipment-related cost (Note 24)	1,758	1,497	1,348	1,083	947	859
Amortization of software costs (Note 13)	199	160	137	89	64	61
Miscellaneous (Note 25)	7,957	7,958	7,791	5,157	5,324	5,094
TOTAL OPERATING EXPENSES	35,103	34,635	27,443	22,324	22,732	17,463
INCOME BEFORE SHARE IN NET INCOME OF ASSOCIATES	11,379	8,125	7,112	6,711	5,541	5,399
SHARE IN NET INCOME OF ASSOCIATES (Note 11)	1,618	919	992	–	–	–
INCOME BEFORE INCOME TAX	12,997	9,044	8,104	6,711	5,541	5,399
PROVISION FOR INCOME TAX (Note 26)	3,731	2,249	3,027	1,927	1,295	2,079
NET INCOME	₱9,266	₱6,795	₱5,077	₱4,784	₱4,246	₱3,320
Attributable to:						
Equity holders of the Parent Company (Note 30)	₱8,366	₱6,029	₱4,408			
Non-controlling Interest	900	766	669			
	₱9,266	₱6,795	₱5,077			
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 30)	₱4.18	₱3.07	₱2.17			

See accompanying Notes to Financial Statements.

NOTES:

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Statements of Comprehensive Income

(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2010	2009	2008	**2010**	2009	2008
Net Income	**₱9,266**	₱6,795	₱5,077	**₱4,784**	₱4,246	₱3,320
Other Comprehensive Income (Loss) for the Year, net of tax						
Change in net unrealized gain (loss) on available-for-sale investments (Note 8)	**896**	8,092	(9,249)	**849**	4,929	(5,996)
Change in equity in net unrealized gain (loss) on available-for-sale investments of associates	**183**	17	(163)	**–**	–	–
Translation adjustment and others (Notes 8 and 11)	**(707)**	(1,195)	1,245	**(200)**	(184)	948
	372	6,914	(8,167)	**649**	4,745	(5,048)
Total Comprehensive Income (Loss) for the Year	**₱9,638**	₱13,709	(₱3,090)	**₱5,433**	₱8,991	(₱1,728)
Attributable to:						
Equity holders of the Parent Company	**₱9,079**	₱12,424	(₱3,133)			
Non-controlling Interest	**559**	1,285	43			
	₱9,638	₱13,709	(₱3,090)			

See accompanying Notes to Financial Statements.

NOTES:

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Statements of Changes in Equity

(In Millions)

	Consolidated			
	Equity Attributable to Equity			
	Common Stock (Note 21)	Hybrid Capital Securities (Note 21)	Capital Paid In Excess of Par Value	Surplus Reserves (Note 22)
Balance at January 1, 2010	**₱36,145**	**₱6,351**	**₱10,638**	**₱843**
Total comprehensive income for the year	–	–	–	–
Issuance of shares of stock	2,083	–	2,846	–
Transfer to surplus reserves	–	–	–	69
Cash dividends	–	–	–	–
Coupon payment of hybrid capital securities	–	–	–	–
Balance at December 31, 2010	**₱38,228**	**₱6,351**	**₱13,484**	**₱912**
Balance at January 1, 2009	₱36,145	₱6,351	₱10,638	₱770
Total comprehensive income for the year	–	–	–	–
Transfer to surplus reserves	–	–	–	73
Cash dividends	–	–	–	–
Coupon payment of hybrid capital securities	–	–	–	–
Balance at December 31, 2009	₱36,145	₱6,351	₱10,638	₱843
Balance at January 1, 2008	₱36,145	₱6,351	₱10,638	₱701
Total comprehensive income (loss) for the year	–	–	–	–
Transfer to surplus reserves	–	–	–	69
Cash dividends	–	–	–	–
Coupon payment of hybrid capital securities	–	–	–	–
Balance at December 31, 2008	₱36,145	₱6,351	₱10,638	₱770

	Parent			
	Common Stock (Note 21)	Hybrid Capital Securities (Note 21)	Capital Paid In Excess of Par Value	Surplus Reserves (Note 22)
Balance at January 1, 2010	**₱36,145**	**₱6,351**	**₱10,638**	**₱843**
Total comprehensive income for the year	–	–	–	–
Issuance of shares of stock	2,083	–	2,846	–
Transfer to surplus reserves	–	–	–	69
Cash dividends	–	–	–	–
Coupon payment of hybrid capital securities	–	–	–	–
Balance at December 31, 2010	**₱38,228**	**₱6,351**	**₱13,484**	**₱912**
Balance at January 1, 2009	₱36,145	₱6,351	₱10,638	₱770
Total comprehensive income for the year	–	–	–	–
Transfer to surplus reserves	–	–	–	73
Cash dividends	–	–	–	–
Coupon payment of hybrid capital securities	–	–	–	–
Balance at December 31, 2009	₱36,145	₱6,351	₱10,638	₱843
Balance at January 1, 2008	₱36,145	₱6,351	₱10,638	₱701
Total comprehensive income (loss) for the year	–	–	–	–
Transfer to surplus reserves	–	–	–	69
Cash dividends	–	–	–	–
Coupon payment of hybrid capital securities	–	–	–	–
Balance at December 31, 2008	₱36,145	₱6,351	₱10,638	₱770

See accompanying Notes to Financial Statements.

NOTES:

Holders of the Parent Company						
Surplus (Notes 21 (Note 22)	Net Unrealized Gain (Loss) on Available-for-Sale Investments (Note 8)	Equity in Net Unrealized Gain (Loss) on Available-for-Sale Investments of Associates (Note 8)	Translation Adjustment and Others	Total	Non-controlling Interest	Total Equity
₱20,942	₱230	₱103	(₱27)	₱75,225	₱5,093	₱80,318
8,366	1,008	181	(476)	9,079	559	9,638
–	–	–	–	4,929	–	4,929
(69)	–	–	–	–	–	–
(1,084)	–	–	–	(1,084)	(269)	(1,353)
(515)	–	–	–	(515)	–	(515)
₱27,640	₱1,238	₱284	(₱503)	₱87,634	₱5,383	₱93,017
₱17,277	(₱6,361)	₱87	₱185	₱65,092	₱3,913	₱69,005
6,029	6,591	16	(212)	12,424	1,285	13,709
(73)	–	–	–	–	–	–
(1,807)	–	–	–	(1,807)	(105)	(1,912)
(484)	–	–	–	(484)	–	(484)
₱20,942	₱230	₱103	(₱27)	₱75,225	₱5,093	₱80,318
₱15,229	₱2,194	₱247	(₱989)	₱70,516	₱3,960	₱74,476
4,408	(8,555)	(160)	1,174	(3,133)	43	(3,090)
(69)	–	–	–	–	–	–
(1,807)	–	–	–	(1,807)	(90)	(1,897)
(484)	–	–	–	(484)	–	(484)
₱17,277	(₱6,361)	₱87	₱185	₱65,092	₱3,913	₱69,005

Company			
Surplus (Notes 21 and 22)	Net Unrealized Gain (Loss) on Available-for-Sale Investments (Note 8)	Translation Adjustment and Others	Total Equity
₱13,085	(₱27)	(₱744)	₱66,291
4,784	849	(200)	5,433
–	–	–	4,929
(69)	–	–	–
(1,084)	–	–	(1,084)
(515)	–	–	(515)
₱16,201	₱822	(₱944)	₱75,054
₱11,203	(₱4,956)	(₱560)	₱59,591
4,246	4,929	(184)	8,991
(73)	–	–	–
(1,807)	–	–	(1,807)
(484)	–	–	(484)
₱13,085	(₱27)	(₱744)	₱66,291
₱10,243	₱1,040	(₱1,508)	₱63,610
3,320	(5,996)	948	(1,728)
(69)	–	–	–
(1,807)	–	–	(1,807)
(484)	–	–	(484)
₱11,203	(₱4,956)	(₱560)	₱59,591

NOTES:

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Statements of Cash Flows

(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2010	2009	2008	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱12,997	₱9,044	₱8,104	₱6,711	₱5,541	₱5,399
Adjustments for:						
Provision for credit and impairment losses (Note 14)	7,285	8,793	3,249	4,485	5,613	1,278
Trading and securities gain on available-for-sale investments (Note 8)	(5,982)	(2,113)	(1,100)	(2,825)	(1,384)	(404)
Depreciation and amortization (Notes 10, 12 and 13)	2,061	1,852	1,882	1,258	1,127	1,252
Share in net income of associates (Note 11)	(1,618)	(919)	(992)	–	–	–
Profit from assets sold (Note 12)	(1,172)	(925)	(2,889)	(1,091)	(607)	(1,671)
Gain on initial recognition of investment properties (Note 25)	(446)	(509)	(412)	(221)	(308)	(194)
Amortization of software costs (Note 13)	199	160	137	89	64	61
Amortization of discount on subordinated debt	39	30	15	34	28	15
Unrealized market valuation loss (gain) on derivative assets and liabilities (Note 8)	653	(624)	1,992	673	(639)	1,984
Dividends (Note 11)	(118)	(141)	(166)	(2,142)	(1,018)	(1,513)
Net gain on sale of investment in associates (Notes 11 and 27)	(8)	–	–	(6)	–	–
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Financial assets at fair value through profit or loss	3,813	(7,786)	(3,076)	4,931	(7,212)	(3,887)
Loans and receivables	(32,733)	(10,525)	(61,717)	(11,739)	(2,269)	(38,692)
Other assets	2,591	(2,616)	1,759	844	(2,527)	901
Increase (decrease) in:						
Deposit liabilities	35,562	30,394	55,764	22,945	15,661	54,546
Manager's checks and demand drafts outstanding	88	400	(1,466)	(64)	235	(1,429)
Accrued interest and other expenses	332	(341)	4	(91)	(626)	(263)
Other liabilities	(2,098)	4,746	7,918	(3,052)	4,919	3,647
Net cash generated from operations	21,445	28,920	9,006	20,739	16,598	21,030
Dividends received	627	141	166	2,142	1,018	1,513
Income taxes paid	(3,121)	(3,075)	(2,504)	(1,541)	(2,055)	(1,238)
Net cash provided by operating activities	18,951	25,986	6,668	21,340	15,561	21,305
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Available-for-sale investments	(621,489)	(576,967)	(308,901)	(510,521)	(532,067)	(273,614)
Held-to-maturity investments	(9,481)	(3,275)	(10,000)	–	(170)	(9,912)
Property and equipment (Note 10)	(1,571)	(2,231)	(3,303)	(680)	(1,258)	(2,085)
Investments in subsidiaries and associates (Note 11)	(1,939)	(1,487)	(3,084)	(10,177)	–	(1,519)
Proceeds from sale of:						
Available-for-sale investments	657,950	524,323	296,341	534,820	489,847	263,743
Property and equipment	107	237	175	95	133	287
Investments in subsidiaries and associates (Note 11)	5,226	–	25	6,023	–	108
Investment properties (Note 12)	4,555	7,298	8,527	4,035	6,347	1,798
Decrease (increase) in interbank loans receivable and securities purchased under resale agreements (Note 31)	(542)	1,374	11,916	(542)	1,374	11,916
Proceeds from maturity of held-to-maturity investments	439	2,035	8,969	438	2,035	8,588
Net cash provided by (used in) investing activities	33,255	(48,693)	665	23,491	(33,759)	(690)

(Forward)

NOTES:

	Consolidated			Parent Company		
	Years Ended December 31					
	2010	2009	2008	2010	2009	2008
CASH FLOWS FROM FINANCING ACTIVITIES						
Settlements of bills payable	(₱801,265)	(₱649,010)	(₱910,970)	(₱261,064)	(₱198,656)	(₱618,410)
Availments of bills payable and securities sold under repurchase agreement	790,910	686,586	910,837	244,785	223,308	607,279
Proceeds from issuance of shares of stock (Note 21)	4,929	–	–	4,929	–	–
Repayments of subordinated debt (Note 18)	–	–	(8,222)	–	–	(8,224)
Availments of subordinated debt (Note 18)	–	5,747	5,443	–	4,458	5,443
Cash dividends paid (Note 21)	(1,353)	(1,912)	(1,897)	(1,084)	(1,807)	(1,807)
Coupon payment of hybrid capital securities (Note 21)	(515)	(484)	(484)	(515)	(484)	(484)
Net cash provided by (used in) financing activities	(7,294)	40,927	(5,293)	(12,949)	26,819	(16,203)
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,912	18,220	2,040	31,882	8,621	4,412
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	19,727	18,700	13,840	17,049	16,877	12,820
Due from Bangko Sentral ng Pilipinas	71,981	91,638	75,770	63,578	84,811	71,313
Due from other banks	36,702	60,870	30,228	29,815	55,482	23,790
Interbank loans receivable and securities purchased under resale agreements (Note 31)	77,364	16,346	65,676	71,753	16,404	61,239
	205,774	187,554	185,514	182,195	173,574	169,162
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	20,201	19,727	18,700	16,996	17,049	16,877
Due from Bangko Sentral ng Pilipinas	168,402	71,981	91,638	162,391	63,578	84,811
Due from other banks	38,308	36,702	60,870	19,416	29,815	55,482
Interbank loans receivable and securities purchased under resale agreements (Note 31)	23,775	77,364	16,346	15,274	71,753	16,404
	₱250,686	₱205,774	₱187,554	₱214,077	₱182,195	₱173,574

OPERATIONAL CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	Years Ended December 31					
	2010	2009	2008	2010	2009	2008
Interest paid	₱15,443	₱18,095	₱18,257	₱9,378	₱12,269	₱12,615
Interest received	45,215	43,325	40,274	27,056	28,541	28,587

See accompanying Notes to Financial Statements.

NOTES:

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

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 800 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.

The original Certification of Incorporation of the Parent Company was issued by the Securities and Exchange Commission (SEC) on April 6, 1962 which shall expire on April 6, 2012. On March 21 and November 19, 2007, the board of directors (BOD) of the Parent Company and the SEC, respectively, approved the extension of its corporate term for another 50 years or up to April 6, 2057.

2. Summary of Significant Accounting Policies

Basis of Preparation
The accompanying financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at fair value through profit or loss (FVPL) and available-for-sale (AFS) investments that have been measured at fair value.

The accompanying financial statements of the Parent Company and Philippine Savings Bank (PSBank) include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU).

The functional currency of RBU and FCDU is Philippine peso and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine peso (see accounting policy on Foreign Currency Translation). The financial statements of these units are combined after eliminating inter-unit accounts.

The consolidated financial statements are presented in Philippine peso, and all values are rounded to the nearest million pesos (₱000,000) except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The respective functional currencies of the subsidiaries are presented under Basis of Consolidation.

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

Presentation of Financial Statements
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

NOTES:

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and of its subsidiaries (including the special purpose entity that it controls) and are prepared for the same reporting period as the Parent Company using consistent accounting policies.

The following are the wholly and majority-owned foreign and domestic subsidiaries of the Parent Company:

Subsidiary	Effective Percentage of Ownership	Country of Incorporation	Functional Currency
Financial Markets:			
First Metro Investment Corporation (FMIC) and Subsidiaries	98.06	Philippines	Philippine Peso
PSBank (Note 11)	75.98	Philippines	Philippine Peso
Metropolitan Bank (China) Ltd. (MBCL) (Note 11)	100.00	China	Chinese Yuan (CNY)
Metrobank Card Corporation (A Finance Company) (MCC)	60.00	Philippines	Philippine Peso
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries (Note 11)	59.61	Philippines	Philippine Peso
Metropolitan Bank (MB Bahamas) Limited	100.00	The Bahamas	USD
First Metro International Investment Company Limited (FMIIC) and Subsidiary (Note 11)	99.61	Hong Kong	Hong Kong Dollar (HKD)
MB Remittance Centre Limited	100.00	Hong Kong	HKD
Metro Remittance Singapore Pte. Ltd. (Note 11)	100.00	Singapore	Singapore Dollar
Metro Remittance Center (California), Inc. (MRCCI)	100.00	United States of America (USA)	USD
Metro Remittance Center, S.A.	100.00	Spain	EUR
Metro Remittance (Italia), S.p.A.	100.00	Italy	EUR
Metro Remittance (UK) Limited	100.00	United Kingdom	Great Britain Pound (GBP)
Metro Remittance Center, Inc. (MRCI)	100.00	USA	USD
MBTC Remittance GmbH, Vienna	100.00	Austria	Euro (EUR)
Philbancor Venture Capital Corporation (PVCC)	60.00	Philippines	Philippine Peso
Solid Philippines Venture Capital Corporation (SPVCC)	60.00	Philippines	Philippine Peso
MBTC Venture Capital Corporation (MVCC)	60.00	Philippines	Philippine Peso
Computer Services:			
MBTC Technology, Inc. (MTI)	100.00	Philippines	Philippine Peso
Data Serv, Inc. (DSI)	100.00	Philippines	Philippine Peso
Real Estate:			
Circa 2000 Homes, Inc. (Circa)	100.00	Philippines	Philippine Peso

Under Standing Interpretations Committee (SIC) 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 this Interpretation, the 2009 consolidated financial statements include the accounts of Cameron Granville 3 Asset Management, Inc. (CG3AMI) and LNC 3 Asset Management, Inc. (LNC3AMI), both are special purpose vehicles (SPVs), in which the Group does not have equity interest (Notes 13 and 19). In 2010, however the Group did not include the accounts of said SPVs as the related accounts are not considered material to the consolidated financial statements.

NOTES:

SPVCC, PVCC and DSI are in the process of dissolution. In 2010, liquidation process of MVCC has been completed. On November 11, 2010, the BOD and stockholders of Circa, on a separate meeting, approved its dissolution through shortening of corporate term, which shall be further determined.

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

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

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

Non-controlling Interest

Non-controlling interest represents the portion of profit or loss and the net assets not held by the Group and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the Parent Company. Any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Acquisitions of non-controlling interests are accounted for as equity transactions.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year. The issuance of and the amendments to the following standards and interpretations which became effective as of January 1, 2010, did not have any impact on the accounting policies, financial position or performance of the Group:

New Standards and Interpretations

- PFRS 2, *Share-based Payment (Amendment): Group Cash-settled Share-based Payment Transactions*
- PFRS 3 (Revised), *Business Combinations* and Philippine Accounting Standards (PAS) 27 (Amended), *Consolidated and Separate Financial Statements*
- PAS 39, *Financial Instruments: Recognition and Measurement (Amendment) - Eligible Hedged Items*
- Philippine Interpretation IFRIC 17, *Distributions of Non-cash Assets to Owners*

Improvements to PFRSs 2008

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* effective for annual periods beginning on or after July 1, 2009

Improvements to PFRSs 2009

- PFRS 2, *Share-based Payment* effective for annual periods beginning on or after July 1, 2009
- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* effective for annual periods beginning on or after January 1, 2010
- PFRS 8, *Operating Segments* effective for annual periods beginning on or after January 1, 2010
- PAS 1, *Presentation of Financial Statements* effective for annual periods beginning on or after January 1, 2010
- PAS 7, *Statements of Cash Flows* effective for annual periods beginning on or after January 1, 2010
- PAS 17, *Leases* effective for annual periods beginning on or after January 1, 2010
- PAS 36, *Impairment of Assets* effective for annual periods beginning on or after July 1, 2009
- PAS 38, *Intangible Assets* effective for annual periods beginning on or after July 1, 2009
- PAS 39, *Financial Instruments: Recognition and Measurement* effective for annual periods beginning on or after January 1, 2010
- Philippine Interpretation IFRIC 9, *Reassessment of Embedded Derivatives* effective for annual periods beginning on or after July 1, 2009
- Philippine Interpretation IFRIC 16, *Hedge of a Net Investment in a Foreign Operation* effective for annual periods beginning on or after July 1, 2009

NOTES:

Significant Accounting Policies

Foreign Currency Translation
Transactions and balances
For financial reporting purposes, the monetary assets and liabilities of the foreign currency-denominated assets and liabilities in the RBU are translated in Philippine peso based on the Philippine Dealing System (PDS) closing rate prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the PDS weighted average rate (PDSWAR) for the year. Foreign exchange differences arising from revaluation and translation of foreign-currency denominated assets and liabilities are credited to or charged against operations in the year in which the rates change.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU, foreign branches and subsidiaries
As at the reporting date, the assets and liabilities of foreign branches and subsidiaries and FCDU of the Parent Company and PSBank are translated into the Parent Company's presentation currency (the Philippine peso) at PDS closing rate prevailing at the statement of financial position date, and their income and expenses are translated at PDSWAR for the year. Exchange differences arising on translation are taken to statement of comprehensive income. Upon disposal of a foreign entity or when the Parent Company ceases to have control over the subsidiaries or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statement of comprehensive income is recognized in the statement of income.

Financial Instruments - Initial Recognition and Subsequent Measurement
Date of recognition
Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognized on trade date basis. Deposits, amounts due to banks and customers and loans are recognized when cash is received by the Group or advanced to the borrowers.

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

Reclassification of financial assets
For a financial asset reclassified out of the AFS investments category to loans and receivables or HTM investments, any previous gain or loss on that asset that has been recognized in the statement of comprehensive income is amortized to profit or loss over the remaining life of the investment using the effective interest rate (EIR) method. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of asset using EIR method. If the asset is subsequently determined to be impaired, then the amount recorded in the statement of comprehensive income is recycled to the statement of income. Reclassification is at the election of management, and is determined on an instrument by instrument basis. An analysis of reclassified assets is disclosed in Note 8.

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

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

NOTES:

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

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

Hedge accounting
For the purpose of hedge accounting, hedges are classified primarily as either: (a) a hedge of the fair value of an asset, liability or a firm commitment (fair value hedge); or (b) a hedge of the exposure to variability in cash flows attributable to an asset or liability or a forecasted transaction (cash flow hedge); or (c) a hedge of a net investment in a foreign operation (net investment hedge). Hedge accounting is applied to derivatives designated as hedging instruments in a fair value, cash flow, or net investment hedge provided certain criteria are met.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

In 2010 and 2009, MCC applied cash flow hedge accounting treatment on cross-currency swap (CCS) transactions (Note 8).

Cash flow hedge
The effective portion of the gain or loss on the hedging instrument is recognized directly as 'Translation adjustment and others' in the statement of comprehensive income. Any gain or loss in fair value relating to an ineffective portion is recognized immediately in the statement of income.

Amounts recognized as other comprehensive income are transferred to the statement of income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in the statement of comprehensive income are transferred to the statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss. If the related transaction is no longer expected to occur, the amount is recognized in the statement of income.

Hedge effectiveness testing
To qualify for hedge accounting, the Group requires that at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective (prospective effectiveness), and demonstrate actual effectiveness (retrospective effectiveness) on an ongoing basis.

NOTES:

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method that the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. The Group applies the dollar-offset method using hypothetical derivatives in performing hedge effectiveness testing. For actual effectiveness to be achieved, the changes in fair value or cash flows must offset each other in the range of 80.0% to 125.0%. Any hedge ineffectiveness is recognized in the statement of income.

Embedded derivatives
The Group has certain derivatives that are embedded in host financial (such as structured notes, debt investments, and loan receivables) and nonfinancial (such as lease and service agreements) contracts. These embedded derivatives include credit default swaps and call options in debt instruments, which include structured notes; call options in certain long-term debt; and foreign currency derivatives in debt instruments and lease agreements.

Embedded derivatives are bifurcated from their host contracts and carried at fair value with fair value changes being reported through profit or loss, when the entire hybrid contracts (composed of both the host contract and the embedded derivative) are not accounted for as financial assets at FVPL, when their economic risks and characteristics are not closely related to those of their respective host contracts, and when a separate instrument with the same terms as the embedded derivatives would meet the definition of a derivative. The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group first becomes a party to the contract. Reassessment of embedded derivatives is only done when there are changes in the contract that significantly modifies the contractual cash flows.

Financial assets or financial liabilities held for trading
Financial assets or financial liabilities held for trading are recorded in the statement of financial position at fair value. Changes in fair value relating to the held for trading positions are recognized in 'Trading and securities gain (loss) - net'. Interest earned or incurred is recorded in 'Interest income' or 'Interest expense', respectively, while dividend income is recorded in 'Dividends' when the right to receive payment has been established.

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

AFS investments
AFS investments include debt and equity instruments. Equity investments classified under AFS investments are those which are neither classified as held-for-trading not designated at FVPL. Debt securities are those that do not qualify to be classified as HTM investments or loans and receivables, are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

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

When the security is disposed of, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized as 'Trading and securities gain (loss) - net' in the statement of income. Interest earned on holding AFS investments are reported as 'Interest income' using the EIR method. Dividends earned on holding AFS investments are recognized in the statement of income as 'Dividends' when the right of the payment has been established. The losses arising from impairment of such investments are recognized as 'Provision for credit and impairment losses' in the statement of income.

HTM investments
HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group's management has the positive intention and ability to hold to maturity. Where the Group sells other than an insignificant amount of HTM investments, the entire category would be tainted and reclassified as AFS investments.

After initial measurement, these investments are subsequently measured at amortized cost using the EIR method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest income' in the statement of income. Gains and losses are recognized in statement of income when the HTM investments are derecognized and impaired, as well as through the

NOTES:

amortization process. The losses arising from impairment of such investments are recognized in the statement of income under 'Provision for credit and impairment losses'. The effects of revaluation on foreign currency-denominated HTM investments are recognized in the statement of income.

Loans and receivables
This accounting policy relates to the statement of financial position captions 'Due from Bangko Sentral ng Pilipinas (BSP)', 'Due from other banks', Interbank loans receivable and securities purchased under resale agreements (SPURA)' and 'Loans and receivables'. These are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'other financial assets held for trading', designated as AFS investments or 'financial assets designated at FVPL'.

Loans and receivables include purchases made by MCC's cardholders which are collected on installments and are recorded at the cost of the items purchased plus interest covering the installment period which is initially credited to unearned discount, shown as a deduction from 'Loans and receivables'.

Loans and receivables also include ORIX Metro's lease contracts receivable and notes receivable financed which are stated at the outstanding balance, reduced by unearned lease income and unearned finance income, respectively.

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

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

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

Derecognition of Financial Assets and Liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- 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
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

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

NOTES:

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

Repurchase and reverse repurchase agreements
Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as Securities sold under repurchase agreements (SSURA) included in 'Bills Payable and SSURA' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

Conversely, securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the statement of financial position. The corresponding cash paid including accrued interest, is recognized in the statement of financial position as SPURA, and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the EIR method.

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

Financial assets carried at amortized cost
For financial assets carried at amortized cost such loans and receivables, due from other banks, and HTM investments, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. For individually assessed financial assets, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR, adjusted for the original credit risk premium. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral.

Financial assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment. The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original EIR of the asset. Financial assets, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, any amounts formerly charged are credited to the 'Provision for credit and impairment losses' in the statement of income.

If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assetsw being evaluated.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of credit risk characteristics such as industry, collateral type, past-due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and

NOTES:

are directionally consistent with changes in related observable data from period to period (such changes in property prices, payment status, or other factors that are indicative of incurred losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

The Group also uses the Net Flow Rate method to determine the credit loss rate of a particular delinquency age bucket based on historical data of flow-through and flow-back of loans across specific delinquency age buckets. The allowance for credit losses is determined based on the results of the net flow to write-off methodology. Net flow tables are derived from monitoring of monthly peso movements between different stage buckets, from 1-day past due to 180-days past due. The net flow to write-off methodology relies on the last 12 months of net flow tables to establish a percentage ('net flow rate') of accounts receivable that are current or in any state of delinquency (i.e., 30, 60, 90, 120, 150 and 180 days past due) as of reporting date that will eventually result in write-off. The gross provision is then computed based on the outstanding balances of the receivables as of statement of financial position date and the net flow rates determined for the current and each delinquency bucket. This gross provision is reduced by the estimated recoveries, which are also based on historical data, to arrive at the required allowance for credit losses.

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, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

AFS investments
In case of equity investments classified as 'AFS investments', this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of income - is removed from the statement of comprehensive income and recognized in the statement of income.

Impairment losses on equity investments are not reversed through the statement of income. Increases in fair value after impairment are recognized directly in the statement of comprehensive income.

In the case of debt instruments classified as 'AFS investments', impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of 'Interest income' in the statement of income. If subsequently, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of income, the impairment loss is reversed through the statement of income.

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

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

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

NOTES:

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

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

Once the recorded value of a financial asset or group of similar financial assets carried at amortized cost has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

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

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

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

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

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

Trading and securities gain (loss) - net
Results arising from trading activities include all gains and losses from changes in fair value for financial assets and financial liabilities at FVPL and gains and losses from disposal of financial assets held for trading and AFS investments.

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

Discounts earned and awards revenue on credit cards
Discounts are taken up as income upon receipt from member establishments of charges arising from credit availments by the Group's cardholders and other credit companies' cardholders when Group is acting as an acquirer. These discounts are computed based on certain agreed rates and are deducted from amounts remitted to the member establishments. This account also includes interchange income from transactions processed by other acquirers through VISA Inc. (Visa) and MasterCard Incorporated (MasterCard) and service fee from cash advance transactions of cardholders.

NOTES:

MCC operates a loyalty points program which allows customers to accumulate points when they purchase from member establishments using the issued card of MCC. The points can then be redeemed for free products subject to a minimum number of points being obtained. Consideration received is allocated between the discounts earned, interchange fee and the points earned, with the consideration allocated to the points equal to its fair value. The fair value is determined by applying statistical analysis. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

Income on direct financing leases and receivables financed
Income on loans and receivables financed with short-term maturities is recognized using the EIR method. Interest and finance fees on finance leases and loans and receivables financed with long-term maturities and the excess of the aggregate lease rentals plus the estimated terminal value of the leased equipment over its cost are credited to unearned discount and amortized over the term of the note or lease using the EIR method.

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.

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

Subordinated Notes
Subordinated notes issued by Special Purpose Vehicles (SPVs) (presented as 'Investments in SPVs' under Other assets in the Parent Company financial statements) are stated at amortized cost reduced by an allowance for credit losses. The allowance for credit losses is determined based on the difference between the outstanding principal amount and the recoverable amount which is the present value of the future cash flow expected to be received as payment for the subordinated notes.

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

Depreciation is calculated on the straight-line method over the estimated useful life of the depreciable assets. Leasehold improvements are amortized over the shorter of the terms of the covering leases and the estimated useful lives of the improvements.

The range of estimated useful lives of property and equipment follows:

Buildings	25 to 50 years
Furniture, fixtures and equipment	2 to 5 years
Leasehold improvements	5 to 20 years

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

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

NOTES:

Investments in Subsidiaries and Associates

Investments in subsidiaries

Subsidiaries pertain to all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity (see accounting policy on Basis of Consolidation).

Investments in associates

Associates pertain to all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20.00% and 50.00% of the voting rights. In the consolidated financial statements, investments in associates are accounted for under the equity method of accounting.

Under the equity method, an investment in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate. Goodwill relating to an associate is included in the carrying value of the investment and is not amortized. The Group's share in an associate's post-acquisition profits or losses is recognized in the statement of income while its share of post-acquisition movements in the associate's equity reserves is recognized directly in the statement of comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Profits and losses resulting from transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate.

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

Investment Properties

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured in which case the investment property acquired is measured at the carrying amount of asset given up. Foreclosed properties are classified under 'Investment properties' upon: a.) entry of judgment in case of judicial foreclosure; b.) execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or c.) notarization of the Deed of Dacion in case of dation in payment (dacion en pago). Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and impairment in value.

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

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year in which the costs are incurred. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties but not to exceed:

Buildings	50 years
Condominium units	40 years

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

Interest in Jointly Controlled Operations

The Group is a party to jointly controlled operations whereby it contributed parcels of land for development into residential and commercial units. In respect of the Group's interest in the jointly controlled operations, the Group recognizes the following: (a) the assets that it controls and the liabilities that it incurs; and (b) the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture. The assets contributed to the joint venture are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Revenue on sale of residential and commercial units is recognized only upon completion of the project. Payments received before completion are included under 'Miscellaneous liabilities'.

NOTES:

Chattel Mortgage Properties
Chattel mortgage properties comprise of repossessed vehicles. Chattel mortgage properties are stated at cost less accumulated depreciation and impairment in value. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the vehicles. The useful lives of chattel mortgage properties are estimated to be 5 years.

Intangible assets
Intangible assets include exchange trading right, software costs (presented under 'Other assets') 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 maintaining the computer software programs are recognized as expense when incurred.

Goodwill
Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. With respect to investment in associates, goodwill is included in the carrying amounts of the investments. Following initial recognition, goodwill is measured at cost less any allowance for impairment losses (see accounting policy on Impairment of Nonfinancial Assets).

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

An impairment loss is charged to operations in the year in which it arises.

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

Goodwill
Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit (CGU) (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its impairment test of goodwill annually every September 30.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually at statement of financial position date either individually or at the cash generating unit level, as appropriate. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

NOTES:

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

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

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

Group as lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments and included in 'Property and equipment' with the corresponding liability to the lessor included in 'Other liabilities'. 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 recorded directly to 'Interest expense'.

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

Leases where the lessor retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term. Contingent rental payable are recognized as expense in the year in which they are incurred.

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

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

Retirement Cost
The Group has a noncontributory defined benefit retirement plan except for FMIIC and its subsidiary which follow the defined contribution retirement benefit plan and the Mandatory Provident Fund Scheme (MPFS). The retirement cost of the Parent Company and most of its subsidiaries is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current year.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited to or charged against income when the net cumulative unrecognized actuarial gains and losses at the end of the previous period exceeded 10.00% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These excess gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

NOTES:

Past service costs, if any, are recognized immediately in statement 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.

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

Payments to the defined contribution retirement benefit plans and the MPFS are recognized as expenses when employees have rendered service entitling them to the contributions.

Provisions

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

Contingent Liabilities and Contingent Assets

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

Income Taxes

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxing authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Deferred taxes

Deferred tax is provided on temporary differences at the statement of financial position 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, except:

a. Where the deferred tax liability arises from the initial recognition of goodwill or 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.
b. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized except:

a. Where the deferred tax asset relating to the deductible temporary difference 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.
b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

NOTES:

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 financial position date.

Current tax and deferred tax relating to items recognized directly in equity are recognized in other comprehensive income and not in the statement of income.

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

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

Dividends on Common Shares
Cash dividends on common shares are recognized as a liability and deducted from the equity when approved by the BOD of the Parent Company and the BSP while stock dividends are deducted from equity when approved by BOD, shareholders of the Parent Company and the BSP. Dividends declared during the year but are approved by the BSP after the statement of financial position date are dealt with as a subsequent event.

Coupon Payment on Hybrid Capital Securities
Coupon payment on hybrid capital securities (HT 1 Capital) is treated as dividend for financial reporting purposes, rather than interest expense and deducted from equity when due, after the approval by the BOD of the Parent Company and the BSP.

Debt Issue Costs
Issuance, underwriting and other related costs incurred in connection with the issuance of debt instruments are deferred and amortized over the terms of the instruments using the EIR method. Unamortized debt issuance costs are included in the related carrying value of the debt instrument in the statement of financial position.

Capital Securities Issuance Costs
Issuance, underwriting and other related costs incurred in connection with the issuance of the capital securities are treated as a reduction of equity.

Events after the Statement of Financial Position Date
Post year-end events that provide additional information about the Group's position at the statement of financial position date (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 6.

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

NOTES:

Standards Issued But Not Yet Effective

Standards issued but not yet effective up to date of issuance of the Group's financial statements are listed below. The listing consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

PAS 24 (Amended), *Related Party Disclosures*
The amended standard is effective for annual periods beginning on or after January 1, 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard. The Group will assess the impact of the amendment when this become effective.

PAS 32, *Financial Instruments: Presentation (Amendment) - Classification of Rights Issues*
The amendment to PAS 32 is effective for annual periods beginning on or after February 1, 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

PAS 12, *Income Taxes (Amendment) - Deferred Tax: Recovery of Underlying Assets*
The amendment to PAS 12 is effective for annual periods beginning on or after January 1, 2012. It provides a practical solution to the problem of assessing whether recovery of an asset will be through use or sale. It introduces a presumption that recovery of the carrying amount of an asset will normally be through sale.

PFRS 7, *Financial Instruments: Disclosures (Amendments) - Disclosures - Transfers of Financial Assets*
The amendments to PFRS 7 are effective for annual periods beginning on or after July 1, 2011. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

PFRS 9, *Financial Instruments: Classification and Measurement*
PFRS 9, as issued in 2010, reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and liabilities as defined in PAS 39. The standard is effective for annual periods beginning on or after January 1, 2013. In subsequent phases, the hedge accounting and derecognition will be addressed. The completion of this project is expected in mid 2011. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Philippine Interpretation IFRIC 14 *(Amendment), Prepayments of a Minimum Funding Requirement*
The amendment to Philippine Interpretation IFRIC 14 is effective for annual periods beginning on or after January 1, 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

Philippine Interpretation IFRIC 15, *Agreement for Construction of Real Estate*
This Interpretation, effective for annual periods beginning on or after January 1, 2012, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, Construction Contracts, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion.

NOTES:

Philippine Interpretation IFRIC 19*, Extinguishing Financial Liabilities with Equity Instruments*

Philippine Interpretation IFRIC 19 is effective for annual periods beginning on or after July 1, 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, they are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss.

Improvements to PFRSs 2010
Improvements to PFRSs is an omnibus of amendments to PFRS. The amendments have not been adopted as they become effective for annual periods on or after either July 1, 2010 or January 1, 2011. The amendments are listed below.

- PFRS 3, *Business Combinations*
- PFRS 7, *Financial Instruments: Disclosures*
- PAS 1, *Presentation of Financial Statements*
- PAS 27, *Consolidated and Separate Financial Statements*
- Philippine Interpretation IFRIC 13, *Customer Loyalty Programmes*

The Group will assess impact of these amendments on its financial position or performance when they become effective.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets 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. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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:

Judgments

a. *Leases*
Operating lease

Group as lessor
The Group has entered into commercial property leases on its investment properties portfolio and over various items of machinery and equipment. The Group has determined based on an evaluation of the terms and conditions of the arrangements (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Group as lessee
The Group has entered into lease on premises it uses for its operations. The Group has determined, based on the evaluation of the terms and conditions of the lease agreement (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term and lease term is not for the major part of the asset's economic life), that the lessor retains all the significant risks and rewards of ownership of these properties.

Finance lease
The Group has determined based on an evaluation of terms and conditions of the lease arrangements (i.e., present value of minimum lease payments amounts to at least substantially all of the fair value of leased asset, lease term is for the major part of the economic useful life of the asset, and lessor's losses associated with the cancellation are borned by the lessee) that it has transferred all significant risks and rewards of ownership of the properties it leases out on finance leases.

b. *Special Purpose Entities (SPEs)*
The Group sponsors the formation of SPEs primarily for the purpose of allowing clients to hold investments and for asset securitization transactions. The Group consolidates SPEs that it controls. Control over SPEs is assessed based on the benefits test in accordance with SIC 12.

NOTES:

As it can sometimes be difficult to determine whether the Group controls an SPE, it makes judgments about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the SPE in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over an SPE, but when considered together make it difficult to reach a clear conclusion. In such cases, the SPE is consolidated (Note 2).

c. *Fair value of financial instruments*
Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives (Note 5).

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

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

f. *Embedded derivatives*
Where a hybrid instrument is not classified as financial assets at FVPL, the Group evaluates whether the embedded derivative should be bifurcated and accounted for separately. This includes assessing whether the embedded derivative has a close economic relationship to the host contract.

g. *Contingencies*
The Group is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the outside legal counsel handling the Group's defense in this matter and is based upon an analysis of potential results. Management does not believe that the outcome of this matter will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to this proceeding (Note 29).

h. *Functional currency*
PAS 21 requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Group considers the following:
a) the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled);
b) the currency in which funds from financing activities are generated; and
c) the currency in which receipts from operating activities are usually retained.

Estimates

a. *Credit losses of loans and receivables*
The Group reviews its loan portfolios and receivables to assess impairment on a semi-annual basis with updating provisions made during the intervals as necessary based on the continuing analysis and monitoring of individual accounts by credit officers. In determining whether credit losses should be recorded in the statement 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. Management uses estimates in the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes in the allowance.

NOTES:

In addition to specific allowance against individually significant loans and receivables, the Group also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This collective allowance is based on any deterioration in the internal rating of the loan or investment since it was granted or acquired. These internal ratings take into consideration factors such as any deterioration in country risk, industry, and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

As of December 31, 2010 and 2009, allowance for credit losses on loans and receivables amounted to ₱14.9 billion and ₱14.0 billion, respectively, for the Group and ₱9.1 billion for the Parent Company. As of December 31, 2010 and 2009, the carrying value of loans and receivables amounted to ₱392.7 billion and ₱362.3 billion, respectively, for the Group and ₱292.4 billion and ₱281.2 billion, respectively, for the Parent Company (Note 9).

b. *Fair values of structured debt instruments and derivatives*
The fair values of structured debt instruments and derivatives that are not quoted in active markets are determined using valuation techniques such as discounted cash flow analysis and standard option pricing models. Where valuation techniques are used to determine fair values, they are reviewed by qualified personnel independent of the area that created them. All models are reviewed before they are used and to the extent practicable, models use only observable data. Changes in assumptions about these factors could affect reported fair value of financial instruments. Refer to Note 5 for the information on the fair values of these investments and Note 8 for information on the carrying values of these instruments.

c. *Valuation of unquoted equity securities*
The Group's investments in equity securities that do not have quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less impairment losses.

As of December 31, 2010 and 2009, carrying value of unquoted AFS equity securities amounted to ₱260.6 million and ₱105.2 million, respectively, for the Group and ₱60.8 million and ₱77.6 million for the Parent Company (Note 8).

d. *Impairment of AFS equity securities*
The Group determines that AFS equity securities 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. The Group treats 'significant' generally as 20.00% or more of the original cost of investment, and 'prolonged', greater than 12 months. 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, 2010 and 2009, allowance for impairment losses on AFS equity securities amounted to ₱620.4 million and ₱398.5 million, respectively, for the Group and ₱209.2 million and ₱68.9 million, respectively, for the Parent Company. As of December 31, 2010 and 2009, the carrying value of AFS equity securities (included under AFS investments) amounted to ₱2.1 billion and ₱2.6 billion, respectively, for the Group and ₱318.5 million and ₱527.8 million, respectively, for the Parent Company (Notes 8 and 14).

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

The estimates of future taxable income indicate that certain temporary differences will be realized in the future. Recognized net deferred tax assets as of December 31, 2010 and 2009 amounted to ₱7.5 billion and ₱8.5 billion, respectively, for the Group and ₱6.4 billion and ₱6.9 billion, for the Parent Company. Recognized net deferred tax liabilities of the Group as of December 31, 2010 and 2009 amounted to ₱137.3 million and ₱165.3 million, respectively. Details of unrecognized temporary differences are discussed in Note 26.

f. *Present value of retirement liability*
The cost of defined retirement pension plan and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary

NOTES:

increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. 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 financial position date.

The expected rate of return on assets was based on expected long-term rate of return on the retirement fund investments, net of operating expenses. As of December 31, 2010 and 2009, the present value of the retirement liability of the Group amounted to ₱6.8 billion and ₱5.3 billion, respectively, of which ₱5.6 billion and ₱4.3 billion, respectively, pertain to the Parent Company (Note 23).

g. *Impairment of nonfinancial assets*
Property and equipment, investments in subsidiaries and associates, investment properties, software costs and chattel mortgage properties.
The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

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

The Group uses fair value less costs to sell in determining recoverable amount.

As of December 31, 2010, the carrying value of the property and equipment, investment properties and software costs amounted to ₱13.1 billion, ₱18.4 billion and ₱500.2 million, respectively, for the Group and ₱9.2 billion, ₱13.7 billion and ₱261.7 million, respectively, for the Parent Company. As of December 31, 2009, the carrying value of the property and equipment, investment properties and software costs amounted to ₱13.1 billion, ₱21.7 billion and ₱441.1 million, respectively, for the Group and ₱9.4 billion, ₱17.1 billion and ₱253.0 million, respectively, for the Parent Company (Notes 10, 12 and 13).

Goodwill
The Group conducts an annual review for any impairment in value of the goodwill. Goodwill is written down for impairment where the net present value of the forecasted future cash flows from the business is insufficient to support its carrying value. The Group estimated the discount rate used for the computation of the net present value by reference to industry cost of capital. Future cash flows from the business are estimated based on the theoretical annual income of the cash generating units. Average growth rate was derived from the average increase in annual income during the last 5 years. The recoverable amount of the CGU has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.62%. Key assumptions in value-in-use calculation of CGUs are most sensitive to discount rates and growth rates used to project cash flows.

Goodwill amounted to ₱6.4 billion as of December 31, 2010 and 2009 for the Group of which ₱1.2 billion pertained to the Parent Company (Note 11).

4. Financial Risk and Capital Management

Introduction
The Group has exposure to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks.

Risk management framework
The BOD has overall responsibility for the oversight of the Parent Company's risk management process. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. Supporting the BOD in this function are certain Board-level committees such as Risk Management Committee (RMC), Audit Committee (AC) and senior management committees through the Senior Executive Committee, Asset and Liabilities Committee (ALCO) and Policy Committee.

NOTES:

The AC is responsible for monitoring compliance with the Parent Company's risk management policies and procedures, and for reviewing the adequacy of risk management practices in relation to the risks faced by the Parent Company. The AC is assisted in these functions by Internal Audit Group (IAG). IAG undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Parent Company. To a certain extent, the respective risk management programs and objectives are the same across the Group. Risk management policies adopted by the subsidiaries and affiliates are aligned with the Parent Company's risk policies. To further promote compliance with PFRS and Basel II, the Parent Company initiated in late 2007 the creation of a Risk Management Coordinating Council (RMCC) where outlined activities were implemented and completed in 2009-2010. RMCC is composed of the risk officers of the Parent Company and its financial institution subsidiaries.

Credit Risk
Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, for market segmentation, and industry concentrations, and by monitoring exposures in relation to such limits. For risk management purposes, credit risk emanating from Treasury activities is managed independently, but reported as a component of market risk exposure.

Each business unit is responsible for the quality of its credit portfolio and for monitoring and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by IAG and Risk Management Group (RSK).

Management of credit risk
The Parent Company faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (e.g., investment securities issued by either sovereign or corporate entities) or enter into either market-traded or over-the-counter derivatives, either through implied or actual contractual agreements (i.e., on- or off-balance sheet exposures). The Parent Company manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual obligor or transaction) by adopting a credit risk management environment that has the following components:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit/financial assessment, risk grading and reporting and compliance with regulatory requirements;
- Establishment of authorization limits for the approval and renewal of credit facilities;
- Limiting concentrations of exposure to counterparties and industries (for loans), and by issuer (for investment securities);
- Utilizing the Internal Credit Risk Rating System (ICRRS) in order to categorize exposures according to the risk profile. The risk grading system is used for determining impairment provisions against specific credit exposures. The current risk grading framework consists of ten grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation; and
- Monitoring compliance with approved exposure limits.

The ICRRS contains the following:

a. Borrower Risk Rating (BRR) - The BRR is an assessment of the credit worthiness of the borrower (or guarantor) without considering the type or amount of the facility and security arrangements. It is an indicator of the probability that a borrower cannot meet its credit obligations when it falls due. The assessment is described below:

Component	Description	Credit Factor Weight
Financial Condition	Refers to the financial condition of the borrower based on Audited Financial Statements as indicated by certain financial ratios. The Financial Factor Evaluation shall be conducted manually.	40.00%
Industry Analysis	Refers to the prospects of the industry as well as the company's performance and position in the industry.	30.00%
Management Quality	Refers to the management's ability to run the company successfully.	30.00%

NOTES:

b. Facility Risk Factor (FRF) - determined for each individual facility considering the term of the facility, security arrangement and quality of documentation. This factor can downgrade or upgrade the BRR based on the elements relating to cover (collateral including pledged cash deposits and guarantee), quality of documentation and structure of transactions.

c. Adjusted Borrower Risk Rating (ABRR) - the combination of BRR and FRF results to ABRR.

Maximum exposure to credit risk before collateral held or other credit enhancements
An analysis of the maximum exposure to credit risk without taking into account any collateral held or other credit enhancements is shown below:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Credit risk exposures relating to on-balance sheet assets follow:				
Due from BSP	₱168,402	₱71,981	₱162,391	₱63,578
Due from other banks	38,308	36,702	19,416	29,815
Interbank loans receivable and SPURA	26,507	79,554	18,006	73,943
Financial assets at FVPL (Note 8)				
Held-for-trading				
Debt securities				
Government	8,416	13,044	5,597	11,375
Private	168	26	168	26
Subtotal	8,584	13,070	5,765	11,401
Equity securities - quoted	519	394	–	–
Derivative assets	3,477	3,582	3,318	3,286
	12,580	17,046	9,083	14,687
AFS investments (Note 8)				
Debt securities				
Government	102,610	149,970	75,059	112,762
Private	21,770	2,438	20,947	1,660
BSP	–	1,761	–	1,761
Subtotal	124,380	154,169	96,006	116,183
Equity securities				
Quoted	1,826	2,461	258	450
Unquoted	261	105	61	78
Subtotal	2,087	2,566	319	528
	126,467	156,735	96,325	116,711
HTM investments (Note 8)				
Government	26,701	21,003	13,599	14,122
Treasury notes	5,962	2,038	348	348
Private	–	580	–	526
	32,663	23,621	13,947	14,996
Loans and receivables - net (Note 9)				
Receivables from customers				
Commercial loans	238,150	217,978	215,621	207,210
Residential mortgage loans	38,364	36,008	21,016	18,937
Auto loans	32,953	25,354	10,837	8,189
Trade	16,118	16,258	15,883	16,258
Others	38,488	40,562	12,324	17,216
	364,073	336,160	275,681	267,810
Unquoted debt securities	14,805	15,049	4,804	4,646
Accounts receivable	6,482	3,040	6,055	2,452
Accrued interest receivable	4,075	6,422	2,894	4,679
Sales contract receivable	1,310	1,454	1,129	1,444
Other receivables	183	202	139	157
	390,928	362,327	290,702	281,188

(Forward)

NOTES:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Other assets (Note 13)				
Interoffice float items	₱436	₱488	₱631	₱479
Returned checks and other cash items	359	242	331	196
Residual value of leased assets	342	357	–	–
Other investments	13	16	10	13
Assets held by SPVs	–	3,994	–	–
Investments in SPVs	–	–	–	2,215
Miscellaneous	493	510	491	508
	1,643	5,607	1,463	3,411
	797,498	753,573	611,333	598,329
Credit risk exposures relating to off-balance sheet items follow:				
Financial guarantees	13,183	13,048	13,052	12,944
Loan commitments and other credit related liabilities	49,706	47,916	7,346	6,969
	62,889	60,964	20,398	19,913
	₱860,387	₱814,537	₱631,731	₱618,242

Excessive risk concentration
Credit risk concentrations can arise whenever a significant number of borrowers have similar characteristics and are affected similarly by changes in economic or other conditions. The Parent Company analyzes the credit risk concentration to an individual borrower, related group of accounts, industry, internal rating buckets, and security. For risk concentration monitoring purposes, the financial assets are broadly categorized into (1) loans and receivables and (2) trading and financial investment securities. To mitigate risk concentration, the Parent Company constantly checks for breaches in regulatory and internal limits.

Concentration of risks of financial assets with credit risk exposure
An analysis of concentrations of credit risk at the reporting date based on carrying amount is shown below:

	Consolidated				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2010					
Concentration by Industry					
Financial intermediaries	₱45,711	₱233,217	₱22,316	₱9,207	₱310,451
Manufacturing (various industries)	74,322	–	384	6,071	80,777
Real estate, renting and business activities	65,579	–	957	549	67,085
Wholesale and retail trade	57,569	–	39	6,692	64,300
Private households	55,968	–	52	36	56,056
Transportation, storage and communication	31,052	–	5,025	1,855	37,932
Other community, social and personal activities	21,652	–	1	6	21,659
Electricity, gas and water	20,456	–	590	3,831	24,877
Hotel and restaurants	8,744	–	–	–	8,744
Construction	7,138	–	3	1,104	8,245
Agricultural, hunting and forestry	4,623	–	47	56	4,726
Public administration and defense, compulsory social security	1,605	–	93	6	1,704
Mining and quarrying	431	–	51	146	628
Others****	11,019	–	144,064	44,495	199,578
	405,869	233,217	173,622	74,054	886,762
Less allowance for credit losses	14,941	–	1,912	9,522	26,375
	₱390,928	₱233,217	₱171,710	₱64,532	₱860,387

(Forward)

NOTES:

	Consolidated				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
Concentration by Location					
Philippines	₱396,095	₱192,745	₱134,584	₱72,450	₱795,874
Asia	9,045	22,949	8,679	1,305	41,978
USA	714	14,839	21,998	299	37,850
Europe	12	2,670	2,209	–	4,891
Others	3	14	6,152	–	6,169
	405,869	233,217	173,622	74,054	886,762
Less allowance for credit losses	14,941	–	1,912	9,522	26,375
	₱390,928	₱233,217	₱171,710	₱64,532	₱860,387
2009					
Concentration by Industry					
Financial intermediaries	₱40,873	₱188,237	₱33,917	₱10,800	₱273,827
Manufacturing (various industries)	65,093	–	517	5,678	71,288
Real estate, renting and business activities	60,408	–	7,595	326	68,329
Wholesale and retail trade	57,293	–	44	6,210	63,547
Private households	54,151	–	156	30	54,337
Transportation, storage and communication	33,585	–	816	2,053	36,454
Other community, social and personal activities	19,674	–	–	9	19,683
Electricity, gas and water	17,264	–	6,910	4,794	28,968
Hotel and restaurants	5,861	–	–	24	5,885
Construction	5,069	–	10	637	5,716
Agricultural, hunting and forestry	7,332	–	4,027	80	11,439
Public administration and defense, compulsory social security	893	–	–	26	919
Mining and quarrying	304	–	46	64	414
Others****	8,535	–	145,142	42,795	196,472
	376,335	188,237	199,180	73,526	837,278
Less allowance for credit losses	14,008	–	1,778	6,955	22,741
	₱362,327	₱188,237	₱197,402	₱66,571	₱814,537
Concentration by Location					
Philippines	₱371,855	₱116,061	₱194,594	₱72,692	₱755,202
Asia	3,803	42,078	674	712	47,267
USA	673	25,005	3,626	122	29,426
Europe	1	5,091	73	–	5,165
Others	3	2	213	–	218
	376,335	188,237	199,180	73,526	837,278
Less allowance for credit losses	14,008	–	1,778	6,955	22,741
	₱362,327	₱188,237	₱197,402	₱66,571	₱814,537

	Parent Company				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2010					
Concentration by Industry					
Financial intermediaries	₱38,588	₱199,813	₱20,371	₱9,074	₱267,846
Manufacturing (various industries)	68,965	–	299	6,071	75,335
Wholesale and retail trade	40,853	–	17	6,692	47,562
Real estate, renting and business activities	45,858	–	–	549	46,407
Private households	36,676	–	52	36	36,764
Transportation, storage and communication	23,039	–	4,697	1,855	29,591
Electricity, gas and water	16,340	–	384	3,832	20,556
Hotel and restaurants	8,213	–	–	–	8,213
Construction	5,401	–	–	1,104	6,505
Other community, social and personal activities	3,771	–	–	6	3,777
Agricultural, hunting and forestry	3,307	–	–	56	3,363

(Forward)

NOTES:

	Parent Company				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
Mining and quarrying	₱252	₱–	₱51	₱146	₱449
Public administration and defense, compulsory social security	156	–	–	6	162
Others****	8,407	–	94,889	1,956	105,252
	299,826	199,813	120,760	31,383	651,782
Less allowance for credit losses	9,124	–	1,405	9,522	20,051
	₱290,702	₱199,813	₱119,355	₱21,861	₱631,731
Concentration by Location					
Philippines	₱297,483	₱171,524	₱82,917	₱30,218	₱582,142
Asia	1,399	11,205	7,904	870	21,378
USA	810	14,716	21,579	295	37,400
Europe	132	2,355	2,208	–	4,695
Others	2	13	6,152	–	6,167
	299,826	199,813	120,760	31,383	651,782
Less allowance for credit losses	9,124	–	1,405	9,522	20,051
	₱290,702	₱199,813	₱119,355	₱21,861	₱631,731
2009					
Concentration by Industry					
Financial intermediaries	₱34,629	₱167,336	₱8,448	₱9,439	₱219,852
Manufacturing (various industries)	63,145	–	435	5,678	69,258
Wholesale and retail trade	46,715	–	4	6,144	52,863
Real estate, renting and business activities	45,950	–	6,714	326	52,990
Private households	36,500	–	156	30	36,686
Transportation, storage and communication	25,776	–	268	2,053	28,097
Electricity, gas and water	13,100	–	6,748	4,794	24,642
Hotel and restaurants	5,420	–	–	24	5,444
Construction	3,954	–	–	602	4,556
Other community, social and personal activities	4,580	–	–	6	4,586
Agricultural, hunting and forestry	4,528	–	4,026	80	8,634
Mining and quarrying	260	–	18	64	342
Public administration and defense, compulsory social security	27	–	–	26	53
Others****	5,664	–	120,873	1,013	127,550
	290,248	167,336	147,690	30,279	635,553
Less allowance for credit losses	9,060	–	1,296	6,955	17,311
	₱281,188	₱167,336	₱146,394	₱23,324	₱618,242
Concentration by Location					
Philippines	₱285,836	₱96,011	₱144,530	₱29,447	₱555,824
Asia	3,792	41,553	137	710	46,192
USA	620	24,905	2,950	122	28,597
Europe	–	4,867	73	–	4,940
Others	–	–	–	–	–
	290,248	167,336	147,690	30,279	635,553
Less allowance for credit losses	9,060	–	1,296	6,955	17,311
	₱281,188	₱167,336	₱146,394	₱23,324	₱618,242

* Comprised of Due from BSP, Due from other banks and Interbank loans receivable and SPURA.
** Comprised of Financial assets at FVPL, AFS investments and HTM investments.
*** Comprised of applicable accounts under Other assets, financial guarantees and loan commitments and other credit related liabilities.
**** Includes government-issued debt securities

NOTES:

Credit quality per class of financial assets
The credit quality of financial assets is assessed and managed using external and internal ratings.

Loans and receivables
The credit quality is generally monitored using the 10-grade ICRR system which is integrated in the credit process particularly in provision for credit losses. The model on risk ratings is assessed and updated regularly. Validation of the individual borrower's risk rating is performed by the Credit Group to maintain accurate and consistent risk ratings across the credit portfolio.

The following table shows the description of credit quality of commercial loans:

Credit Quality	ICRRS Grade	Description
High grade	1	Excellent
	2	Strong
Standard grade	3	Good
	4	Satisfactory
	5	Acceptable
Substandard grade	6	Watchlist
	7	Especially mentioned
Impaired	8	Substandard
	9	Doubtful
	10	Loss

1 - Excellent
An excellent rating is given to a borrower with a very low probability of going into default and with high degree of stability, substance and diversity. Borrower has access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative balance sheet ratios. Track record in profit terms is very good. Borrower exhibits highest quality under virtually all economic conditions.

2 - Strong
This rating is given to borrowers with low probability of going into default in the coming year. Normally has a comfortable degree of stability, substance and diversity. Under normal market conditions, borrower has good access to public markets to raise funds. Have a strong market and financial position with a history of successful performance. Overall debt service capacity is deemed very strong; critical balance sheet ratios are conservative. Concerned multinationals or local corporations are well capitalized.

3 - Good
This rating is given to smaller corporations with limited access to public capital markets or to alternative financial markets. Access is however limited to favorable economic and/or market conditions. While probability of default is quite low, it bears characteristics of some degree of stability and substance. However, susceptibility to cyclical changes and more concentration of business risk, by product or market, may be present. Typical is the combination of comfortable asset protection and an acceptable balance sheet structure. Debt service capacity is strong.

4 - Satisfactory
A 'satisfactory' rating is given to a borrower where clear risk elements exist and probability of default is somewhat greater. Volatility of earnings and overall performance: normally has limited access to public markets. Borrower should be able to withstand normal business cycles, but any prolonged unfavorable economic period would create deterioration beyond acceptable levels. Combination of reasonable sound asset and cash flow protection: debt service capacity is adequate. Reported profits in the past year and is expected to report a profit in the current year.

5 - Acceptable
An "acceptable" rating is given to a borrower whose risk elements are sufficiently pronounced although borrower should still be able to withstand normal business cycles. Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels. Risk is still acceptable as there is sufficient cashflow either historically or expected for the future; new business or projected finance transaction; an existing borrower where the nature of the exposure represents a higher risk because of extraordinary developments but for which a decreasing risk within an acceptable period can be expected.

NOTES:

6 - Watchlist
This rating is given to a borrower that belongs to an unfavorable industry or has company-specific risk factors which represent a concern. Operating performance and financial strength may be marginal and it is uncertain if borrower can attract alternative course of finance. Borrower finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility. Borrower which incurs net losses and has salient financial weaknesses, specifically in profitability, reflected on statements. Credit exposure is not at risk of loss at the moment but performance of the borrower has weakened and unless present trends are reversed, could lead to losses.

7 - Especially Mentioned
This rating is given to a borrower that exhibits potential weaknesses that deserve management's close attention. These potential weaknesses, if left uncorrected, may affect the repayment of the loan and thus, increase credit risk to the bank.

8 - Substandard
These are loans or portions, thereof which appear to involve a substantial and unreasonable degree of risk to the institution because of unfavorable record or unsatisfactory characteristics. There exists the possibility of future losses to the institution unless given closer supervision. Borrower has well-defined weaknesses or weaknesses that jeopardize loan liquidation. Such well-defined weaknesses may include adverse trends or development of financial, managerial, economic or political nature, or a significant weakness in collateral.

9 - Doubtful
This rating is given to a nonperforming borrower whose loans or portions thereof have the weaknesses inherent in those classified as Substandard, with the added characteristics that existing facts, conditions, and values make collection or liquidation in full highly improbable and in which substantial loss is probable.

10 - Loss
This rating is given to a borrower whose loans or portions thereof are considered uncollectible or worthless and of such little value that their continuance as bankable assets is not warranted although the loans may have some recovery or salvage value. The amount of loss is difficult to measure and it is not practical or desirable to defer writing off these basically worthless assets even though partial recovery may be obtained in the future.

The following table shows the description of credit quality of consumer loans:

Credit Quality	Description
High grade	Good credit rating
Standard grade	Good
	Limited
Substandard grade	Poor
	Poor litigation
Impaired	Poor repossessed
	Poor written-off

Good credit rating
This rating is given to a good repeat client with very satisfactory track record of its loan repayment (paid at least 50.00%) and whose account did not turn past due during the entire term of the loan.

Good
A good rating is given to accounts which did not turn past due for 90 days and over.

Limited
This rating is given to borrowers who have an average track record of its loan repayment (paid less than 50.00%) and whose account did not turn past due for 90 days and over.

Poor
A poor rating is given to accounts who reached 90 days past due regardless of the number of times and the number of months past due.

Poor litigation
This rating is given to accounts that were past due for 180 days and over and are currently being handled by lawyers.

Poor repossessed
This rating is given to accounts whose collaterals were repossessed.

NOTES:

Poor written-off
This rating is given to accounts that were recommended for write-off.

Trading and investment securities
In ensuring quality investment portfolio, the Parent Company uses the credit risk rating from the published data providers like Moody's, Standard & Poor (S & P) or other reputable rating agencies. Presented here is Moody's rating - equivalent S & P rating and other rating agencies applies:

Credit Quality	External Rating								
High grade	Aaa	Aa1	Aa2	A1	A2	A3	Baa1	Baa2	Baa3
Standard grade	Ba1	Ba2	Ba3	B1	B2				
Substandard grade	B3	Caa1	Caa2	Caa3	Ca	C			
Impaired	D								

The following table shows the credit quality of financial assets:

	Consolidated				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2010					
Neither past due nor impaired	₱379,588	₱233,217	₱170,608	₱64,532	₱847,945
Past due but not impaired	9,372	–	–	–	9,372
Impaired	16,909	–	3,014	9,522	29,445
Gross	405,869	233,217	173,622	74,054	886,762
Less allowance for credit losses	14,941	–	1,912	9,522	26,375
Net	₱390,928	₱233,217	₱171,710	₱64,532	₱860,387
2009					
Neither past due nor impaired	₱344,032	₱188,237	₱197,114	₱62,189	₱791,572
Past due but not impaired	10,746	–	–	–	10,746
Impaired	21,557	–	2,066	11,337	34,960
Gross	376,335	188,237	199,180	73,526	837,278
Less allowance for credit losses	14,008	–	1,778	6,955	22,741
Net	₱362,327	₱188,237	₱197,402	₱66,571	₱814,537

	Parent Company				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2010					
Neither past due nor impaired	₱285,091	₱199,813	₱119,022	₱21,861	₱625,787
Past due but not impaired	1,082	–	–	–	1,082
Impaired	13,653	–	1,738	9,522	24,913
Gross	299,826	199,813	120,760	31,383	651,782
Less allowance for credit losses	9,124	–	1,405	9,522	20,051
Net	₱290,702	₱199,813	₱119,355	₱21,861	₱631,731
2009					
Neither past due nor impaired	₱271,816	₱167,336	₱146,065	₱20,722	₱605,939
Past due but not impaired	1,860	–	–	–	1,860
Impaired	16,572	–	1,625	9,557	27,754
Gross	290,248	167,336	147,690	30,279	635,553
Less allowance for credit losses	9,060	–	1,296	6,955	17,311
Net	₱281,188	₱167,336	₱146,394	₱23,324	₱618,242

* Comprised of Due from BSP, Due from other banks and Interbank loans receivable and SPURA.
** Comprised of Financial assets at FVPL, AFS investments and HTM investments.
*** Comprised of applicable accounts under Other assets, financial guarantees and loan commitments and other credit related liabilities.

NOTES:

The table below shows credit quality per class of financial assets that are neither past due nor impaired (gross of allowance for credit losses):

	Consolidated				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
2010					
Loans and advances to banks					
Due from BSP	₱1,042	₱167,360	₱–	₱–	₱168,402
Due from other banks	17,126	17,219	2,115	1,848	38,308
Interbank loans receivable and SPURA	21,590	3,586	–	1,331	26,507
	39,758	188,165	2,115	3,179	233,217
Financial assets at FVPL					
Debt securities					
Government	461	7,955	–	–	8,416
Private	145	–	–	23	168
Equity securities - quoted	131	338	50	–	519
Derivative assets	1,564	1,745	–	168	3,477
	2,301	10,038	50	191	12,580
AFS investments					
Debt securities					
Government	17,487	85,085	38	–	102,610
Private	16,721	4,542	–	217	21,480
BSP	–	–	–	–	–
	34,208	89,627	38	217	124,090
Equity securities					
Quoted	231	618	–	191	1,040
Unquoted	1	13	144	77	235
Subtotal	232	631	144	268	1,275
	34,440	90,258	182	485	125,365
HTM investments					
Government bonds	–	26,701	–	–	26,701
Private bonds	–	–	–	–	–
Treasury notes	44	5,918	–	–	5,962
	44	32,619	–	–	32,663
Loans and receivables					
Receivables from customers					
Commercial loans	148,255	72,516	10,941	70	231,782
Residential mortgage loans	34,389	660	292	–	35,341
Auto loans	26,978	3,701	25	44	30,748
Trade	15,124	470	209	–	15,803
Others	3,430	16,074	175	18,118	37,797
	228,176	93,421	11,642	18,232	351,471
Unquoted debt securities	4,579	4,681	955	4,119	14,334
Accounts receivable	36	2	–	6,617	6,655
Accrued interest receivable	1,799	1,394	126	2,370	5,689
Sales contract receivable	479	–	88	688	1,255
Other receivables	–	4	–	180	184
	235,069	99,502	12,811	32,206	379,588
Others	–	–	–	64,532	64,532
	₱311,612	₱420,582	₱15,158	₱100,593	₱847,945
2009					
Loans and advances to banks					
Due from BSP	₱875	₱71,106	₱–	₱–	₱71,981
Due from other banks	22,218	7,176	1,385	5,923	36,702
Interbank loans receivable and SPURA	48,196	31,068	–	290	79,554
	71,289	109,350	1,385	6,213	188,237

(Forward)

NOTES:

	Consolidated				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Financial assets at FVPL					
Debt securities					
Government	₱–	₱13,044	₱–	₱–	₱13,044
Private	1	–	–	25	26
Equity securities - quoted	121	175	66	32	394
Derivative assets	891	1,522	–	1,169	3,582
	1,013	14,741	66	1,226	17,046
AFS investments					
Debt securities					
Government	1,658	145,798	30	2,484	149,970
Private	1,575	578	–	9	2,162
BSP	–	1,761	–	–	1,761
	3,233	148,137	30	2,493	153,893
Equity securities					
Quoted	999	535	10	917	2,461
Unquoted	1	–	16	76	93
Subtotal	1,000	535	26	993	2,554
	4,233	148,672	56	3,486	156,447
HTM investments					
Government bonds	–	21,003	–	–	21,003
Private bonds	526	54	–	–	580
Treasury notes	46	1,992	–	–	2,038
	572	23,049	–	–	23,621
Loans and receivables					
Receivables from customers					
Commercial loans	117,848	63,651	25,240	–	206,739
Residential mortgage loans	30,583	134	972	–	31,689
Auto loans	18,161	5,022	25	–	23,208
Trade	15,695	–	171	–	15,866
Others	3,016	20,309	140	16,301	39,766
	185,303	89,116	26,548	16,301	317,268
Unquoted debt securities	3,706	3,855	1,888	4,728	14,177
Accounts receivable	18	5	25	3,099	3,147
Accrued interest receivable	963	846	168	6,000	7,977
Sales contract receivable	444	–	–	817	1,261
Other receivables	2	3	–	197	202
	190,436	93,825	28,629	31,142	344,032
Others	–	–	–	62,189	62,189
	₱267,543	₱389,637	₱30,136	₱104,256	₱791,572

	Parent Company				
	2010				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Loans and advances to banks					
Due from BSP	₱–	₱162,391	₱–	₱–	₱162,391
Due from other banks	17,684	85	–	1,647	19,416
Interbank loans receivable and SPURA	16,675	–	–	1,331	18,006
	34,359	162,476	–	2,978	199,813
Financial assets at FVPL					
Held-for-trading debt securities					
Government	462	5,135	–	–	5,597
Private	145	–	–	23	168
Subtotal	607	5,135	–	23	5,765
Derivative assets	1,476	1,674	–	168	3,318
	2,083	6,809	–	191	9,083

(Forward)

NOTES:

	Parent Company				
	2010				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
AFS investments					
Debt securities					
Government	₱16,839	₱58,182	₱38	₱–	₱75,059
Private	15,924	4,528	–	217	20,669
BSP	–	–	–	–	–
	32,763	62,710	38	217	95,728
Equity securities					
Quoted	–	49	–	154	203
Unquoted	–	–	–	61	61
Subtotal	–	49	–	215	264
	32,763	62,759	38	432	95,992
HTM investments					
Government bonds	–	13,599	–	–	13,599
Private bonds	–	–	–	–	–
Treasury notes	–	348	–	–	348
	–	13,947	–	–	13,947
Loans and receivables					
Receivables from customers					
Commercial loans	133,409	67,068	9,780	–	210,257
Residential mortgage loans	19,730	323	234	–	20,287
Auto loans	7,409	3,400	21	–	10,830
Trade	14,887	470	209	–	15,566
Others	421	11,800	70	–	12,291
	175,856	83,061	10,314	–	269,231
Unquoted debt securities	–	–	–	4,119	4,119
Accounts receivable	–	–	–	6,334	6,334
Accrued interest receivable	1,494	679	43	2,364	4,580
Sales contract receivable	–	–	–	688	688
Other receivables	–	–	–	139	139
	177,350	83,740	10,357	13,644	285,091
Others	–	–	–	21,861	21,861
	₱246,555	₱329,731	₱10,395	₱39,106	₱625,787
2009					
Loans and advances to banks					
Due from BSP	₱–	₱63,578	₱–	₱–	₱63,578
Due from other banks	23,898	36	–	5,881	29,815
Interbank loans receivable and SPURA	42,673	30,980	–	290	73,943
	66,571	94,594	–	6,171	167,336
Financial assets at FVPL					
Held-for-trading debt securities					
Government	–	11,375	–	–	11,375
Private	1	–	–	25	26
Subtotal	1	11,375	–	25	11,401
Derivative assets	669	1,448	–	1,169	3,286
	670	12,823	–	1,194	14,687
AFS investments					
Debt securities					
Government	1,659	108,590	30	2,483	112,762
Private	755	578	–	–	1,333
BSP	–	1,761	–	–	1,761
	2,414	110,929	30	2,483	115,856

(Forward)

NOTES:

	Parent Company				
	2009				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Equity securities					
Quoted	₱265	₱10	₱–	₱175	₱450
Unquoted	–	–	–	76	76
Subtotal	265	10	–	251	526
	2,679	110,939	30	2,734	116,382
HTM investments					
Government bonds	–	14,122	–	–	14,122
Private bonds	526	–	–	–	526
Treasury notes	–	348	–	–	348
	526	14,470	–	–	14,996
Loans and receivables					
Receivables from customers					
Commercial loans	110,027	62,301	25,004	–	197,332
Residential mortgage loans	17,635	108	946	–	18,689
Auto loans	3,208	4,942	25	–	8,175
Trade	15,695	–	171	–	15,866
Others	115	16,945	140	–	17,200
	146,680	84,296	26,286	–	257,262
Unquoted debt securities	–	–	–	4,040	4,040
Accounts receivable	–	–	–	2,589	2,589
Accrued interest receivable	704	254	143	5,223	6,324
Sales contract receivable	–	–	–	1,444	1,444
Other receivables	–	–	–	157	157
	147,384	84,550	26,429	13,453	271,816
Others	–	–	–	20,722	20,722
	₱217,830	₱317,376	₱26,459	₱44,274	₱605,939

Breakdown of restructured receivables from customers by class are shown below:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Commercial loans	₱8,517	₱10,010	₱7,676	₱8,969
Residential mortgage loans	122	6	23	6
Others	50	31	–	–
	₱8,689	₱10,047	₱7,699	₱8,975

Aging analysis of past due but not impaired loans and receivables is shown below:

	Consolidated					
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
2010						
Receivables from customers						
Commercial loans	₱130	₱47	₱78	₱27	₱777	₱1,059
Residential mortgage loans	1,293	481	125	88	293	2,280
Auto loans	1,104	554	206	228	576	2,668
Trade	2	2	10	6	12	32
Others	490	319	37	91	1,898	2,835
Receivables from customers - net of unearned discounts and capitalized interest	3,019	1,403	456	440	3,556	8,874
Unquoted debt securities	–	–	–	–	–	–
Accounts receivable	42	15	1	1	280	339
Accrued interest receivable	20	9	4	6	65	104
Sales contract receivable	28	11	1	3	12	55
	₱3,109	₱1,438	₱462	₱450	₱3,913	₱9,372

(Forward)

NOTES:

	Consolidated					
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
2009						
Receivables from customers						
Commercial loans	₱166	₱92	₱108	₱13	₱1,466	₱1,845
Residential mortgage loans	1,511	–	752	110	179	2,552
Auto loans	1,048	–	894	235	697	2,874
Trade	20	–	–	–	–	20
Others	524	315	44	117	1,587	2,587
Receivables from customers - net of unearned discounts and capitalized interest	3,269	407	1,798	475	3,929	9,878
Unquoted debt securities	–	–	–	–	96	96
Accounts receivable	3	–	3	2	440	448
Accrued interest receivable	23	2	14	6	223	268
Sales contract receivable	23	–	19	–	14	56
	₱3,318	₱409	₱1,834	₱483	₱4,702	₱10,746

	Parent Company					
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
2010						
Receivables from customers						
Commercial loans	₱7	₱24	₱63	₱21	₱761	₱876
Residential mortgage loans	6	–	–	–	127	133
Auto loans	–	–	–	–	30	30
Trade	2	1	10	6	–	19
Others	7	1	–	–	1	9
Receivables from customers - net of unearned discounts and capitalized interest	22	26	73	27	919	1,067
Unquoted debt securities	–	–	–	–	–	–
Accounts receivable	–	–	–	–	–	–
Accrued interest receivable	–	–	–	–	15	15
Sales contract receivable	–	–	–	–	–	–
	₱22	₱26	₱73	₱27	₱934	₱1,082
2009						
Receivables from customers						
Commercial loans	₱15	₱92	₱62	₱13	₱1,453	₱1,635
Residential mortgage loans	6	–	–	–	134	140
Auto loans	–	–	–	–	29	29
Trade	20	–	–	–	–	20
Others	2	–	–	–	–	2
Receivables from customers - net of unearned discounts and capitalized interest	43	92	62	13	1,616	1,826
Unquoted debt securities	–	–	–	–	–	–
Accounts receivable	–	–	–	–	–	–
Accrued interest receivable	–	–	–	–	34	34
Sales contract receivable	–	–	–	–	–	–
	₱43	₱92	₱62	₱13	₱1,650	₱1,860

The Group holds collateral against loans and receivables in the form of real estate and chattel mortgages, guarantees, and other registered securities over assets. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines. Generally, collateral is not held over loans and advances to banks except for reverse repurchase agreements. Collateral usually is not held against investment securities, and no such collateral was held as of December 31, 2010 and 2009.

NOTES:

The following table shows the fair value of collateral held against past due but not impaired and individually impaired loans and receivables:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Against individually impaired				
Property	₱10,235	₱10,906	₱6,298	₱6,829
Equities	116	121	116	121
Others	406	445	406	445
Subtotal	10,757	11,472	6,820	7,395
Against past due but not impaired				
Property	10,559	10,912	942	1,523
Equities	–	1	–	1
Debt securities	1	–	1	–
Others	43	69	43	69
Subtotal	10,603	10,982	986	1,593
Total	₱21,360	₱22,454	₱7,806	₱8,988

Liquidity Risk

Liquidity risk is defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due.

The Group manages its liquidity risk through analyzing net funding requirements under alternative scenarios, diversification of funding sources and contingency planning. Specifically for the Parent Company, it utilizes a diverse range of sources of funds, although short-term deposits made with its network of domestic branches comprise the majority of such funding. To ensure that funding requirements are met, the Parent Company manages its liquidity risk by holding sufficient liquid assets of appropriate quality. It also maintains a balanced loan portfolio that is repriced on a regular basis. Deposits with banks are made on a short-term basis.

In the Parent Company, the Treasury Group uses liquidity forecast models to estimate its cash flow needs based on its actual contractual obligations and under normal and extraordinary circumstances. RSK prepares weekly and monthly Maximum Cumulative Outflow (MCO) reports, which measure the liquidity mismatch risk.

Liquidity capacity is measured by the Group on a daily basis and is also simulated under stressed scenarios. The Group's financial institution subsidiaries (excluding insurance companies) similarly prepare their respective MCO reports. These are reported to the Parent Company's ALCO and RMC at least on a monthly basis.

The table below summarizes the maturity profile of financial instruments and gross-settled derivatives based on contractual undiscounted cash flows.

Financial assets

Analysis of equity and debt securities at FVPL into maturity groupings is based on the expected date on which these assets will be realized. For other financial assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier the expected date the assets will be realized.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay.

NOTES:

	Consolidated						
	2010						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Financial Assets							
Cash and other cash items	₱20,201	₱–	₱–	₱–	₱–	₱–	₱20,201
Due from BSP	21,699	102,063	44,773	–	–	–	168,535
Due from other banks	34,895	3,302	74	34	–	3	38,308
Interbank loans receivable and SPURA	7,517	16,828	1,729	440	–	–	26,514
Financial assets at FVPL							
Held-for-trading	798	2,855	5,951	–	–	–	9,604
Derivative assets*							
Trading:							
Pay	–	36,998	39,463	20,710	4,697	2,438	104,306
Receive	71	38,230	40,460	21,298	4,873	2,512	107,444
	71	1,232	997	588	176	74	3,138
AFS investments	8	1,575	5,316	16,318	7,225	132,769	163,211
HTM investments	–	67	134	193	445	58,864	59,703
Loans and receivables:							
Receivables from customers	6,745	64,468	67,338	34,128	42,632	228,498	443,809
Unquoted debt securities	–	–	1	1,006	3,289	13,644	17,940
Accounts receivable	3,388	381	1	–	5	5,247	9,022
Accrued interest receivable	5,373	344	234	177	4	49	6,181
Sales contract receivable	692	12	24	38	74	506	1,346
Other receivables	185	39	–	–	–	–	224
Other assets							
Returned checks and other cash items	359	–	–	–	–	–	359
Residual value of leased assets	9	12	14	35	42	230	342
Miscellaneous	–	–	–	–	–	493	493
	₱101,940	₱193,178	₱126,586	₱52,957	₱53,892	₱440,377	₱968,930
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱68,261	₱–	₱–	₱–	₱–	₱–	₱68,261
Savings	267,930	–	–	–	–	–	267,930
Time	–	220,934	58,490	12,141	10,499	18,060	320,124
	336,191	220,934	58,490	12,141	10,499	18,060	656,315
Bills payable and SSURA	–	9,542	4,333	4,210	2,031	66,496	86,612
Manager's checks and demand drafts outstanding	2,043	–	–	–	–	–	2,043
Accrued interest payable	247	319	450	47	67	691	1,821
Accrued other expenses	1,408	754	2	30	43	541	2,778
Subordinated debt	–	255	84	340	680	24,934	26,293
Other liabilities							
Bills purchased - contra	11,707	54	–	–	–	–	11,761
Accounts payable	129	3,533	19	607	346	–	4,634
Outstanding acceptances	–	694	485	63	54	–	1,296
Marginal deposit	1,901	–	757	–	–	–	2,658
Deposits on lease contract	–	14	24	31	89	339	497
Dividends payable	–	–	21	–	–	–	21
Miscellaneous	–	–	–	–	–	543	543
	353,626	236,099	64,665	17,469	13,809	111,604	797,272

(Forward)

NOTES:

	Consolidated						
	2010						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Derivative liabilities*							
Trading:							
Pay	₱–	₱28,051	₱43,926	₱5,937	₱7,941	₱4,839	₱90,694
Receive	–	27,532	42,952	5,539	7,480	4,441	87,944
	–	519	974	398	461	398	2,750
Loan commitments and financial guarantees	43,577	6,117	6,035	2,911	3,840	409	62,889
	₱397,203	₱242,735	₱71,674	₱20,778	₱18,110	₱112,411	₱862,911

	Consolidated						
	2009						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Financial Assets							
Cash and other cash items	₱19,727	₱–	₱–	₱–	₱–	₱–	₱19,727
Due from BSP	24,991	6,915	40,326	–	–	–	72,232
Due from other banks	28,136	8,530	17	16	3	–	36,702
Interbank loans receivable and SPURA	36,600	40,776	–	925	1,271	–	79,572
Financial assets at FVPL							
Held-for-trading	3,317	1,891	11,642	–	–	–	16,850
Derivative assets*							
Trading:							
Pay	–	24,528	54,918	19,291	8,815	2,929	110,481
Receive	222	25,338	56,373	19,994	9,158	3,032	114,117
	222	810	1,455	703	343	103	3,636
AFS investments	18,555	243	664	205	15	163,877	183,559
HTM investments	4,773	–	–	2,420	17	33,216	40,426
Loans and receivables:							
Receivables from customers	6,994	74,434	51,304	31,635	29,910	203,042	397,319
Unquoted debt securities	325	–	–	88	2,811	16,208	19,432
Accounts receivable	3,633	417	2	1	10	405	4,468
Accrued interest receivable	6,742	587	167	39	65	864	8,464
Sales contract receivable	54	25	26	51	76	1,260	1,492
Other receivables	212	4	–	–	–	27	243
Other assets							
Returned checks and other cash items	242	–	–	–	–	–	242
Residual value of lease assets	–	–	–	–	122	235	357
Miscellaneous	–	–	–	–	–	508	508
	₱154,523	₱134,632	₱105,603	₱36,083	₱34,643	₱419,745	₱885,229
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱48,909	₱–	₱–	₱–	₱–	₱–	₱48,909
Savings	242,381	–	–	–	138	19	242,538
Time	–	59,470	171,434	45,805	26,779	22,575	326,063
	291,290	59,470	171,434	45,805	26,917	22,594	617,510
Bills payable and SSURA	–	22,526	34,237	11,691	37,238	81	105,773
Manager's checks and demand drafts outstanding	1,954	–	–	–	–	–	1,954
Accrued interest payable	656	251	46	48	7	1,222	2,230
Accrued other expenses	1,080	620	19	32	–	46	1,797
Subordinated debt	–	256	310	417	784	27,715	29,482
Other liabilities							
Bills purchased - contra	17,035	–	–	–	–	–	17,035
Accounts payable	2,555	–	2,311	–	–	–	4,866

(Forward)

NOTES:

	Consolidated						
	2009						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Outstanding acceptances	₱–	₱594	₱212	₱74	₱33	₱–	₱913
Dividends payable	67	–	–	–	–	–	67
Deposits on lease contracts	–	22	20	52	141	288	523
Marginal deposit	–	–	1,548	–	–	–	1,548
Due to BSP	7	–	–	–	–	–	7
Miscellaneous	543	–	–	–	–	–	543
	315,187	83,739	210,137	58,119	65,120	51,946	784,248
Derivative liabilities*							
Trading:							
Pay	–	19,095	26,277	14,355	8,180	1,071	68,978
Receive	–	18,582	25,400	13,840	7,788	976	66,586
	–	513	877	515	392	95	2,392
Loan commitments and financial guarantees	42,226	3,605	5,029	2,614	4,634	2,856	60,964
	₱357,413	₱87,857	₱216,043	₱61,248	₱70,146	₱54,897	₱847,604

	Parent Company						
	2010						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Financial Assets							
Cash and other cash items	₱16,996	₱–	₱–	₱–	₱–	₱–	₱16,996
Due from BSP	19,831	99,609	43,085	–	–	–	162,525
Due from other banks	19,416	–	–	–	–	–	19,416
Interbank loans receivable and SPURA	–	15,844	1,729	440	–	–	18,013
Financial assets at FVPL*							
Held-for-trading	–	2	5,863	–	–	–	5,865
Derivative assets*							
Trading:							
Pay	–	36,997	39,453	19,036	4,494	472	100,452
Receive	–	38,230	40,459	19,542	4,711	687	103,629
	–	1,233	1,006	506	217	215	3,177
AFS investments	–	1,315	4,871	49	6,824	112,174	125,233
HTM investments	–	–	–	–	–	28,695	28,695
Loans and receivables							
Receivables from customers	3,751	55,638	51,013	24,704	24,462	168,371	327,939
Unquoted debt securities	–	–	–	–	3,206	4,844	8,050
Accounts receivable	3,087	–	–	–	–	4,935	8,022
Accrued interest receivable	4,689	–	–	–	–	–	4,689
Sales contract receivable	680	–	1	2	8	642	1,333
Other receivables	179	–	–	–	–	–	179
Other assets							
Returned checks and other cash items	331	–	–	–	–	–	331
Miscellaneous	–	–	–	–	–	491	491
	₱68,960	₱173,641	₱107,568	₱25,701	₱34,717	₱320,367	₱730,954
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱61,216	₱–	₱–	₱–	₱–	₱–	₱61,216
Savings	260,269	–	–	–	–	–	260,269
Time	–	174,039	49,360	9,795	8,829	936	242,959
	321,485	174,039	49,360	9,795	8,829	936	564,444

(Forward)

NOTES:

	Parent Company						
	2010						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Bills payable and SSURA	₱–	9,176	₱806	₱433	₱2	₱11	₱10,428
Manager's checks and demand drafts outstanding	1,393	–	–	–	–	–	1,393
Accrued interest payable	–	6	338	3	3	643	993
Accrued other expenses	1,383	–	–	–	–	–	1,383
Subordinated debt	–	255	85	340	679	20,791	22,150
Other liabilities							
Bills purchased - contra	11,706	–	–	–	–	–	11,706
Accounts payable	–	2,857	–	–	–	–	2,857
Outstanding acceptances	–	694	485	63	54	–	1,296
Dividends payable	–	–	–	–	–	–	–
Marginal deposit	–	–	757	–	–	–	757
	335,967	187,027	51,831	10,634	9,567	22,381	617,407
Derivative liabilities*							
Trading:							
Pay	–	28,015	43,926	5,937	7,941	4,715	90,534
Receive	–	27,532	42,952	5,539	7,480	4,441	87,944
	–	483	974	398	461	274	2,590
Loan commitments and financial guarantees	1,085	6,117	6,035	2,911	3,840	410	20,398
	₱337,052	₱193,627	₱58,840	₱13,943	₱13,868	₱23,065	₱640,395

	Parent Company						
	2009						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Financial Assets							
Cash and other cash items	₱17,049	₱–	₱–	₱–	₱–	₱–	₱17,049
Due from BSP	19,178	4,404	40,242	–	–	–	63,824
Due from other banks	29,815	–	–	–	–	–	29,815
Interbank loans receivable and SPURA	30,990	40,776	–	924	1,271	–	73,961
Financial assets at FVPL*							
Held-for-trading	–	1	11,643	–	–	–	11,644
Derivative assets*							
Trading:							
Pay	–	24,527	54,909	19,265	8,764	1,247	108,712
Receive	–	25,338	56,373	19,992	9,147	1,172	112,022
	–	811	1,464	727	383	(75)	3,310
AFS investments	–	243	664	205	15	141,503	142,630
HTM investments	–	–	–	–	–	31,801	31,801
Loans and receivables							
Receivables from customers	4,546	67,861	40,778	26,070	23,180	156,675	319,110
Unquoted debt securities	230	–	–	–	2,811	6,158	9,199
Accounts receivable	3,377	–	–	–	–	–	3,377
Accrued interest receivable	6,467	–	–	–	–	–	6,467
Sales contract receivable	680	13	1	13	3	1,041	1,751
Other receivables	198	–	–	–	–	–	198
Other assets							
Returned checks and other cash items	196	–	–	–	–	–	196
Miscellaneous	–	–	–	–	–	508	508
	₱112,726	₱114,109	₱94,792	₱27,939	₱27,663	₱337,611	₱714,840

(Forward)

NOTES:

	Parent Company						
	2009						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱44,521	₱–	₱–	₱–	₱–	₱–	₱44,521
Savings	234,221	–	–	–	139	19	234,379
Time	–	27,696	166,368	44,879	25,681	1,081	265,705
	278,742	27,696	166,368	44,879	25,820	1,100	544,605
Bills payable and SSURA	–	19,173	36	7,395	1,026	81	27,711
Manager's checks and demand drafts outstanding	1,458	–	–	–	–	–	1,458
Accrued interest payable	110	82	38	10	3	1,222	1,465
Accrued other expenses	686	–	–	–	–	–	686
Subordinated debt	–	255	233	340	679	22,487	23,994
Other liabilities							
Bills purchased - contra	16,905	–	–	–	–	–	16,905
Accounts payable	–	–	2,311	–	–	–	2,311
Outstanding acceptances	–	594	213	73	33	–	913
Dividends payable	–	–	–	–	–	–	–
Marginal deposit	–	–	1,548	–	–	–	1,548
	297,901	47,800	170,747	52,697	27,561	24,890	621,596
Derivative liabilities*							
Trading:							
Pay	–	19,095	26,277	14,355	8,180	1,071	68,978
Receive	–	18,582	25,400	13,840	7,788	976	66,586
	–	513	877	515	392	95	2,392
Loan commitments and financial guarantees	1,279	3,501	5,029	2,614	4,634	2,856	19,913
	₱299,180	₱51,814	₱176,653	₱55,826	₱32,587	₱27,841	₱643,901

*Does not include derivatives embedded in financial and nonfinancial contracts.

Market Risk

Market risk is the possibility of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market factors.

The Parent Company's market risk originates from its holdings in foreign currencies, debt securities, equities and derivatives transactions. The Parent Company manages market risk by segregating its balance sheet into a trading book and a banking book. ALCO, chaired by the Parent Company's Chairman is the senior review and decision-making body for the management of all related market risks. The risk limits are approved by the RMC, a sub-committee of the BOD. The RSK serves under the RMC and performs daily market risk analyses to ensure compliance with the Parent Company's policies and makes recommendations based on such analyses. The Treasury Group manages asset/liability risks arising from both banking book and trading operations in financial markets. The BOD, through the RMC, assigned risk limits to the Treasury Group.

Market Risk - Trading Book

In measuring the potential loss in its trading portfolio, the Parent Company uses Value-at-Risk (VaR) as a primary tool. The VaR method is a procedure for estimating 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.

VaR methodology assumptions and parameters

The VaR using Historical simulation method assumes that asset returns in the future will have the same movement that occurred within the specified historical data set. However, this assumption may or may not cover all possible range of future outcomes, especially those of an exceptional nature that would occur in stressed market conditions.

In calculating VaR, the Parent Company uses a 99.00% confidence level. This means that, statistically, losses on trading operations will exceed VaR on 1 out of 100 trading days.

NOTES:

The validity of the VaR model is verified through quarterly back testing, which examines how frequently both actual and hypothetical daily losses exceed daily VaR. The Parent Company measures and monitors the VaR and profit and loss on a daily basis. The results of the quarterly backtesting are reported to the ALCO and RMC.

The financial institution subsidiaries with trading portfolios adopted the Parent Company methodology in 2010.

A summary of the VaR position of the trading portfolio of the Parent Company and PSBank is as follows:

	Parent Company		PSBank	
	Interest Rate	Foreign Exchange	Interest Rate	Foreign Exchange
As of December 31, 2010				
December 30	₱278.3	₱29.6	₱11.8	₱1.3
Average	68.1	15.6	5.8	0.7
Highest	322.8	48.6	21.2	2.6
Lowest	14.8	0.5	0.0	0.0
As of December 31, 2009				
December 29	₱79.4	₱1.6	₱3.5	₱0.7
Average	92.8	14.0	11.3	4.3
Highest	204.2	39.2	32.4	7.6
Lowest	31.9	0.7	0.0	0.4

The VaR for foreign exchange is the foreign exchange risk throughout the Parent Company and PSBank. For the year ended December 31, 2010 and 2009, the year-end VaR is based on the last trading date.

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks.

The Parent Company and PSBank performs stress testing on a quarterly basis to complement the VaR methodology. The stress testing results are reported to the ALCO and subsequently to the RMC and the BOD.

Market Risk - Banking Book
The interest rate exposures of the Group are measured and reported to the ALCO and RMC at least on a monthly basis.

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

One method by which the Group measures the sensitivity of its assets and liabilities to interest rate fluctuations is by way of "gap analysis". This analysis provides the Group a static view of the maturity and repricing 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 repricing in any time period category would give an indication of its exposure to the risk of potential changes in net interest income.

From the repricing gap, the Group measures interest rate risk based on earnings perspective through Earnings-at-Risk (EaR). EaR is an interest rate risk measure of the Group's earnings decline either immediately or over time as a result of a change in the level or volatility of interest rates. It is a management tool that evaluates the sensitivity of the accrual portfolio to a 2.326 standard deviation change (similar to current VaR methodology) in interest rates for an assumed defeasance period over the next 12 months.

Below shows the Group and the Parent Company's EaR for 2010 and 2009:

	Parent Company	PSBank	OMLC	MCC	FMIC	Total
2010	₱584.38	(₱34.47)	(₱0.09)	(₱5.32)	(₱223.00)	₱321.50
2009	148.94	(75.35)	(0.07)	(206.37)	(211.07)	(343.92)

NOTES:

The following table sets forth, for the period indicated, the impact of reasonably possible changes in the interest rates on net interest income and equity:

			Combined				
			Sensitivity of equity				
	Movement in basis points	Sensitivity of net interest income	0 up to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
2010							
Currency							
PHP	+10	(₱43.51)	(₱0.26)	(₱1.15)	(₱35.17)	(₱382.46)	(₱419.04)
USD	+10	(87.69)	(0.56)	(7.14)	(97.20)	(152.93)	(257.83)
EUR	+10	(0.52)	0.00	0.00	(4.63)	(0.28)	(4.91)
JPY	+10	0.97	0.00	0.00	0.00	0.00	0.00
GBP	+10	(0.01)	0.00	0.00	0.00	0.00	0.00
Others	+10	3.24	0.00	(0.01)	(0.08)	0.00	(0.09)
Currency							
PHP	-10	43.51	0.28	1.24	58.05	388.69	448.26
USD	-10	87.69	0.85	7.15	97.41	154.09	259.50
EUR	-10	0.52	0.00	0.00	4.65	0.28	4.93
JPY	-10	(0.97)	0.00	0.00	0.00	0.00	0.00
GBP	-10	0.01	0.00	0.00	0.00	0.00	0.00
Others	-10	(3.24)	0.00	0.01	0.08	0.00	0.09
2009							
Currency							
PHP	+10	₱477.68	(₱0.32)	(₱8.19)	(₱100.60)	(₱229.38)	(₱338.49)
USD	+10	372.06	(0.01)	(1.65)	(33.28)	(252.58)	(287.52)
EUR	+10	2.09	(0.03)	0.00	0.00	(0.35)	(0.38)
JPY	+10	2.23	0.00	0.00	0.00	0.00	0.00
GBP	+10	0.72	0.00	0.00	0.00	0.00	0.00
Others	+10	25.09	0.00	(0.01)	(0.20)	0.00	(0.21)
Currency							
PHP	-10	(536.29)	0.32	8.21	100.91	230.98	340.42
USD	-10	(374.77)	0.01	1.65	33.29	255.51	290.46
EUR	-10	(2.09)	0.03	0.00	0.00	0.35	0.38
JPY	-10	(2.23)	0.00	0.00	0.00	0.00	0.00
GBP	-10	(0.72)	0.00	0.00	0.00	0.00	0.00
Others	-10	(25.09)	0.00	0.01	0.20	0.00	0.21

			Parent Company				
			Sensitivity of equity				
	Movement in basis points	Sensitivity of net interest income	0 up to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
2010							
Currency							
PHP	+10	₱27.65	(₱0.01)	(₱1.15)	(₱30.45)	(₱172.70)	(₱204.31)
USD	+10	(88.01)	(0.56)	(7.14)	(97.20)	(149.04)	(253.94)
EUR	+10	(0.52)	0.00	0.00	(4.63)	(0.28)	(4.91)
JPY	+10	0.97	0.00	0.00	0.00	0.00	0.00
GBP	+10	(0.01)	0.00	0.00	0.00	0.00	0.00
Others	+10	3.24	0.00	(0.01)	(0.08)	0.00	(0.09)
Currency							
PHP	-10	(27.65)	0.03	1.24	53.29	175.42	229.98
USD	-10	88.01	0.85	7.15	97.41	150.16	255.57
EUR	-10	0.52	0.00	0.00	4.65	0.28	4.93
JPY	-10	(0.97)	0.00	0.00	0.00	0.00	0.00
GBP	-10	0.01	0.00	0.00	0.00	0.00	0.00
Others	-10	(3.24)	0.00	0.01	0.08	0.00	0.09

NOTES:

		Parent Company					
			Sensitivity of equity				
	Movement in basis points	Sensitivity of net interest income	0 up to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
2009							
Currency							
PHP	+10	₱522.25	(₱0.29)	(₱8.19)	(₱98.00)	(₱85.23)	(₱191.71)
USD	+10	374.25	(0.01)	(1.65)	(33.28)	(131.04)	(165.98)
EUR	+10	2.09	(0.03)	0.00	0.00	(0.35)	(0.38)
JPY	+10	2.23	0.00	0.00	0.00	0.00	0.00
GBP	+10	0.72	0.00	0.00	0.00	0.00	0.00
Others	+10	25.09	0.00	(0.01)	(0.20)	0.00	(0.21)
Currency							
PHP	-10	(522.25)	0.29	8.19	98.31	85.23	192.02
USD	-10	(374.25)	0.01	1.65	33.39	132.12	167.17
EUR	-10	(2.09)	0.03	0.00	0.00	0.35	0.38
JPY	-10	(2.23)	0.00	0.00	0.00	0.00	0.00
GBP	-10	(0.72)	0.00	0.00	0.00	0.00	0.00
Others	-10	(25.09)	0.00	0.01	0.20	0.00	0.21

For purposes of PFRS 7, the disclosed interest rate sensitivity analysis measures the impact on profit or loss (for rate-sensitive assets and liabilities, including items recorded at fair value through profit or loss) and on equity (for available-for-sale securities) that would arise from possible change in interest rates at the statement of financial position date.

Sensitivity of net interest income for 2010 only covers expected repricing gaps within one year. This shall make the interest rate sensitivity analysis more comparable with the resulting EaR which poses the same computational methodology.

Foreign currency risk
Foreign exchange risk is the probability of loss to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the current foreign currency exchange rates on its financial performance and cash flows.

Foreign currency liabilities generally consist of foreign currency deposits in the Group's FCDU account. Foreign currency deposits are generally used to fund the Group's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held in FCDUs. In addition, the BSP requires a 30.00% liquidity reserve on all foreign currency liabilities held in the FCDU. Outside the FCDU, the Group has additional foreign currency assets and liabilities in its foreign branch network.

The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The following table sets forth, for the year indicated, the impact of reasonably possible changes in the USD exchange rate and other currencies per Philippine peso on pre-tax income and equity:

	Combined						Parent Company					
	2010			2009			2010			2009		
	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity
Currency												
USD	+1.00%	(₱65.87)	₱185.65	+1.00%	₱9.31	₱191.88	+1.00%	(₱68.81)	₱146.49	+1.00%	₱5.62	₱157.65
EUR	+1.00%	0.20	0.00	+1.00%	9.06	0.00	+1.00%	0.20	0.00	+1.00%	9.06	0.00
JPY	+1.00%	4.17	0.00	+1.00%	0.00	0.00	+1.00%	4.17	0.00	+1.00%	0.00	0.00
GBP	+1.00%	0.75	0.00	+1.00%	0.74	0.00	+1.00%	0.75	0.00	+1.00%	0.74	0.00
Others	+1.00%	53.87	0.00	+1.00%	8.99	0.00	+1.00%	53.87	0.00	+1.00%	8.99	0.00
Currency												
USD	-1.00%	65.87	89.03	-1.00%	9.31	97.05	-1.00%	68.81	62.07	-1.00%	5.50	90.59
EUR	-1.00%	(0.20)	0.00	-1.00%	(8.88)	0.00	-1.00%	(0.20)	0.00	-1.00%	(8.88)	0.00
JPY	-1.00%	(4.17)	0.00	-1.00%	0.00	0.00	-1.00%	(4.17)	0.00	-1.00%	0.00	0.00
GBP	-1.00%	(0.75)	0.00	-1.00%	0.72	0.00	-1.00%	(0.75)	0.00	-1.00%	(0.72)	0.00
Others	-1.00%	(53.87)	0.00	-1.00%	8.81	0.00	-1.00%	(53.87)	0.00	-1.00%	(8.81)	0.00

NOTES:

Information relating to Parent Company's currency derivatives is contained in Note 8. As of December 31, 2010 and 2009, the Parent Company has outstanding foreign currency spot transactions (in equivalent peso amounts) of ₱6.8 billion and ₱8.2 billion (sold) and ₱6.3 billion and ₱6.6 billion (bought), respectively.

The impact on the Parent Company's equity already excludes the impact on transactions affecting the profit and loss.

Capital Management
The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements, and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

Regulatory Qualifying Capital
Under existing BSP regulations, 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 that differ from PFRS in some respects.

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both stand-alone basis (head office and branches) and consolidated basis (Parent Company and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and risk-weighted assets are computed based on BSP regulations. Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board (MB) of the BSP.

The BSP, under Circular No. 360, effective July 1, 2003, issued guidelines that required a market risk charge when computing the capital adequacy ratio (CAR). On August 4, 2006, BSP Circular No. 538 was additionally issued. It prescribed guidelines implementing the revised risk-based capital adequacy framework for the Philippine banking system to conform with Basel II recommendations. The new BSP guidelines took effect on July 1, 2007.

	Consolidated		Parent Company	
	December 31			
	2010	2009	**2010**	2009
Tier 1 capital	**₱67,670**	₱56,212	**₱65,134**	₱53,824
Tier 2 capital	**25,796**	25,147	**21,234**	21,114
Gross qualifying capital	**93,466**	81,359	**86,368**	74,938
Less: Required deductions	**2,037**	2,521	**33,655**	23,104
Total qualifying capital	**₱91,429**	₱78,838	**₱52,713**	₱51,834
Risk weighted assets	**₱556,241**	₱551,846	**₱396,433**	₱418,015
Tier 1 capital ratio	**12.0%**	10.0%	**12.2%**	10.1%
Total capital ratio	**16.4%**	14.3%	**13.3%**	12.4%

The regulatory qualifying capital of the Parent Company consists of Tier 1 (core) capital, which comprises paid-up common stock, HT1 Capital, surplus including current year profit, surplus reserves and minority interest less required deductions such as unsecured credit accommodations to DOSRI, deferred income tax, and goodwill. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debt and general loan loss provision.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

NOTES:

The issuance of BSP Circular No. 639 covering the Internal Capital Adequacy Assessment Process (ICAAP) in 2009 supplements the BSP's risk-based capital adequacy framework under Circular No. 538. In compliance with this new circular, the Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget; as well as regulatory edicts. BSP requires submission of an ICAAP document every January 31. The Group has complied with the submission deadline of the first final ICAAP document.

5. Fair Value Measurement

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

Cash and other cash items, due from BSP and other banks and interbank loans receivable and SPURA - Carrying amounts approximate fair values in view of the relatively short-term maturities of these instruments.

Trading and investment securities - Fair values of debt securities (financial assets at FVPL, AFS and HTM investments) 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 of 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.

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

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. Where the instrument reprices on a quarterly basis or has a relatively short maturity, the carrying amounts approximated fair values.

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 demand and savings deposit liabilities approximates fair value considering that these are due and demandable.

The following tables summarize the carrying amounts and fair values of the financial assets and liabilities:

	2010			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Financial assets at FVPL				
Held-for-trading				
Debt securities				
Government	₱8,416	₱8,416	₱5,597	₱5,597
Private	168	168	168	168
Equity securities - quoted	519	519	–	–
Derivative assets	3,477	3,477	3,318	3,318
Subtotal	12,580	12,580	9,083	9,083
AFS investments				
Debt securities				
Government	102,610	102,610	75,059	75,059
Private	21,770	21,770	20,947	20,947
Equity securities				
Quoted	1,826	1,826	258	258
Unquoted	261	261	61	61
Subtotal	126,467	126,467	96,325	96,325

(Forward)

NOTES:

	2010			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
HTM investments				
Government	₱26,701	₱30,477	₱13,599	₱15,952
Treasury notes	5,962	6,908	348	379
Private	–	338	–	338
Subtotal	32,663	37,723	13,947	16,669
Loans and receivables				
Cash and other cash items	20,201	20,201	16,996	16,996
Due from BSP	168,402	168,402	162,391	162,391
Due from other banks	38,308	38,308	19,416	19,416
Interbank loans receivable and SPURA (Note 7)				
Interbank loans receivable	25,507	25,507	18,006	18,006
SPURA	1,000	1,000	–	–
Subtotal	26,507	26,507	18,006	18,006
Loans and receivables-net				
Receivables from customers				
Commercial loans	238,150	239,520	215,621	216,706
Residential mortgage loans	38,364	38,644	21,016	21,220
Auto loans	32,953	35,369	10,837	10,837
Trade	16,118	16,118	15,883	15,883
Others	38,488	40,287	12,324	12,324
Subtotal	364,073	369,938	275,681	276,970
Unquoted debt securities	14,805	14,851	4,804	4,804
Accounts receivable	6,482	6,220	6,055	5,791
Accrued interest receivable	4,075	4,075	2,894	2,894
Sales contract receivable	1,310	897	1,129	1,129
Other receivables	183	183	139	139
Total	390,928	396,164	290,702	291,727
Other assets (Note 13)				
Interoffice float items	436	436	631	631
Returned checks and other cash items	359	359	331	331
Residual value of leased assets	342	342	–	–
Other investments	13	13	10	10
Assets held by SPVs	–	–	–	–
Investment in SPVs	–	–	–	–
Miscellaneous	493	493	491	491
Total financial assets	₱817,699	₱827,995	₱628,329	₱632,076
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱3,161	₱3,161	₱3,001	₱3,001
Financial liabilities at amortized cost				
Deposit liabilities				
Demand	68,261	68,261	61,216	61,216
Savings	267,930	267,930	260,269	260,269
Time	315,071	316,013	242,323	242,323
Subtotal	651,262	652,204	563,808	563,808
Bills payable and SSURA	85,513	85,704	10,405	10,405
Managers checks and demand drafts outstanding	2,043	2,043	1,394	1,394
Accrued interest and other expenses	4,599	4,592	2,375	2,375
Subordinated debt (Note 18)	21,673	24,250	18,406	20,742
Other liabilities (Note 19)				
Bills purchased - contra	11,761	11,761	11,706	11,706
Accounts payable	4,634	4,634	2,857	2,857
Marginal deposits	2,658	2,658	757	757
Outstanding acceptances	1,296	1,296	1,296	1,296
Deposits on lease contracts	485	415	–	–
Liabilities of SPV	–	–	–	–
Dividends payable	21	21	–	–
Due to BSP	–	–	–	–
Miscellaneous	543	543	–	–
Subtotal	21,398	21,328	16,616	16,616
Total financial liabilities	₱789,649	₱793,282	₱616,005	₱618,341

NOTES:

	2009			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Financial assets at FVPL (Note 8)				
Held-for-trading				
Debt securities				
Government	₱13,044	₱13,044	₱11,375	₱11,375
Private	26	26	26	26
Equity securities - quoted	394	394	–	–
Derivative assets	3,582	3,582	3,286	3,286
Subtotal	17,046	17,046	14,687	14,687
AFS investments (Note 8)				
Debt securities				
Government	149,970	149,970	112,762	112,762
Private	2,438	2,438	1,660	1,660
BSP	1,761	1,761	1,761	1,761
Equity securities				
Quoted	2,461	2,461	450	450
Unquoted	105	105	78	78
Subtotal	156,735	156,735	116,711	116,711
HTM investments (Note 8)				
Government	21,003	22,074	14,122	14,722
Treasury notes	2,038	2,148	348	425
Private	580	696	526	696
Subtotal	23,621	24,918	14,996	15,843
Loans and receivables				
Cash and other cash items	19,727	19,727	17,049	17,049
Due from BSP	71,981	71,981	63,578	63,578
Due from other banks	36,702	36,702	29,815	29,815
Interbank loans receivable and SPURA (Note 7)				
Interbank loans receivable	42,674	42,674	42,963	42,963
SPURA	36,880	36,880	30,980	30,980
Subtotal	79,554	79,554	73,943	73,943
Loans and receivables-net				
Receivables from customers				
Commercial loans	217,978	212,284	207,210	203,237
Residential mortgage loans	36,008	30,770	18,937	19,118
Auto loans	25,354	21,697	8,189	8,189
Trade	16,258	16,258	16,258	16,258
Others	40,562	40,997	17,216	17,216
Subtotal	336,160	322,006	267,810	264,018
Unquoted debt securities	15,049	15,049	4,646	4,646
Accrued interest receivable	6,422	6,422	4,679	4,679
Accounts receivable	3,040	3,040	2,452	2,452
Sales contract receivable	1,454	1,454	1,444	1,444
Other receivables	202	202	157	157
Total	362,327	348,173	281,188	277,396
Other assets (Note 13)				
Interoffice float items	488	488	479	479
Returned checks and other cash items	242	242	196	196
Residual value of leased assets	357	357	–	–
Other investments	16	16	13	13
Assets held by SPVs	3,994	3,994	–	–
Investment in SPVs	–	–	2,215	2,215
Miscellaneous	510	510	508	508
Total financial assets	₱773,300	₱760,443	₱615,378	₱612,433

(Forward)

NOTES:

	2009			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱2,384	₱2,384	₱2,245	₱2,245
Financial liabilities at amortized cost				
Deposit liabilities				
Demand	48,568	48,568	44,521	44,521
Savings	242,145	242,145	234,378	234,378
Time	324,987	326,517	264,630	264,630
Subtotal	615,700	617,230	543,529	543,529
Bills payable and SSURA	95,868	95,868	27,577	27,577
Managers checks and demand drafts outstanding	1,955	1,955	1,458	1,458
Accrued interest and other expenses	4,027	4,027	2,151	2,151
Subordinated debt (Note 18)	21,634	23,453	18,372	19,410
Other liabilities (Note 19)				
Bills purchased - contra	17,035	17,035	16,905	16,905
Accounts payable	4,866	4,866	2,311	2,311
Marginal deposits	1,548	1,548	1,548	1,548
Outstanding acceptances	913	913	913	913
Deposits on lease contracts	518	425	–	–
Liabilities of SPV	3,717	3,717	–	–
Dividends payable	67	67	–	–
Due to BSP	7	7	–	–
Miscellaneous	543	543	–	–
Subtotal	29,214	29,121	21,677	21,677
Total financial liabilities	₱770,782	₱774,038	₱617,009	₱618,047

The following table shows financial instruments recognized at fair value, analyzed among those whose fair value is based on:

- Quoted in market prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Consolidated			
	Level 1	Level 2	Level 3	Total
2010				
Financial Assets				
Financial assets at FVPL				
Held-for-trading				
Debt securities				
Government	₱8,416	₱–	₱–	₱8,416
Private	158	10	–	168
Equity securities	519	–	–	519
Derivative assets	–	3,477	–	3,477
Total financial assets at FVPL	₱9,093	₱3,487	₱–	₱12,580
AFS investments				
Debt securities				
Government	₱100,057	₱2,553	₱–	₱102,610
Private	18,805	2,686	279	21,770
Equity securities - quoted	1,826	–	–	1,826
Total AFS investments	₱120,688	₱5,239	₱279	₱126,206
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱–	₱2,882	₱279	₱3,161

NOTES:

	Consolidated			
	Level 1	Level 2	Level 3	Total
2009				
Financial Assets				
Financial assets at FVPL				
Held-for-trading				
Debt securities				
Government	₱13,044	₱–	₱–	₱13,044
Private	25	1	–	26
Equity securities	394	–	–	394
Derivative assets	–	3,582	–	3,582
Total financial assets at FVPL	₱13,463	₱3,583	₱–	₱17,046
AFS investments				
Debt securities				
Government	₱136,395	₱13,480	₱–	₱149,875
Private	2,194	–	294	2,488
BSP	–	1,761	–	1,761
Equity securities - quoted	2,461	–	–	2,461
Total AFS investments	₱141,050	₱15,241	₱294	₱156,585
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱–	₱2,090	₱294	₱2,384

	Parent Company			
	Level 1	Level 2	Level 3	Total
2010				
Financial Assets				
Financial assets at FVPL				
Held-for-trading				
Debt securities				
Government	₱5,597	₱–	₱–	₱5,597
Private	158	10	–	168
Derivative assets	–	3,318	–	3,318
Total financial assets at FVPL	₱5,755	₱3,328	₱–	₱9,083
AFS investments				
Debt securities				
Government	₱74,103	₱956	₱–	₱75,059
Private	17,981	2,687	279	20,947
Equity securities - quoted	258	–	–	258
Total AFS investments	₱92,342	₱3,643	₱279	₱96,264
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱–	₱2,722	₱279	₱3,001
2009				
Financial Assets				
Financial assets at FVPL				
Held-for-trading				
Debt securities				
Government	₱11,375	₱–	₱–	₱11,375
Private	26	–	–	26
Derivative assets	–	3,286	–	3,286
Total financial assets at FVPL	₱11,401	₱3,286	₱–	₱14,687
AFS investments				
Debt securities				
Government	₱100,733	₱12,029	₱–	₱112,762
Private	1,366	–	294	1,660
BSP	–	1,761	–	1,761
Equity securities - quoted	450	–	–	450
Total AFS investments	₱102,549	₱13,790	₱294	₱116,633
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱–	₱1,951	₱294	₱2,245

NOTES:

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models.

Instruments included in Level 3 include those for which there is currently no active market.

The following table shows the Parent Company's reconciliation from the beginning balances to the closing balances of financial assets and liabilities with fair value measurements under level 3 of the fair value hierarchy:

	2010		2009	
	AFS Investments	Financial liabilities at FVPL	AFS Investments	Financial liabilities at FVPL
Balance at January 1	₱294	(₱294)	₱2,584	(₱2,480)
Add:				
Unrealized gains during the year				
Recorded in profit or loss	–	–	–	59
Recorded in equity	–	–	268	–
Foreign exchange difference	(15)	15	–	–
	(15)	15	268	59
Less:				
Write-offs	–	–	1,924	(2,127)
Impairment	–	–	634	–
	–	–	2,558	(2,127)
Balance at December 31	₱279	(₱279)	₱294	(₱294)

The sensitivity of the Parent Company's embedded credit derivatives to movements of interest rates as of December 31, 2010 and 2009 amounted to ₱0.03 million.

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 providing consumer type loans and support for effective sourcing and generation of consumer business;
- 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;
- 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;
- Branch Banking - principally handling branch deposits and providing loans and other loan related businesses for domestic middle market clients; and
- Others - principally handling other services including but not limited to remittances, leasing, account financing, and other support services. Other operations of the Group comprise the operations and financial control groups.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment

NOTES:

or can be allocated to the segment on a reasonable basis. Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross income and expense. The Group has no significant customers which contributes 10.00% or more of the consolidated revenue net of interest expense. 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. The following table presents revenue and income information of operating segments presented in accordance with PFRS and segment assets and liabilities:

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
2010							
Results of Operations							
Net interest income (expense)							
Third party	₱5,231	₱8,079	(₱46)	₱7,634	₱3,438	₱2,054	₱26,390
Intersegment	(90)	(2,246)	–	(2,988)	6,037	(713)	–
	5,141	5,833	(46)	4,646	9,475	1,341	26,390
Noninterest income	2,599	414	648	7,552	3,562	5,317	20,092
Revenue - net of interest expense	7,740	6,247	602	12,198	13,037	6,658	46,482
Noninterest expense	5,813	1,548	67	2,013	11,988	13,674	35,103
Income before share in net income of investees	1,927	4,699	535	10,185	1,049	(7,016)	11,379
Share in net income of investees	–	41	–	–	–	1,577	1,618
Benefit from (provision for) income tax	(514)	(2)	(13)	(2,791)	462	(873)	(3,731)
Minority interest in net income of consolidated subsidiaries	–	–	–	–	–	(900)	(900)
Net income (loss)	₱1,413	₱4,738	₱522	₱7,394	₱1,511	(₱7,212)	₱8,366
Statement of Financial Position							
Total assets	₱49,191	₱174,471	₱2,515	₱372,595	₱187,331	₱101,220	₱887,323
Total liabilities	₱24,936	₱157,158	₱2,444	₱354,344	₱226,728	₱28,696	₱794,306
Other Segment Information							
Capital expenditures	₱426	₱71	₱–	₱91	₱73	₱1,190	₱1,851
Depreciation and amortization	₱286	₱42	₱–	₱25	₱694	₱1,213	₱2,260
Provision for credit and impairment losses	₱2,186	₱481	₱–	₱33	₱371	₱4,214	₱7,285
2009							
Results of Operations							
Net interest income (expense)							
Third party	₱4,973	₱9,456	(₱26)	₱7,540	₱2,711	₱2,025	₱26,679
Intersegment	(111)	(2,727)	–	(3,428)	7,493	(1,227)	–
	4,862	6,729	(26)	4,112	10,204	798	26,679
Noninterest income	2,230	203	486	4,282	3,274	5,606	16,081
Revenue - net of interest expense	7,092	6,932	460	8,394	13,478	6,404	42,760
Noninterest expense	5,118	1,228	57	2,446	11,172	14,614	34,635
Income before share in net income of investees	1,974	5,704	403	5,948	2,306	(8,210)	8,125
Share in net income of investees	–	45	–	–	–	874	919
Provision for income tax	(289)	(48)	(7)	(1,520)	(251)	(134)	(2,249)
Minority interest in net income of consolidated subsidiaries	–	–	–	–	–	(766)	(766)
Net income (loss)	₱1,685	₱5,701	₱396	₱4,428	₱2,055	(₱8,236)	₱6,029
Statement of Financial Position							
Total assets	₱43,973	₱141,812	₱878	₱368,747	₱179,831	₱119,066	₱854,307
Total liabilities	₱22,049	₱133,450	₱611	₱351,781	₱217,467	₱48,631	₱773,989
Other Segment Information							
Capital expenditures	₱207	₱93	₱–	₱74	₱316	₱1,804	₱2,494
Depreciation and amortization	₱380	₱20	₱–	₱25	₱636	₱951	₱2,012
Provision for credit and impairment losses	₱1,984	₱492	₱–	₱1,260	₱472	₱4,585	₱8,793

NOTES:

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
2008							
Results of Operations							
Net interest income (expense)							
Third party	₱4,329	₱9,539	(₱22)	₱7,566	(₱596)	₱2,253	₱23,069
Intersegment	(126)	(3,644)	–	(4,234)	9,329	(1,325)	–
	4,203	5,895	(22)	3,332	8,733	928	23,069
Noninterest income	2,472	263	(82)	1,157	3,999	3,677	11,486
Revenue - net of interest expense	6,675	6,158	(104)	4,489	12,732	4,605	34,555
Noninterest expense	4,719	943	25	2,395	11,195	8,166	27,443
Income before share in net income of investees	1,956	5,215	(129)	2,094	1,537	(3,561)	7,112
Share in net income of investees	–	47	–	–	–	945	992
Provision for income tax	(433)	(92)	(7)	(1,086)	(195)	(1,214)	(3,027)
Minority interest in net income of consolidated subsidiaries	–	–	–	–	–	(669)	(669)
Net income (loss)	₱1,523	₱5,170	(₱136)	₱1,008	₱1,342	(₱4,499)	₱4,408
Statement of Financial Position							
Total assets	₱42,083	₱157,732	₱734	₱261,572	₱158,932	₱143,756	₱764,809
Total liabilities	₱21,448	₱153,026	₱619	₱254,667	₱193,541	₱72,504	₱695,805
Other Segment Information							
Capital expenditures	₱716	₱15	₱–	₱34	₱236	₱2,492	₱3,493
Depreciation and amortization	₱357	₱24	₱–	₱27	₱536	₱1,075	₱2,019
Provision for credit and impairment losses	₱1,630	₱217	₱–	₱1,620	₱1,409	(₱1,627)	₱3,249

Noninterest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gain (loss) - net, foreign exchange gain (loss) - net, income from trust operations, leasing, dividends and miscellaneous income. Noninterest expense consists of compensation and fringe benefits, taxes and licenses, provision for credit and impairment losses, depreciation and amortization, occupancy and equipment-related cost, amortization of deferred charges and miscellaneous expense.

Geographical Information

The Group operates in four geographic markets: Philippines, Asia other than Philippines, USA and Europe (Note 2). The following tables show the distribution of Group's external net operating income and non-current assets allocated based on the location of the customers and assets, respectively, for the years ended December 31:

	Philippines	Asia (Other than Philippines)	USA	Europe	Total
2010					
Interest income	₱40,938	₱456	₱69	₱1	₱41,464
Interest expense	14,973	92	9	–	15,074
Net interest income	25,965	364	60	1	26,390
Noninterest income	18,145	1,314	310	323	20,092
Provision for credit and impairment losses	7,218	51	16	–	7,285
Total external net operating income	₱36,892	₱1,627	₱354	₱324	₱39,197
Non-current assets	₱34,961	₱392	₱149	₱19	₱35,521

NOTES:

	Philippines	Asia (Other than Philippines)	USA	Europe	Total
2009					
Interest income	₱43,390	₱219	₱105	₱1	₱43,715
Interest expense	16,959	60	17	–	17,036
Net interest income	26,431	159	88	1	26,679
Noninterest income	14,427	1,055	275	324	16,081
Provision for credit and impairment losses	8,668	3	122	–	8,793
Total external net operating income	₱32,190	₱1,211	₱241	₱325	₱33,967
Non-current assets	₱38,278	₱304	₱178	₱22	₱38,782
2008					
Interest income	₱41,163	₱411	₱138	₱2	₱41,714
Interest expense	18,455	123	67	–	18,645
Net interest income	22,708	288	71	2	23,069
Noninterest income	9,695	1,227	246	318	11,486
Provision for credit and impairment losses	3,231	11	7	–	3,249
Total external net operating income	₱29,172	₱1,504	₱310	₱320	₱31,306
Non-current assets	₱40,010	₱374	₱194	₱23	₱40,601

Non-current assets consist of property and equipment, investment properties, chattel properties acquired in foreclosure, intangible assets and assets held under joint venture.

7. Interbank Loans Receivable and Securities Purchased Under Resale Agreements

This account consists of:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Interbank loans receivable (Note 27)	₱25,507	₱42,674	₱18,006	₱42,963
SPURA	1,000	36,880	–	30,980
	₱26,507	₱79,554	₱18,006	₱73,943

The outstanding balance of SPURA represents overnight placements with the BSP where the underlying securities cannot be sold or repledged to parties other than BSP.

8. Trading and Investment Securities

This account consists of:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Financial assets at FVPL	₱12,580	₱17,046	₱9,083	₱14,687
AFS investments (Notes 27 and 28)	126,467	156,735	96,325	116,711
HTM investments (Note 27)	32,663	23,621	13,947	14,996
	₱171,710	₱197,402	₱119,355	₱146,394

NOTES:

Financial assets at FVPL consist of the following:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Held-for-trading				
Debt securities				
Government	₱8,416	₱13,044	₱5,597	₱11,375
Private	168	26	168	26
	8,584	13,070	5,765	11,401
Equity securities - quoted	519	394	–	–
	9,103	13,464	5,765	11,401
Derivative assets	3,477	3,582	3,318	3,286
	₱12,580	₱17,046	₱9,083	₱14,687

Derivative Financial Instruments

The following are fair values of derivative financial instruments of the Parent Company recorded as derivative assets or derivative liabilities, together with the notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding as of December 31, 2010 and 2009 and are not indicative of either market risk or credit risk.

	Assets	Liabilities	Notional Amount	Average Forward Rate (in every US$ 1)
December 31, 2010				
Freestanding derivatives:				
Currency forwards				
BOUGHT:				
USD	₱525	₱1,649	USD 3,186	₱45.1961
CNY	475	7	CNY 3,870	CNY 0.1499
EUR	–	1	EUR 0	EUR 1.3901
AUD	1	–	AUD 5	AUD 1.0228
INR	14	1	INR 688	INR 0.0128
KRW	1	–	KRW 5,715	KRW 0.0009
SOLD:				
USD	1,677	371	USD 3,378	₱44.2507
CNY	14	339	CNY 3,975	CNY 0.1509
EUR	1	–	EUR 13	EUR 1.3246
AUD	–	2	AUD 8	AUD 1.0129
INR	–	11	INR 237	INR 0.0211
JPY	–	–	JPY 66	JPY 0.0123
Put Option Purchased-Warrants	212	–	USD 645	
Interest Rate Swaps-PHP	366	295	₱20,150	
Interest Rate Swaps-FX	5	3	USD 80	
Credit Default Swaps	7	3	USD 10	
Cross Currency Swaps	13	25	USD 67	
Embedded derivatives in:				
Financial contract*	–	294	USD 30	
Nonfinancial contract**	7	–	USD 0	
	₱3,318	₱3,001		

NOTES:

	Assets	Liabilities	Notional Amount	Average Forward Rate (in every US$ 1)
December 31, 2009				
Freestanding derivatives:				
Currency forwards				
BOUGHT:				
USD	₱66	₱1,735	USD 1,536	₱47.8089
CNY	8	14	CNY 646	CNY 0.1470
EUR	117	10	EUR 81	EUR 1.4329
SOLD:				
USD	2,734	13	USD 2,235	₱47.8049
CNY	11	–	CNY 439	CNY 0.1482
EUR	81	73	EUR 81	EUR 1.4340
Put Option Purchased-Warrants	250	–	USD 645	
Interest Rate Swaps-PHP	3	4	₱1,050	
Embedded derivatives in:				
Financial contract*	8	396	USD 41	
Nonfinancial contract**	8	–	USD 1	
	₱3,286	₱2,245		

* As of December 31, 2010 and 2009, derivative assets include interest rate derivatives with outstanding notional amounts of nil and US$4.1 million, respectively. Derivative liabilities include credit default swaps, call options and interest rate derivatives embedded in structured debt instrument with outstanding notional amounts of US$30.1 million and US$36.8 million as of December 31, 2010 and 2009, respectively.

** Nonfinancial host contracts include foreign currency derivatives with average notional amounts of US$1,353 and US$1,322 per month as of December 31, 2010 and 2009, respectively (with maturities until 2018).

Derivatives designated as accounting hedges
In 2008, MCC entered into two CCS agreements with a certain bank to hedge the foreign exchange and interest rate risks from its dollar-denominated loan with the same bank. Under the agreements, MCC, on a quarterly basis, pays fixed interest rates of 5.9% and 6.4% on the peso principals amounting to ₱809.8 million for tranche 1 and ₱834.0 million for tranche 2, respectively, and receives floating interest at 3-month LIBOR on the US Dollar principals amounting to US$20.0 million each. At maturity dates, MCC will pay the peso principals aggregating ₱1.6 billion and will receive US$40.0 million in exchange. Effectively, under the CCS agreements, MCC swaps its dollar-denominated floating rate loans into peso fixed rate loans. Same with the loan hedged, the swaps cover a period of three years from March 6, 2008 up to March 7, 2011 and April 3, 2008 up to April 4, 2011, for tranche 1 and tranche 2, respectively. On January 1, 2009, MCC designated the swaps as effective hedging instruments under cash flow hedges. As such, the effective portion of the changes in fair value of the swaps in 2009 was deferred to equity. As of December 31, 2010 and 2009, the swap has a positive fair value of ₱88.1 million and ₱221.7 million, respectively.

On September 21, 2010, the BOD of MCC approved the refinancing plan of the maturing dollar-denominated loan and CCS entered in 2008 amounting to US$40.0 million. To take advantage of low interest rates environment, MCC entered into four deals (with total notional amount of US$ 40.0 million) with the same bank to lock in forward start of CCS at current interest rates.

The drawdown of the loan to be hedged and the CCS will coincide with the maturity date of the maturing dollar-denominated loan and CCS on March 7 and April 4, 2011 for the tranche 1 and tranche 2 transactions, respectively. At inception dates, MCC designated these swaps as effective hedging instruments under cash flow hedge. As of December 31, 2010, the related swaps have an aggregate negative fair value amounting to ₱32.7 million.

Also, on December 17, 2010, MCC entered into a short-term CCS agreement with the same bank to hedge the foreign exchange and interest rate risks from its short-term dollar-denominated loan. Under the agreement, MCC, on a quarterly basis, pays fixed interest rate of 3.95% on the peso principal amounting to ₱154.8 million and receives floating interest at 3-month LIBOR plus 0.8% spread on the US dollar principal amounting to US$3.5 million. At maturity date, MCC will pay the peso principal amounting to ₱154.8 million and will receive US$3.5 million in exchange. At inception date, MCC also designated this swap as effective hedging instrument under the cash flow hedge. As of December 31, 2010, the swap has a negative fair value amounting to ₱3.2 million.

NOTES:

Below is the schedule as at December 31, 2010 and 2009, the periods when the hedged cash flows are expected to occur and when they are expected to affect profit or loss:

	2010			2009		
	Within 1 year	1-2 years	Over 2 years	Within 1 year	1-2 years	Over 2 years
Cash inflow (asset)	₱1,919	₱17	₱1,808	₱14	₱1,860	₱–
Cash outflows (liability)	(1,887)	(92)	(1,874)	(86)	(1,683)	–
Net cash flow	₱32	(₱75)	(₱66)	(₱72)	₱177	₱–

As of December 31, 2010 and 2009, MCC assessed the hedge relationship of the swaps and the hedged loans as highly effective. The effective fair value changes on the swaps that were deferred in equity under 'Translation adjustment and others' as of December 31, 2010 and 2009 amounted to ₱48.4 million and ₱8.5 million, respectively. No hedge ineffectiveness was recognized in profit or loss in 2010 and 2009.

Movements in net unrealized loss on cash flow hedge consist of:

	2010	2009
Balance at beginning of year	(₱9)	₱–
Net changes shown in other comprehensive income:		
Amount deferred to equity	(169)	(75)
Amortization of swap fair value recognized in 2008	13	13
Transferred to income or loss (foreign exchange revaluation)	96	53
Income tax effect	21	–
	(39)	(9)
Balance at end of year	(₱48)	(₱9)

The table below summarizes the net movement in fair values of MCC's derivatives:

	2010	2009
Balance at beginning of year	₱222	₱296
Net changes in fair value of derivatives designated as accounting hedges	(45)	(201)
Less fair value of settled instruments*	125	(127)
	(170)	(74)
Balance at end of year	₱52	₱222

**Included under 'Interest expense' in the statement of income*

AFS investments consist of the following:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Debt securities:				
Government	₱102,610	₱149,970	₱75,059	₱112,762
Private	22,843	3,586	21,924	2,656
BSP	–	1,761	–	1,761
	125,453	155,317	96,983	117,179
Equity securities:				
Quoted	2,203	2,461	381	450
Unquoted	504	504	147	147
	2,707	2,965	528	597
	128,160	158,282	97,511	117,776
Less allowance for impairment losses (Note 14)	1,693	1,547	1,186	1,065
	₱126,467	₱156,735	₱96,325	₱116,711

Unquoted equity securities represent long-term investments of the Group and are not actively traded in the market. The Group does not intend to sell these securities in the near future.

NOTES:

As of December 31, 2010 and 2009, AFS investments include government and private debt securities and unquoted equity securities with carrying values of ₱3.5 billion and ₱33.7 billion, respectively, for the Group and nil and ₱25.9 billion, respectively, for the Parent Company that are pledged under the Group and Parent Company's SSURA transactions (Note 16).

The Parent Company has investments in collateralized debt obligation with a total face value of US$20.0 million as of December 31, 2010 and 2009. The embedded credit default swaps have been bifurcated and reported as part of derivative liabilities while the host instruments are classified as AFS investments. As of December 31, 2010 and 2009, the carrying value of the host instruments amounted to ₱278.9 million (net of allowance for credit losses amounting to ₱583.1 million) and ₱294.0 million (net of allowance for credit losses amounting to ₱614.4 million), respectively, with corresponding derivative liabilities of ₱278.9 million and ₱294.0 million, respectively.

In 2010, the Parent Company and PSBank participated in bond exchange transactions affecting its held for trading and AFS investments. The Parent Company and PSBank received 10-year Benchmark Bonds with a minimum coupon of 5.88% and face value of ₱1.5 billion and ₱798.2 million, respectively, at a price of 100.00% and 25-year Benchmark Bonds with a minimum coupon of 8.13% and face value of ₱13.4 billion and ₱11.7 billion, respectively, at a price of 100.00%. The Parent Company and PSBank realized net trading gain of ₱37.4 million and ₱1.2 billion, respectively, from the bond exchange transactions.

AFS investments include net unrealized gains (losses) as follows:

	Consolidated		Parent Company	
	2010	2009	**2010**	2009
Balance at the beginning of year	**₱536**	(₱6,517)	**₱44**	(₱4,934)
Unrealized gains recognized in other comprehensive income	**6,869**	8,736	**3,675**	5,878
Amounts realized in profit or loss	**(5,982)**	(1,683)	**(2,825)**	(900)
	1,423	536	**894**	44
Tax (Note 26)	**(90)**	(99)	**(72)**	(71)
Balance at end of year	**₱1,333**	₱437	**₱822**	(₱27)

HTM investments consist of the following:

	Consolidated		Parent Company	
	2010	2009	**2010**	2009
Government bonds	**₱26,701**	₱21,003	**₱13,599**	₱14,122
Treasury notes	**5,962**	2,038	**348**	348
Private bonds	**219**	811	**219**	757
	32,882	23,852	**14,166**	15,227
Less allowance for impairment losses (Note 14)	**219**	231	**219**	231
	₱32,663	₱23,621	**₱13,947**	₱14,996

Interest income on trading and investment securities consists of:

	Consolidated			Parent Company		
	2010	2009	2008	**2010**	2009	2008
Financial assets at FVPL	**₱438**	₱612	₱1,528	**₱398**	₱552	₱451
AFS investments	**6,759**	8,322	5,366	**4,135**	4,821	4,867
HTM investments	**2,356**	1,566	1,291	**1,055**	930	966
	₱9,553	₱10,500	₱8,185	**₱5,588**	₱6,303	₱6,284

In 2010, 2009 and 2008, foreign currency-denominated trading and investment securities bear nominal annual interest rates ranging from 0.80% to 9.50%, from 1.00% to 10.60% and from 1.90% to 10.60%, respectively, for the Group and from 0.80% to 9.50%, from 3.00% to 10.60% and from 1.90% to 10.60%, respectively, for the Parent Company while peso-denominated trading and investment securities bear nominal annual interest rates ranging from 1.56% to 14.00%, from 4.00% to 18.30% and from 2.50% to 18.30%, respectively, for the Group and from 3.70% to 13.20%, from 4.00% to 14.00% and from 2.50% to 14.00%, respectively, for the Parent Company.

NOTES:

Trading and securities gain (loss) - net consists of:

	Consolidated			Parent Company		
	2010	2009	2008	**2010**	2009	2008
Held-for-trading	**₱793**	₱886	(₱373)	**₱394**	₱400	(₱61)
AFS investments	**5,982**	2,113	1,100	**2,825**	1,384	404
Derivative assets and liabilities	**(653)**	624	(1,992)	**(673)**	639	(1,984)
	₱6,122	₱3,623	(₱1,265)	**₱2,546**	₱2,423	(₱1,641)

Trading gains on AFS investments include realized gains/losses previously reported in net unrealized gain (loss) under the equity section of the statement of financial position.

On April 20, 2009, the Parent Company reclassified certain AFS debt securities amounting to ₱9.5 billion for which it had a clear change of intent to hold up to maturity rather than exit at certain foreseeable future to HTM investments. The carrying value of the reclassified securities amounted to ₱9.1 billion as of December 31, 2009.

9. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2010	2009	**2010**	2009
Receivables from customers:				
Commercial loans	**₱244,955**	₱224,322	**₱221,127**	₱212,835
Residential mortgage loans	**38,571**	36,329	**21,049**	19,016
Auto loans	**39,821**	31,047	**12,242**	9,235
Trade loans	**16,340**	16,608	**16,103**	16,608
Others	**42,459**	43,731	**12,353**	17,249
	382,146	352,037	**282,874**	274,943
Less unearned discounts and capitalized interest	7,913	6,445	1,823	1,572
	374,233	345,592	**281,051**	273,371
Unquoted debt securities:				
Government	**13,113**	10,710	**3,297**	2,495
Private	**2,706**	5,365	**2,211**	2,890
	15,819	16,075	**5,508**	5,385
Accounts receivable (Note 11)	**9,797**	4,469	**8,797**	3,376
Accrued interest receivable	**6,181**	8,464	**4,689**	6,467
Sales contract receivable	**1,346**	1,492	**1,333**	1,451
Other receivables	**224**	243	**179**	198
	407,600	376,335	**301,557**	290,248
Less allowance for credit losses (Note 14)	**14,941**	14,008	**9,124**	9,060
	₱392,659	₱362,327	**₱292,433**	₱281,188

Receivables from customers consist of:

	Consolidated		Parent Company	
	2010	2009	**2010**	2009
Loans and discounts	**₱353,762**	₱318,051	**₱254,775**	₱241,086
Less unearned discounts and capitalized interest	**7,913**	6,445	**1,823**	1,572
	345,849	311,606	**252,952**	239,514
Customers' liabilities under letters of credit (LC)/trust receipts	**16,121**	16,608	**16,103**	16,608
Bills purchased (Note 19)	**12,263**	17,378	**11,996**	17,249
	₱374,233	₱345,592	**₱281,051**	₱273,371

Receivables from customers-others of the Group include credit card receivables, notes receivables financed and lease contract receivables amounting to ₱19.0 billion, ₱5.7 billion and ₱1.9 billion, respectively, as of December 31, 2010 and ₱17.3 billion, ₱4.5 billion and ₱1.9 billion, respectively, as of December 31, 2009.

NOTES:

Interest income on loans and receivables consists of:

	Consolidated			Parent Company		
	2010	2009	2008	2010	2009	2008
Receivables from customers	₱19,940	₱19,929	₱20,201	₱13,955	₱14,919	₱15,585
Receivables from cardholders	4,080	3,864	3,469	–	–	–
Lease contract receivables	1,042	705	1,281	–	–	–
Customer liabilities under LC trust receipts	734	1,141	1,516	734	1,141	1,516
Restructured loans	576	642	834	475	530	689
Unquoted debt securities	382	1,207	631	332	1,207	192
Agrarian and other agricultural credit loans	226	345	420	86	167	283
Interest accrued on impaired receivables	82	511	724	9	406	616
Others	154	238	76	88	76	2
	₱27,216	₱28,582	₱29,152	₱15,679	₱18,446	₱18,883

Interest income accrued on impaired receivables pertains to interest accrued in accordance with PAS 39. Other interest income includes interest income on sales contract receivable.

BSP Reporting

As of December 31, 2010 and 2009, 79.07% and 82.98% of the total receivables from customers of the Group, respectively, are subject to periodic interest repricing. In 2010 and 2009, the remaining peso receivables from customers earn annual fixed interest rates ranging from 2.50% to 42.00% while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 1.14% to 36.00% and from 2.00% to 36.00%, respectively.

The following table shows information relating to receivables from customers by collateral, gross of unearned discounts and capitalized interest:

	Consolidated				Parent Company			
	2010		2009		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%
Secured by:								
Real estate	₱81,644	21.36	₱83,979	23.86	₱58,535	20.69	₱64,133	23.33
Chattel	48,634	12.73	39,115	11.11	14,775	5.22	12,299	4.47
Deposit hold-out	14,714	3.85	12,953	3.68	10,369	3.67	12,578	4.57
Securities	7,290	1.91	9,167	2.60	5,464	1.93	9,070	3.30
Stand-by letters of credit	2,051	0.54	3,218	0.91	1,951	0.69	3,218	1.17
Assignment of receivables	1,234	0.32	710	0.20	1,015	0.36	499	0.18
Others	50,621	13.25	42,831	12.17	47,289	16.72	41,334	15.04
	206,188	53.96	191,973	54.53	139,398	49.28	143,131	52.06
Unsecured	175,958	46.04	160,064	45.47	143,476	50.72	131,812	47.94
	₱382,146	100.00	₱352,037	100.00	₱282,874	100.00	₱274,943	100.00

NOTES:

Information on the concentration of credit as to industry of receivables from customers, gross of unearned discount and capitalized interest, follows:

	Consolidated				Parent Company			
	2010		2009		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%
Manufacturing (various industries)	₱72,379	18.94	₱63,804	18.12	₱68,066	24.06	₱62,282	22.65
Real estate, renting and business activities	63,360	16.58	58,779	16.70	44,220	15.63	44,188	16.07
Wholesale and retail trade	57,389	15.02	58,639	16.66	40,455	14.30	48,105	17.50
Private households	55,163	14.44	52,720	14.98	35,887	12.69	34,885	12.69
Financial intermediaries	35,562	9.31	30,743	8.73	31,820	11.25	29,394	10.69
Transportation, storage and communication	27,986	7.32	30,428	8.64	21,128	7.47	23,972	8.72
Other community, social and personal activities	24,278	6.35	20,369	5.79	3,751	1.33	4,081	1.48
Electricity, gas and water	19,071	4.99	15,549	4.42	16,226	5.74	12,873	4.68
Hotel and restaurants	8,790	2.30	5,887	1.67	8,204	2.90	5,392	1.96
Construction	7,221	1.89	5,160	1.46	5,387	1.90	3,928	1.43
Agricultural, hunting and forestry	4,602	1.20	5,908	1.68	3,295	1.16	3,040	1.11
Public administration and defense, compulsory social security	1,941	0.51	1,105	0.31	136	0.05	26	0.01
Mining and quarrying	358	0.09	308	0.09	253	0.09	260	0.09
Others	4,046	1.06	2,638	0.75	4,046	1.43	2,517	0.92
	₱382,146	100.00	₱352,037	100.00	₱282,874	100.00	₱274,943	100.00

The BSP considers that concentration of credit exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio except for thrift banks.

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 credit losses, provided that interest on said receivables shall not be accrued.

Non-performing loans (NPLs) not fully covered by allowance for credit losses follow:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Total NPLs	₱11,005	₱12,487	₱6,046	₱7,717
Less NPLs fully covered by allowance for credit losses	5,007	2,301	2,237	1,263
	₱5,998	₱10,186	₱3,809	₱6,454

Under banking regulations, 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 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 ₱199.2 million and ₱423.3 million as of December 31, 2010 and 2009, respectively, were rediscounted with the BSP (included under Bills Payable - BSP) under the rediscounting privileges of the Parent Company (Note 16).

NOTES:

10. Property and Equipment

The composition of and movements in this account follow:

	Consolidated					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	Total
2010						
Cost						
Balance at beginning of year	₱5,089	₱6,671	₱11,530	₱1,607	₱349	₱25,246
Additions	–	193	1,134	204	40	1,571
Disposals	(39)	(18)	(430)	(7)	–	(494)
Reclassification/others	(14)	9	142	9	–	146
Balance at end of year	5,036	6,855	12,376	1,813	389	26,469
Accumulated depreciation and amortization						
Balance at beginning of year	–	2,604	8,690	862	–	12,156
Depreciation and amortization	–	245	1,071	161	–	1,477
Disposals	–	(7)	(293)	(3)	–	(303)
Reclassification/others	–	5	19	(6)	–	18
Balance at end of year	–	2,847	9,487	1,014	–	13,348
Allowance for impairment losses (Note 14)						
Balance at beginning of year	–	–	4	–	–	4
Accounts charged off/others	–	–	(2)	–	–	(2)
Balance at end of year	–	–	2	–	–	2
Net book value at end of year	₱5,036	₱4,008	₱2,887	₱799	₱389	₱13,119

	Consolidated					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	Total
2009						
Cost						
Balance at beginning of year	₱4,933	₱6,516	₱10,702	₱1,446	₱29	₱23,626
Additions	182	213	1,281	206	349	2,231
Disposals	(20)	(32)	(456)	(77)	–	(585)
Reclassification/others	(6)	(26)	3	32	(29)	(26)
Balance at end of year	5,089	6,671	11,530	1,607	349	25,246
Accumulated depreciation and amortization						
Balance at beginning of year	–	2,402	8,047	750	5	11,204
Depreciation and amortization	–	231	999	134	–	1,364
Disposals	–	(23)	(344)	(34)	–	(401)
Reclassification/others	–	(6)	(12)	12	(5)	(11)
Balance at end of year	–	2,604	8,690	862	–	12,156
Allowance for impairment losses (Note 14)						
Provision for impairment loss	–	–	4	–	–	4
Net book value at end of year	₱5,089	₱4,067	₱2,836	₱745	₱349	₱13,086

NOTES:

	Parent Company					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	Total
2010						
Cost						
Balance at beginning of year	₱4,545	₱4,893	₱8,397	₱1,220	₱349	₱19,404
Additions	–	122	383	135	40	680
Disposals	(39)	(18)	(64)	(3)	–	(124)
Reclassification/others	(14)	12	8	9	–	15
Balance at end of year	4,492	5,009	8,724	1,361	389	19,975
Accumulated depreciation and amortization						
Balance at beginning of year	–	2,347	7,007	653	–	10,007
Depreciation and amortization	–	203	479	109	–	791
Disposals	–	(8)	(37)	(2)	–	(47)
Reclassification/others	–	(3)	7	1	–	5
Balance at end of year	–	2,539	7,456	761	–	10,756
Net book value at end of year	₱4,492	₱2,470	₱1,268	₱600	₱389	₱9,219
2009						
Cost						
Balance at beginning of year	₱4,446	₱4,794	₱7,931	₱1,155	₱29	₱18,355
Additions	105	169	511	124	349	1,258
Disposals	(20)	(32)	(43)	(77)	–	(172)
Reclassification/others	14	(38)	(2)	18	(29)	(37)
Balance at end of year	4,545	4,893	8,397	1,220	349	19,404
Accumulated depreciation and amortization						
Balance at beginning of year	–	2,182	6,548	593	5	9,328
Depreciation and amortization	–	194	474	84	–	752
Disposals	–	(23)	(11)	(34)	–	(68)
Reclassification/others	–	(6)	(4)	10	(5)	(5)
Balance at end of year	–	2,347	7,007	653	–	10,007
Net book value at end of year	₱4,545	₱2,546	₱1,390	₱567	₱349	₱9,397

Building under construction pertains to bank premises yet to be opened by the Parent Company. The capital expenditures of the Parent Company related to the construction amounted to ₱39.6 million and ₱348.7 million in 2010 and 2009, respectively.

As of December 31, 2010 and 2009, the cost of fully depreciated property and equipment still in use amounted to ₱872.4 million and ₱705.0 million, respectively, for the Group and ₱145.4 million and ₱157.2 million, respectively, for the Parent Company.

11. Investments in Subsidiaries and Associates

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

	Consolidated		Parent Company	
	2010	2009	2010	2009
Subsidiaries:				
Acquisition cost:				
Wholly owned subsidiaries	₱–	₱–	₱10,280	₱1,622
Majority owned subsidiaries	–	–	15,873	15,875
	–	–	26,153	17,497
Less allowance for impairment losses (Note 14)	–	–	351	–
	₱–	₱–	₱25,802	₱17,497

(Forward)

NOTES:

	Consolidated		Parent Company	
	2010	2009	**2010**	2009
Associates:				
Acquisition cost:				
Global Business Power Corporation (GBPC) (29.42%* owned in 2010; 60.80%* owned in 2009)	**₱6,354**	₱4,499	**₱–**	₱–
Lepanto Consolidated Mining Company (LCMC) (Note 27) (19.13% owned in 2010; 19.46% owned in 2009)	**2,135**	2,131	**–**	762
Toyota Motor Philippines Corporation (TMPC) (30.00% owned)	**673**	673	**673**	673
Cathay International Resources Corporation (CIRC) (34.32%* owned in 2010; 41.05%* owned in 2009)	**489**	489	**–**	–
Toyota Financial Services Philippines Corporation (TFSPC) (34.00% owned)	**420**	420	**150**	150
Sumisho Motor Financing Corporation (SMFC) (30.39% owned)	**400**	400	**–**	–
Northpine Land, Inc. (NLI) (20.00% owned)	**232**	232	**232**	232
SMBC Metro Investment Corporation (SMBC Metro) (30.00% owned)	**180**	180	**180**	180
Taal Land Inc. (35.00% owned)	**178**	178	**178**	178
Philippine AXA Life Insurance Corporation (PALIC) (27.60% owned)	**172**	278	**–**	–
First Metro Save and Learn Equity Fund (8.81% owned in 2010; 30.99% owned in 2009)	**94**	166	**–**	–
Global Business Holdings, Inc. (GBHI) (44.83% owned in 2009)	**–**	9,232	**–**	9,232
Others	**123**	104	**–**	–
	11,450	18,982	**1,413**	11,407
Less allowance for impairment losses (Note 14)	**252**	150	**150**	150
	11,198	18,832	**1,263**	11,257
Accumulated equity in net income:				
Balance at beginning of year	**2,638**	2,667	**–**	–
Share in net income of associates	**1,618**	919	**–**	–
Dividends	**(509)**	(948)	**–**	–
Divestments	**304**	–	**–**	–
Balance at end of year	**4,051**	2,638	**–**	–
Equity in net unrealized gain on AFS investments of associates	**289**	106	**–**	–
Translation adjustment and others	**37**	75	**–**	–
	₱15,575	₱21,651	**₱1,263**	₱11,257

**Represents effective economic interest of the Parent Company. GBPC is 70.00% and 30.00% owned by GBHI and FMIC, respectively, while CIRC is 15.00% and 35.00% owned by GBHI and FMIC, respectively.*

Goodwill amounted to ₱6.4 billion as of December 31, 2010 and 2009 for the Group of which ₱1.2 billion pertained to the Parent Company.

Investments in wholly owned subsidiaries include MBCL which assumed the assets and liabilities of Metrobank Shanghai Branch including its sub-branches and started commercial operations on March 2, 2010.

In 2010, the Parent Company sold its investment in GBHI to Cellini Holdings, Inc., a company where the majority stockholders of the Parent Company have indirect minority interest. On August 31, 2010, the Parent Company sold 4.5 million shares for cash amounting to ₱3.6 billion which reduced its ownership in GBHI to 27.58%. On October 28, 2010, the remaining shares were sold for ₱5.7 billion. Receivable of ₱4.0 billion with 6.0% annual interest starting January 1, 2011 will be paid in three equal annual installments starting December 31, 2013 (Note 9).

NOTES:

As of December 31, 2010 and 2009, FMIC's investments in GBPC and CIRC include deposits for future stock subscription amounting to ₱5.3 billion and ₱3.4 billion, respectively, for GBPC and ₱314.0 million for CIRC.

The following tables present financial information of significant associates as of and for the years ended:

	Statement of Financial Position		Statement of Income		
	Total Assets	Total Liabilities	Gross Income (Loss)	Operating Income (Loss)	Net Income (Loss)
December 31, 2010					
GBPC	₱62,689	₱43,110	₱4,699	₱446	₱507
PALIC	35,610	32,045	3,801	4,716	795
TFSPC	18,776	16,936	1,721	329	263
TMPC	17,299	9,599	6,607	3,537	3,111
LCMC	8,100	3,632	134	(22)	20
CIRC	2,212	1,741	81	(3)	(3)
NLI	1,793	523	393	2	45
SMFC	993	65	64	(92)	(73)
SMBC Metro	841	63	111	80	71
December 31, 2009					
GBPC	35,517	18,937	3,876	339	450
PALIC	32,725	30,205	4,438	10,021	848
TFSPC	13,995	12,422	1,390	294	200
TMPC	15,606	9,429	3,693	1,813	1,588
LCMC	8,062	3,696	(376)	(349)	(356)
CIRC	2,060	1,561	122	31	(1)
NLI	1,789	565	326	70	51
SMFC	1,048	60	4	(18)	(12)
SMBC Metro	854	34	73	44	36
GBHI	37,471	26,962	3,867	3,748	(95)

Major assets of significant associates include the following:

	2010	2009
GBPC		
Cash and cash equivalents	₱6,745	₱4,076
Receivables - net	7,023	5,099
Property, plant and equipment - net	34,820	20,337
PALIC		
Cash and cash equivalents	1,731	1,713
AFS investments	9,967	6,270
Receivables - net	780	84
Property, plant and equipment - net	77	124
Investments held to cover linked liabilities	22,914	22,011
TFSPC		
Receivables - net	13,839	10,821
Property, plant and equipment	18	25
Investment properties	74	49
TMPC		
Cash and cash equivalents	6,949	6,501
Receivables - net	2,594	1,267
Inventories - net	5,032	3,023
Property, plant and equipment - net	727	783

(Forward)

NOTES:

	2010	2009
LCMC		
Receivables - net	₱298	₱322
Inventories	337	372
Property, plant and equipment - net	6,199	5,989
CIRC		
Accounts receivables	249	444
Advances	1,251	1,253
Investment properties - net	695	713
NLI		
Real estate properties	1,060	1,137
Receivables - net	441	400
SMFC		
Cash and cash equivalents	638	1,003
Receivables - net	221	1
Property, plant and equipment	63	33
SMBC Metro		
Cash and cash equivalents	605	782
AFS investments	60	48
Loans receivable - net	164	13
GBHI		
Cash and cash equivalents		4,124
AFS investments		718
Receivables - net		5,602
Property, plant and equipment - net		20,337
Investment properties		695

As of December 31, 2010 and 2009, the fair value of investment in LCMC amounted to ₱2.9 billion and ₱1.6 billion, respectively, for the Group and nil and ₱678.6 million, respectively, for the Parent Company.

The following tables summarize dividends declared by significant investee companies:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record Date	Payment Date
2010						
Cash Dividend						
TMPC	May 20, 2010	₱102.52	₱1,588	Not required	December 31, 2009	May 21, 2010
FMIC	June 22, 2010	2.65	999	August 11, 2010	September 8 ,2010	September 30, 2010
PSBank	February 19, 2010	2.75	661	April 22, 2010	May 17, 2010	May 31, 2010
PSBank	October 14, 2010	0.15	36	November 15, 2010	December 8, 2010	December 23, 2010
PSBank	July 27, 2010	0.15	36	September 6, 2010	September 29, 2010	October 14, 2010
PSBank	May 17, 2010	0.15	36	June 15, 2010	July 13, 2010	August 3, 2010
PSBank	January 19, 2010	0.15	36	March 8, 2010	March 31, 2010	April 16, 2010
PSBank	October 13, 2009	0.15	36	December 15, 2009	January 14, 2010	January 28, 2010
ORIX Metro	September 30, 2009	10.00	141	December 15, 2009	September 30, 2009	December 21, 2009
SMBC Metro	July 20, 2010	13.33	80	Not required	July 20, 2010	August 25, 2010
SMBC Metro	December 4, 2009	5.00	30	Not required	December 4, 2009	January 8, 2010
2009						
Cash Dividend						
TMPC	May 21, 2009	₱170.37	₱2,644	Not required	May 21, 2009	May 22, 2009
PSBank	October 13, 2009	0.15	36	October 26, 2009	November 13, 2009	December 1, 2009
PSBank	July 29, 2009	0.15	36	August 20, 2009	September 15, 2009	September 30, 2009
PSBank	January 20, 2009	0.15	36	June 29, 2009	July 23, 2009	August 7, 2009
PSBank	October 28, 2008	0.15	36	March 6, 2009	March 26, 2009	April 15, 2009
TFSPC	July 3, 2009	10.71	107	September 28, 2009	July 3, 2009	October 5, 2009
Orix Metro	September 24, 2008	10.00	61	December 22, 2008	September 24, 2008	December 24, 2008
MRC Singapore	August 20, 2009	33.67	17	August 10, 2009	August 20, 2009	August 20, 2009
Stock Dividend						
Orix Metro	September 24, 2008	15.00	92	December 22, 2008	September 24, 2008	December 24, 2008

NOTES:

12. Investment Properties

This account consists of foreclosed real estate properties and investments in real estate:

	Consolidated					
	2010			2009		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at beginning of year	₱20,703	₱6,346	₱27,049	₱22,387	₱6,691	₱29,078
Additions	800	780	1,580	1,497	678	2,175
Disposals	(3,213)	(1,527)	(4,740)	(3,183)	(1,054)	(4,237)
Reclassification/others	(412)	182	(230)	2	31	33
Balance at end of year	17,878	5,781	23,659	20,703	6,346	27,049
Accumulated depreciation and amortization						
Balance at beginning of year	–	2,843	2,843	–	2,980	2,980
Depreciation and amortization	–	468	468	–	365	365
Disposals	–	(793)	(793)	–	(512)	(512)
Reclassification/others	–	(21)	(21)	–	10	10
Balance at end of year	–	2,497	2,497	–	2,843	2,843
Allowance for impairment losses (Note 14)						
Balance at beginning of year	2,374	152	2,526	1,782	177	1,959
Provision for impairment loss	860	18	878	1,069	28	1,097
Disposals	(326)	(38)	(364)	(479)	(49)	(528)
Reclassification/others	(248)	(31)	(279)	2	(4)	(2)
Balance at end of year	2,660	101	2,761	2,374	152	2,526
Net book value at end of year	₱15,218	₱3,183	₱18,401	₱18,329	₱3,351	₱21,680

	Parent Company					
	2010			2009		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at beginning of year	₱16,901	₱4,705	₱21,606	₱18,356	₱5,165	₱23,521
Additions	500	380	880	1,226	362	1,588
Disposals	(2,896)	(1,278)	(4,174)	(2,678)	(867)	(3,545)
Reclassification/others	(412)	182	(230)	(3)	45	42
Balance at end of year	14,093	3,989	18,082	16,901	4,705	21,606
Accumulated depreciation and amortization						
Balance at beginning of year	–	2,408	2,408	–	2,579	2,579
Depreciation and amortization	–	401	401	–	301	301
Disposals	–	(738)	(738)	–	(483)	(483)
Reclassification/others	–	(21)	(21)	–	11	11
Balance at end of year	–	2,050	2,050	–	2,408	2,408
Allowance for impairment losses (Note 14)						
Balance at beginning of year	1,957	115	2,072	1,665	140	1,805
Provision for impairment loss	810	17	827	768	24	792
Disposals	(299)	(28)	(327)	(479)	(49)	(528)
Reclassification/others	(248)	(31)	(279)	3	–	3
Balance at end of year	2,220	73	2,293	1,957	115	2,072
Net book value at end of year	₱11,873	₱1,866	₱13,739	₱14,944	₱2,182	₱17,126

NOTES:

As of December 31, 2010 and 2009, foreclosed investment properties still subject to redemption period by the borrower amounted to ₱1.1 billion and ₱1.3 billion, respectively, for the Group and ₱383.6 million and ₱740.5 million, respectively, for the Parent Company.

As of December 31, 2010 and 2009, aggregate market value of investment properties amounted to ₱27.8 billion and ₱27.9 billion, respectively, for the Group and ₱19.5 billion and ₱25.3 billion, respectively, for the Parent Company, of which the aggregate market value of investment properties determined by independent external appraisers amounted to ₱22.1 billion and ₱27.4 billion, respectively, for the Group and ₱19.3 billion and ₱24.8 billion, respectively, for the Parent Company. Fair value has been determined based on valuations made by independent and/or in-house appraisers. Valuations were derived on the basis of recent sales of similar properties in the same area as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made.

Rental income on investment properties (included in 'Leasing income' in the statement of income) in 2010, 2009 and 2008 amounted to ₱125.7 million, ₱147.5 million and ₱202.6 million, respectively, for the Group and ₱55.2 million, ₱89.8 million and ₱126.8 million, respectively, for the Parent Company.

Direct operating expenses on investment properties that generated rental income (included under 'Litigation expenses') in 2010, 2009 and 2008 amounted to ₱33.7 million, ₱21.6 million and ₱16.4 million, respectively, for the Group and ₱32.7 million, ₱21.4 million and ₱16.3 million, respectively, for the Parent Company. Direct operating expenses on investment properties that did not generate rental income (included under 'Litigation expenses') in 2010, 2009 and 2008 amounted to ₱270.4 million, ₱427.1 million and ₱296.6 million, respectively, for the Group and ₱239.3 million, ₱426.0 million and ₱295.7 million, respectively, for the Parent Company (Note 25).

Net gains from sale of investment properties (included in 'Profit from assets sold' in the statement of income) in 2010, 2009 and 2008 amounted to ₱1.1 billion, ₱642.4 million and ₱1.6 billion, respectively, for the Group and ₱997.4 million, ₱580.6 million and ₱1.5 billion, respectively, for the Parent Company.

13. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Assets held under joint ventures	₱3,241	₱3,241	₱3,241	₱3,241
Interoffice float items	1,100	800	1,295	792
Creditable withholding tax	682	569	381	504
Prepaid expenses	665	362	78	50
Retirement asset (Note 23)	520	857	510	857
Software costs - net	500	441	262	253
Returned checks and other cash items	359	242	331	196
Residual value of leased property	342	357	–	–
Chattel properties acquired in foreclosure - net	260	334	9	132
Documentary and postage stamps on hand	260	300	260	300
Other investments	13	16	10	13
Assets held by SPVs - net (Notes 2 and 14)	–	3,994	–	–
Deposit and other receivable from a third party	–	1,157	–	1,157
Investments in SPVs - net	–	–	–	2,215
Miscellaneous	1,296	2,961	903	846
	9,238	15,631	7,280	10,556
Less allowance for impairment losses (Note 14)	742	359	711	359
	₱8,496	₱15,272	₱6,569	₱10,197

Assets held under joint ventures are parcels of land and former branch sites of the Parent Company with net realizable value of 3.2 billion as of December 31, 2010 and 2009 which were contributed to separate joint ventures with Federal Land, Inc. and Federal Land Orix Corporation (Note 27).

NOTES:

Movements in software costs account follow:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Balance at beginning of year	₱441	₱348	₱253	₱173
Additions	280	263	119	154
Amortization	(199)	(160)	(89)	(64)
Disposals/others	(22)	(10)	(21)	(10)
Balance at end of year	₱500	₱441	₱262	₱253

Movements in chattel properties acquired in foreclosure follow:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Cost				
Balance at beginning of year	₱1,046	₱1,090	₱763	₱761
Additions	655	551	8	14
Disposals/others	(1,283)	(595)	(686)	(12)
Balance at end of year	418	1,046	85	763
Accumulated depreciation and amortization				
Balance at beginning of year	690	622	620	550
Depreciation and amortization	116	123	66	74
Disposals/others	(658)	(55)	(613)	(4)
Balance at end of year	148	690	73	620
Allowance for impairment losses (Note 14)				
Balance at beginning of year	22	16	11	12
Provision for impairment loss	–	7	–	–
Disposals	(12)	(1)	(8)	(1)
Balance at end of year	10	22	3	11
Net book value at end of year	₱260	₱334	₱9	₱132

Assets held by SPVs consist mainly of certain loans that are in the process of being resolved or disposed of by the SPVs. As of December 31, 2009, Assets held by SPVs are carried net of allowance for impairment losses amounting to ₱6.6 billion.

Investments in SPVs represent subordinated notes issued by CG3AMI and LNC3AMI with face amount of ₱9.4 billion and ₱2.6 billion, respectively. These notes are non-interest bearing and payable over five (5) years starting April 1, 2006, with rollover of two (2) years at the option of the note issuers. These were received by the Parent Company on April 1, 2006 in exchange for the subordinated note issued by Asia Recovery Corporation (ARC) in 2003 with face amount of ₱11.9 billion. The subordinated note issued by ARC represents payment on the nonperforming assets (NPAs) sold by the Parent Company to ARC in 2003. The related 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. As of December 31, 2010 and 2009, the estimated fair value of the subordinated notes, which is the present value of the estimated cash flows from such notes (derived from the sale of the underlying collaterals of the NPAs, net of the payment to senior notes by the SPV) amounted to nil and ₱2.2 billion, respectively, net of allowance for impairment losses of ₱8.8 billion and ₱6.6 billion, respectively.

Miscellaneous account includes certificates of deposits totaling USD11.2 million (with peso equivalent of ₱491.0 million) and USD11.0 million (with peso equivalent of ₱508.2 million) as of December 31, 2010 and 2009, respectively, that are pledged by the Parent Company's New York Branch in compliance with the regulatory requirements of the Federal Deposit Insurance Corporation and the Office of the Controller of the Currency in New York.

NOTES:

14. Allowance for Credit and Impairment Losses

Changes in the allowance for credit and impairment losses follow:

	Consolidated		Parent Company	
	December 31			
	2010	2009	2010	2009
Balance at beginning of year:				
AFS investments (Note 8)				
Debt securities - Private	₱1,148	₱375	₱996	₱375
Equity securities				
Quoted	–	–	–	–
Unquoted	399	227	69	69
HTM investments (Note 8)	231	237	231	237
Loans and receivables (Note 9)	14,008	13,541	9,060	9,261
Investments in subsidiaries	–	–	–	–
Investments in associates (Note 11)	150	159	150	150
Property and equipment (Note 10)	4	–	–	–
Investment properties (Note 12)	2,526	1,959	2,072	1,805
Other assets (Note 13)	7,024	4,276	7,013	4,272
	25,490	20,774	19,591	16,169
Provisions for credit and impairment losses	7,285	8,793	4,485	5,613
Reversal of allowance on disposal of investment properties and chattel properties	(376)	(529)	(335)	(529)
Accounts written off/others	(2,922)	(3,548)	(847)	(1,662)
Balance at end of year:				
AFS investments (Note 8)				
Debt securities - Private	₱1,073	₱1,148	₱977	₱996
Equity securities - Quoted	377	–	123	–
Equity securities - Unquoted	243	399	86	69
HTM investments (Note 8)	219	231	219	231
Loans and receivables (Note 9)	14,941	14,008	9,124	9,060
Investments in subsidiaries (Note 11)	–	–	351	–
Investments in associates (Note 11)	252	150	150	150
Property and equipment (Note 10)	2	4	–	–
Investment properties (Note 12)	2,761	2,526	2,293	2,072
Other assets* (Note 13)	9,609	7,024	9,571	7,013
	₱29,477	₱25,490	₱22,894	₱19,591

* Allowance for credit and impairment losses of other assets include allowance on investments in SPVs, assets held by SPVs, chattel mortgage properties and miscellaneous assets.

Below is the breakdown of provision for credit and impairment losses.

	Consolidated			Parent Company		
	December 31					
	2010	2009	2008	2010	2009	2008
AFS investments	₱252	₱2,118	₱425	₱173	₱1,727	₱407
HTM investments	–	–	223	–	–	223
Loans and receivables						
Receivables from customers	2,983	2,849	2,747	170	376	866
Unquoted debt instruments	252	555	–	104	555	–
Accounts receivable	108	260	264	97	260	240
Sales contract receivable	–	–	(6)	196	–	–
Other receivables	124	1,067	12	–	1,067	8
Investments in subsidiaries	–	–	–	351	–	–
Investments in associates	102	–	–	–	–	–
Property and equipment (Note 10)	–	4	–	–	–	–
Investment properties (Note 12)	878	1,097	627	827	792	582
Chattel properties acquired in foreclosure (Note 13)	–	7	5	–	–	–
Other assets	2,586	836	(1,048)	2,567	836	(1,048)
	₱7,285	₱8,793	₱3,249	₱4,485	₱5,613	₱1,278

NOTES:

With the foregoing level of allowance for credit and 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.

A reconciliation of the allowance for credit losses by class of loans and receivables is as follows:

	Consolidated							
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	Total
Balance at January 1, 2010	₱5,587	₱322	₱867	₱351	₱2,305	₱9,432	₱4,576	₱14,008
Provisions during the year	431	15	78	4	2,455	2,983	484	3,467
Accounts written off	(97)	–	(171)	(46)	(1,674)	(1,988)	(4)	(1,992)
Transfers/others	(216)	(25)	(276)	222	29	(266)	(276)	(542)
Balance at December 31, 2010	₱5,705	₱312	₱498	₱531	₱3,115	₱10,161	₱4,780	₱14,941
Individual impairment	₱5,187	₱262	₱–	₱529	₱832	₱6,810	₱1,842	₱8,652
Collective impairment	518	50	498	2	2,283	3,351	2,938	6,289
	₱5,705	₱312	₱498	₱531	₱3,115	₱10,161	₱4,780	₱14,941
Gross amount of loans individually determined to be impaired	₱11,581	₱957	₱–	₱544	₱873	₱13,955	₱2,954	₱16,909
Balance at January 1, 2009	₱8,794	₱156	₱462	₱343	₱2,008	₱11,763	₱1,778	₱13,541
Provisions during the year	616	114	493	37	1,589	2,849	1,882	4,731
Accounts written off	(396)	–	(4)	(97)	(5)	(502)	(10)	(512)
Transfers/others	(3,427)	52	(84)	68	(1,287)	(4,678)	926	(3,752)
Balance at December 31, 2009	₱5,587	₱322	₱867	₱351	₱2,305	₱9,432	₱4,576	₱14,008
Individual impairment	₱5,203	₱164	₱–	₱351	₱34	₱5,752	₱1,690	₱7,442
Collective impairment	384	158	867	–	2,271	3,680	2,886	6,566
	₱5,587	₱322	₱867	₱351	₱2,305	₱9,432	₱4,576	₱14,008
Gross amount of loans individually determined to be impaired	₱16,031	₱542	₱–	₱723	₱1,149	₱18,445	₱3,112	₱21,557

	Parent Company							
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	Total
Balance at January 1, 2010	₱5,083	₱79	₱15	₱351	₱33	₱5,561	₱3,499	₱9,060
Provisions during the year	155	14	–	1	–	170	397	567
Accounts written off	(97)	–	–	(46)	(3)	(146)	(1)	(147)
Transfers/others	(483)	46	8	222	(8)	(215)	(141)	(356)
Balance at December 31, 2010	₱4,658	₱139	₱23	₱528	₱22	₱5,370	₱3,754	₱9,124
Individual impairment	₱4,570	₱135	₱–	₱528	₱22	₱5,255	₱1,562	₱6,817
Collective impairment	88	4	23	–	–	115	2,192	2,307
	₱4,658	₱139	₱23	₱528	₱22	₱5,370	₱3,754	₱9,124
Gross amount of loans individually determined to be impaired	₱9,550	₱636	₱–	₱544	₱22	₱10,752	₱2,901	₱13,653
Balance at January 1, 2009	₱7,664	₱62	₱33	₱343	₱33	₱8,135	₱1,126	₱9,261
Provisions during the year	300	26	13	37	–	376	1,882	2,258
Accounts written off	(104)	–	(4)	(97)	(5)	(210)	(10)	(220)
Transfers/others	(2,777)	(9)	(27)	68	5	(2,740)	501	(2,239)
Balance at December 31, 2009	₱5,083	₱79	₱15	₱351	₱33	₱5,561	₱3,499	₱9,060

(Forward)

NOTES:

	Parent Company							
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	Total
Individual impairment	₱4,693	₱30	₱–	₱351	₱33	₱5,107	₱1,595	₱6,702
Collective impairment	390	49	15	–	–	454	1,904	2,358
	₱5,083	₱79	₱15	₱351	₱33	₱5,561	₱3,499	₱9,060
Gross amount of loans individually determined to be impaired	₱13,327	₱187	₱–	₱723	₱46	₱14,283	₱2,289	₱16,572

*Allowance for credit losses on other receivables include allowance on unquoted debt securities, accounts receivables accrued interest receivable on AFS and HTM investments, sales contract receivables and deficiency judgment receivable.

Movements in the allowance for credit and impairment losses on AFS investments, HTM investments and other assets follow:

	Consolidated				
	AFS Investments				
	Debt Securities	Equity Securities	HTM Investments	Other Assets*	Total
At January 1, 2010	₱1,148	₱399	₱231	₱7,002	₱8,780
Provisions for credit and impairment losses	32	220	–	2,586	2,838
Accounts written off	–	–	–	–	–
Reclassifications/others	(107)	1	(12)	11	(107)
At December 31, 2010	₱1,073	₱620	₱219	₱9,599	₱11,511
At January 1, 2009	₱375	₱227	₱237	₱4,260	₱5,099
Provisions for credit and impairment losses	1,938	180	–	836	2,954
Accounts written off	(1,924)	–	–	–	(1,924)
Reclassifications/others	759	(8)	(6)	1,906	2,651
At December 31, 2009	₱1,148	₱399	₱231	₱7,002	₱8,780

	Parent Company				
	AFS Investments				
	Debt Securities	Equity Securities	HTM Investments	Other Assets*	Total
Balance at January 1, 2010	₱996	₱69	₱231	₱7,002	₱8,298
Provisions for credit and impairment losses	33	140	–	2,567	2,740
Accounts written off	–	–	–	–	–
Reclassifications/others	(52)	–	(12)	–	(64)
Balance at December 31, 2010	₱977	₱209	₱219	₱9,569	₱10,974
Balance at January 1, 2009	₱375	₱69	₱237	₱4,260	₱4,941
Provisions for credit and impairment losses	1,727	–	–	836	2,563
Accounts written off	(1,924)	–	–	–	(1,924)
Reclassifications/others	818	–	(6)	1,906	2,718
Balance at December 31, 2009	₱996	₱69	₱231	₱7,002	₱8,298

* Allowance for credit and impairment losses on other assets include allowance on investments in SPVs and miscellaneous assets.

15. Deposit Liabilities

As of December 31, 2010 and 2009, 7.50% and 7.70% of the total interest-bearing deposit liabilities of the Group, respectively, are subject to periodic interest repricing. Remaining peso deposit liabilities earn annual fixed interest rates ranging from 0.00% to 14.85%, from 0.00% to 15.00%, and from 0.10% to 14.80% in 2010, 2009 and 2008, respectively, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.00% to 7.50%, from 0.00% to 6.50% and from 0.00% to 7.50% in 2010, 2009 and 2008, respectively.

Interest expense on deposit liabilities consists of:

	Consolidated			Parent Company		
	2010	2009	2008	2010	2009	2008
Demand	₱191	₱157	₱291	₱135	₱96	₱113
Savings	1,069	962	1,176	1,022	923	1,143
Time	8,453	10,174	11,959	5,913	7,882	9,908
	₱9,713	₱11,293	₱13,426	₱7,070	₱8,901	₱11,164

NOTES:

Under existing BSP regulations, non-FCDU deposit liabilities of the Parent Company and deposit substitutes of FMIC, Orix Metro and MCC are subject to liquidity reserves equivalent to 11.00% and statutory reserves equivalent to 8.00%. On the other hand, non-FCDU deposit liabilities of PSBank are subject to liquidity reserves equivalent to 2.00% and statutory reserves equivalent to 4.00%. The Parent Company, PSBank, FMIC, ORIX Metro, and MCC were in compliance with such regulations as of December 31, 2010 and 2009.

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

	Parent Company		PSBank		FMIC	
	2010	2009	2010	2009	2010	2009
Cash and other cash items	₱16,763	₱16,738	₱3,084	₱2,555	₱7,979	₱7,343
Due from BSP	65,930	62,751	1,047	915	880	1,965
Unquoted debt securities	2,830	2,442	–	–	–	–
AFS investments	–	–	1,490	1,236	–	–
	₱85,523	₱81,931	₱5,621	₱4,706	₱8,859	₱9,308

	ORIX Metro		MCC	
	2010	2009	2010	2009
Due from other banks	₱–	₱–	₱1,629	₱1,610
Due from BSP	1,004	430	1,042	875
	₱1,004	₱430	₱2,671	₱2,485

16. Bills Payable and Securities Sold Under Repurchase Agreements

This account consists of borrowings from:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Deposit substitutes	₱48,803	₱49,406	₱–	₱–
Local banks (Note 9)	15,347	6,701	452	246
Foreign banks	13,723	5,330	9,754	3,211
SSURA (Note 8)	7,441	34,008	–	23,697
BSP (Note 9)	199	423	199	423
	₱85,513	₱95,868	₱10,405	₱27,577

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 1.00% to 8.40%, from 3.00% to 8.00% and from 2.88% to 8.55% in 2010, 2009 and 2008, respectively, while the Group's foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 0.15% to 4.10%, from 0.20% to 4.10% and from 0.75% to 5.80% in 2010, 2009 and 2008, respectively.

Deposit substitutes pertain to borrowings from the public of FMIC, ORIX Metro and MCC.

Interest expense on bills payable (included in the 'Interest expense on bills payable and SSURA, subordinated debt and others' in the statement of income) in 2010, 2009 and 2008 amounted to ₱3.5 billion, ₱4.3 billion and ₱3.5 billion, respectively, for the Group and ₱0.5 billion, ₱0.7 billion and ₱0.2 billion, respectively, for the Parent Company.

17. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Accrued interest	₱1,821	₱2,230	₱992	₱1,465
Accrued other expenses	3,353	2,617	1,780	1,421
	₱5,174	₱4,847	₱2,772	₱2,886

Accrued other expenses include accruals for salaries and wages, fringe benefits, rentals, percentage and other taxes, insurance on deposits, professional fees, advertisements and information technology expenses.

NOTES:

18. Subordinated Debt

This account consists of the following Peso Notes:

		Consolidated		Parent Company	
	Maturity Date	2010	2009	2010	2009
Parent Company					
2017	October 19, 2017	₱8,470	₱8,455	₱8,470	₱8,455
2018	October 3, 2018	5,466	5,455	5,466	5,455
2019	May 6, 2019	4,470	4,462	4,470	4,462
PSBank - 2016	January 27, 2016	1,977	1,974	–	–
MCC - 2019	June 30, 2019	1,290	1,288	–	–
		₱21,673	₱21,634	₱18,406	₱18,372

Peso Notes issued by the Parent Company are unsecured and subordinated obligations and will rank *pari passu* and without any preference among themselves and at least equally with all other present and future unsecured and subordinated obligations of the Parent Company. These Peso Notes have a term of 10 years and are redeemable at the option of the Parent Company (but not the holders) after the fifth year in whole but not in part at redemption price equal to 100.00% of the principal amount together with accrued and unpaid interest on the date of redemption, subject to the prior consent of the BSP.

Further, at any time within the first five (5) years from respective issue dates of these Notes, upon (a) a change in tax status due to changes in laws and/or regulations or (b) the non-qualification of as Lower Tier 2 capital as determined by BSP of these Notes, the Parent Company may, upon prior approval of BSP and at least 30-day prior written notice to the Noteholders on record, redeem all and not less than all of the outstanding Peso Notes prior to stated maturity by paying the face value plus accrued interest at the interest rate. Also, the following shall be prohibited from purchasing and/or holding these Peso Notes: (1) subsidiaries and affiliates, including the subsidiaries and affiliates of the Parent Company's subsidiaries and affiliates; (2) unit investment trust funds managed by the Trust Department of the Parent Company, its subsidiaries and affiliates or other related entities; (3) other funds being managed by the Trust Department of the Parent Company, its subsidiaries and affiliates or other related entities where (a) the fund owners have not given prior authority or instruction to the Trust Department to purchase or invest in the Peso Notes or (b) the authority or instruction of the fund owner and his understanding of the risk involved in purchasing or investing in the Peso Notes are not fully documented.

Each Noteholder 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 Peso Notes and to the fullest extent permitted by applicable law, waive and be deemed to have waived all such rights of set-off. These Notes are not deposits and are not insured by the Philippine Deposit Insurance Corporation (PDIC).

Specific terms of these Notes follow:

Parent Company
2019 Peso Notes - issued on May 6, 2009, at 100.00% of the principal amount of ₱4.5 billion

- Bear interest at 7.50% per annum from and including May 6, 2009 to but excluding May 6, 2014. Interest will be payable quarterly in arrears on August 6, November 6, February 6, and May 6, commencing August 6, 2009 up to and including May 6, 2014. Unless these are previously redeemed, the interest rate from and including May 6, 2014 to but excluding May 6, 2019 will be reset at the equivalent of the five-year PDST-F as of Reset Date multiplied by 80.00% plus a spread of 3.5310% per annum. Interest will be payable quarterly in arrears on August 6, November 6, February 6 and May 6 of each year, commencing August 6, 2014 up to and including May 6, 2019.

2018 Peso Notes - issued on October 3, 2008, at 100.00% of the principal amount of ₱5.5 billion

- Bear interest at 7.75% per annum from and including October 3, 2008 to but excluding October 3, 2013. Interest will be payable quarterly in arrears on January 3, April 3, July 3 and October 3 of each year, commencing January 3, 2009 up to and including October 3, 2013. Unless these are previously redeemed, the interest rate from and including October 3, 2013 to but excluding October 3, 2018 will be reset at the equivalent of the five-year PDST-F as of Reset Date multiplied by 80.00% plus a spread of 2.708% per annum. Interest will be payable quarterly in arrears on January 3, April 3, July 3 and October 3 of each year, commencing January 3, 2014 up to and including October 3, 2018.

NOTES:

2017 Peso Notes - issued on October 19, 2007 at 100.00% of the principal amount of ₱8.5 billion

- Bear interest at 7.00% per annum from and including October 19, 2007 to but excluding October 19, 2012. Interest will be payable quarterly in arrears on January 19, April 19, July 19 and October 19 of each year, commencing on January 19, 2008 up to and including October 19, 2012. Unless these Notes are previously redeemed, the interest rate from and including October 19, 2017 will be reset at the equivalent of the five-year PDST-F as of Reset date multiplied by 80% plus a spread of 2.4485% per annum, and such interest will be payable quarterly in arrears on January 19, April 19, July 19 and October 19 each year, commencing on January 19, 2012 up to and including October 19, 2017.

On September 17, 2008, the BOD of the Parent Company approved the listing of the 2018 Peso Notes and the 2017 Peso Notes with the Philippine Dealing Exchange (PDEX).

2019 Peso Notes - issued by MCC on June 30, 2009 at 100.00% of the principal amount of ₱1.3 billion

- Bear interest at 8.3958% per annum from and including June 30, 2009 but excluding June 30, 2014 which is payable quarterly in arrears every 30th of September, December, March and June of each year, commencing on September 30, 2009.
- Constitute direct, unconditional, and unsecured obligations of MCC and claim in respect of the 2019 Notes shall be at all times *pari passu* and without any preference among themselves.
- Subject to the written approval of the BSP, MCC may redeem all and not less than the entire outstanding 2019 Notes, at a redemption price equal to the face value together with accrued and unpaid interest based on the interest rate.

On September 30, 2014 (the Reset date), the Step-up Interest Rate will be based on a 5-year PDST-F FXTN as of Reset date multiplied by 80.00%, plus the Step-up Credit Spread on the twenty-first interest period up to the last interest period in the event that the issuer does not exercise the Call Option. The Step-up Credit Spread is equivalent to 4.91874%.

2016 Peso Notes - issued by PSBank on January 27, 2006 at 100.00% of the principal amount of ₱2.0 billion

- 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 on April 27, 2006.
- Constitute direct, unconditional, and unsecured obligations of PSBank and claim in respect of the 2016 Notes shall be at all times *pari passu* and without any preference among themselves.
- Subject to satisfaction of certain regulatory approval requirements, PSBank may redeem all and not less than the entire outstanding 2016 Notes, at a redemption price equal to the face value together with accrued and unpaid interest based on the interest rate (Note 34).

On January 27, 2011 (the Reset date), the Step-up Interest Rate will be based on a 5-year Mart1 FXTN as of Reset date multiplied by 80.00%, plus the Step-up Credit Spread on the twenty-first interest period up to the last interest period in the event that the issuer does not exercise the Call Option. The Step-up Credit Spread is equivalent to 4.2815%.

As of December 31, 2010 and 2009, the market values of the Group's Peso Notes follow:

		Market Value	
	Face Value	2010	2009
Parent Company			
2017	₱8,500	**₱9,355**	₱8,737
2018	5,500	**6,186**	5,812
2019	4,500	**5,201**	4,861
PSBank - 2016	2,000	**2,039**	2,586
MCC - 2010	1,300	**1,469**	1,457
	₱21,800	**₱24,250**	₱23,453

As of December 31, 2010 and 2009, the Parent Company, PSBank and MCC are in compliance with the terms and conditions upon which these subordinated notes have been issued.

Interest expense on subordinated debt (included in the 'Interest expense on bills payable and SSURA, subordinated debt and others') in 2010, 2009 and 2008 amounted to ₱1.7 billion, ₱1.5 billion and ₱1.7 billion, respectively, for the Group and ₱1.4 billion, ₱1.3 billion and ₱1.5 billion, respectively, for the Parent Company.

NOTES:

19. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Bills purchased - contra (Note 9)	₱11,761	₱17,035	₱11,706	₱16,905
Accounts payable	4,634	4,866	2,857	2,311
Marginal deposits	2,658	1,548	757	1,548
Outstanding acceptances	1,296	913	1,296	913
Deposits on lease contracts	485	518	–	–
Other credits	464	399	277	210
Deferred revenues	452	45	–	–
Non-equity non-controlling interests	452	111	–	–
Withholding taxes payable	354	475	215	325
Retirement benefit liability (Note 23)	277	215	–	–
Liabilities of SPVs (Note 2)	–	3,717	–	–
Miscellaneous	2,179	1,109	736	757
	₱25,012	₱30,951	₱17,844	₱22,969

Deferred revenues refer to deferral and release of MCC's loyalty points program transactions and membership fees and dues.

Non-equity minority interests arise when mutual funds are consolidated and where the Group holds less than 100% of the investment in these funds. When this occurs, the Group acquires a liability in respect of minority interests in the funds of which the Group has control. Such minority interests are distinguished from equity minority interests in that the Group does not hold an equity stake in such funds.

As of December 31, 2009, liabilities of SPV account represents the principal balance of the senior notes carried in the accounts of CG3AMI and LNC3AMI, net of the costs and expenses.

Miscellaneous liabilities of the Group include notes payable to ₱543.3 million as of December 31, 2010 and 2009.

20. Maturity Profile of Assets and Liabilities

The following tables present the assets and liabilities by contractual maturity and settlement dates:

	Consolidated					
	2010			2009		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets - at gross						
Cash and other cash items	₱20,201	₱–	₱20,201	₱19,727	₱–	₱19,727
Due from BSP	168,402	–	168,402	71,981	–	71,981
Due from other banks	38,308	–	38,308	36,636	66	36,702
Interbank loans receivable and SPURA (Note 7)	26,507	–	26,507	79,554	–	79,554
Financial assets at FVPL (Note 8)	4,876	7,704	12,580	4,781	12,265	17,046
Available for sale investments (Note 8)	30,268	97,892	128,160	19,766	138,516	158,282
HTM investments (Note 8)	392	32,490	32,882	2,415	21,437	23,852
Receivables from customers (Note 9)	180,308	201,838	382,146	169,914	182,123	352,037
Unquoted debt securities (Note 9)	4,206	11,613	15,819	676	15,399	16,075
Accrued interest receivable (Note 9)	6,181	–	6,181	7,603	861	8,464
Accounts receivable (Note 9)	7,203	863	8,066	3,833	636	4,469
Sales contract receivable (Note 9)	697	649	1,346	719	773	1,492
Other receivables (Note 9)	224	–	224	243	–	243

(Forward)

NOTES:

	Consolidated					
	2010			2009		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Other assets (Note 13)						
Interoffice float items	₱1,100	₱–	₱1,100	₱800	₱–	₱800
Pledged certificate of time deposit	493	–	493	510	–	510
Returned checks and other cash items	359	–	359	242	–	242
Residual value of leased assets	112	230	342	122	235	357
Other investments	–	13	13	3	13	16
Investments in SPVs	8,857	–	8,857	–	–	–
Assets held by SPVs	–	–	–	–	10,636	10,636
	498,694	353,292	851,986	419,525	382,960	802,485
Nonfinancial Assets - at gross						
Property and equipment (Note 10)	–	26,469	26,469	–	25,246	25,246
Investments in associates (Note 11)	–	15,827	15,827	–	21,801	21,801
Investment properties (Note 12)	–	23,659	23,659	–	27,049	27,049
Deferred tax assets (Note 26)	–	7,496	7,496	–	8,476	8,476
Goodwill (Note 11)	–	6,449	6,449	–	6,449	6,449
Retirement asset (Note 23)	–	520	520	–	857	857
Asset held by joint ventures	–	3,241	3,241	–	3,241	3,241
Accounts receivable (Note 9)	–	1,731	1,731	–	–	–
Other assets (Note 13)	1,607	1,722	3,329	1,231	5,096	6,327
	1,607	87,114	88,721	1,231	98,215	99,446
	₱500,301	₱440,406	940,707	₱420,756	₱481,175	901,931
Less:						
Unearned discounts and capitalized interest (Note 9)			7,913			6,445
Accumulated depreciation and amortization (Notes 10, 12 and 13)			15,994			15,689
Allowance for credit and impairment losses (Note 14)			29,477			25,490
Total			₱887,323			₱854,307
Financial Liabilities						
Deposit liabilities						
Demand	₱68,261	₱–	₱68,261	₱48,568	₱–	₱48,568
Savings	267,930	–	267,930	242,145	–	242,145
Time	294,858	20,213	315,071	258,653	66,334	324,987
	631,049	20,213	651,262	549,366	66,334	615,700
Bills payable and SSURA (Note 16)	75,605	9,908	85,513	93,225	2,643	95,868
Derivative liabilities	3,037	124	3,161	2,245	139	2,384
Manager's checks and demand drafts outstanding	2,043	–	2,043	1,459	496	1,955
Accrued interest and other expenses	4,524	254	4,778	3,279	748	4,027
Subordinated debt	1,977	19,696	21,673	–	21,634	21,634
Other liabilities (Note 19):						
Bills purchased - contra	11,761	–	11,761	17,035	–	17,035
Accounts payable	4,634	–	4,634	4,866	–	4,866
Marginal deposits	2,658	–	2,658	1,548	–	1,548
Outstanding acceptances	1,296	–	1,296	913	–	913
Deposits on lease contracts	146	339	485	230	288	518
Liabilities of SPV	–	–	–	–	3,717	3,717
Dividends payable	21	–	21	67	–	67
Due to BSP	–	–	–	7	–	7
Miscellaneous	55	488	543	–	543	543
	738,806	51,022	789,828	674,240	96,542	770,782

(Forward)

NOTES:

	Consolidated					
	2010			2009		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Nonfinancial Liabilities						
Retirement liability	₱–	₱277	₱277	₱16	₱199	₱215
Income taxes payable	331	–	331	479	6	485
Accrued interest and other expenses	396	–	396	820	–	820
Withholding taxes payable (Note 19)	354	–	354	475	–	475
Deferred tax and other liabilities (Notes 19 and 26)	2,519	601	3,120	648	564	1,212
	3,600	878	4,478	2,438	769	3,207
	₱742,406	₱51,900	₱794,306	₱676,678	₱97,311	₱773,989

	Parent Company					
	2010			2009		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets - at gross						
Cash and other cash items	₱16,996	₱–	₱16,996	₱17,049	₱–	₱17,049
Due from BSP	162,391	–	162,391	63,578	–	63,578
Due from other banks	19,416	–	19,416	29,815	–	29,815
Interbank loans receivable and SPURA (Note 7)	18,006	–	18,006	73,943	–	73,943
Financial assets at FVPL (Note 8)	3,123	5,960	9,083	4,056	10,631	14,687
AFS investments (Note 8)	13,568	83,943	97,511	19,525	98,251	117,776
HTM investments (Note 8)	348	13,818	14,166	–	15,227	15,227
Receivables from customers (Note 9)	139,777	143,097	282,874	138,549	136,394	274,943
Unquoted debt securities (Note 9)	3,139	2,369	5,508	443	4,942	5,385
Accrued interest receivable (Note 9)	4,689	–	4,689	6,467	–	6,467
Accounts receivable (Note 9)	6,208	858	7,066	2,903	473	3,376
Sales contract receivable (Note 9)	691	642	1,333	709	742	1,451
Other receivables (Note 9)	179	–	179	198	–	198
Other assets (Note 13)						
Interoffice float items	1,295	–	1,295	792	–	792
Returned checks and other cash items	331	–	331	196	–	196
Other investments	–	10	10	–	13	13
Investments in SPVs	8,857	–	8,857	–	8,857	8,857
Pledged certificate of time deposit	491	–	491	508	–	508
	399,505	250,697	650,202	358,731	275,530	634,261
Nonfinancial Assets - at gross						
Property and equipment (Note 10)	–	19,975	19,975	–	19,404	19,404
Investment in subsidiaries (Note 11)	–	26,153	26,153	–	17,497	17,497
Investment in associates (Note 11)	–	1,413	1,413	–	11,407	11,407
Investment properties (Note 12)	–	18,082	18,082	–	21,606	21,606
Deferred tax assets (Note 26)	–	6,361	6,361	–	6,941	6,941
Goodwill (Note 11)	–	1,203	1,203	–	1,203	1,203
Retirement asset (Note 23)	–	510	510	–	857	857
Assets held under joint ventures	–	3,241	3,241	–	3,241	3,241
Accounts receivable (Note 9)	–	1,731	1,731	–	–	–
Other assets (Note 13)	718	760	1,478	854	2,512	3,366
	718	79,429	80,147	854	84,668	85,522
Total	₱400,223	₱330,126	730,349	₱359,585	₱360,198	719,783
Less:						
Unearned discounts and capitalized interest (Note 9)			1,823			1,572
Accumulated depreciation and amortization (Notes 10, 12 and 13)			12,879			13,035
Allowance for credit and impairment losses (Note 14)			22,894			19,591
Total			₱692,753			₱685,585

(Forward)

NOTES:

	Parent Company					
	2010			2009		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Liabilities						
Deposit liabilities						
Demand	₱61,216	₱–	₱61,216	₱44,521	₱–	₱44,521
Savings	260,269	–	260,269	234,378	–	234,378
Time	236,555	5,768	242,323	258,095	6,535	264,630
	558,040	5,768	563,808	536,994	6,535	543,529
Bills payable and SSURA (Note 16)	10,395	10	10,405	27,543	34	27,577
Derivative liabilities	3,001	–	3,001	2,245	–	2,245
Manager's checks and demand drafts outstanding	1,394	–	1,394	1,458	–	1,458
Accrued interest and other expenses	2,376	–	2,376	2,151	–	2,151
Subordinated debt	–	18,406	18,406	–	18,372	18,372
Other liabilities (Note 19):						
Bills purchased - contra	11,706	–	11,706	16,905	–	16,905
Accounts payable	2,857	–	2,857	2,311	–	2,311
Marginal deposits	757	–	757	1,548	–	1,548
Outstanding acceptances	1,296	–	1,296	913	–	913
	591,822	24,184	616,006	592,068	24,941	617,009
Nonfinancial Liabilities						
Income taxes payable	69	–	69	258	–	258
Accrued interest and other expenses	396	–	396	735	–	735
Withholding taxes payable (Note 19)	215	–	215	325	–	325
Other liabilities (Note 19)	736	277	1,013	757	210	967
	1,416	277	1,693	2,075	210	2,285
	₱593,238	₱24,461	₱617,699	₱594,143	₱25,151	₱619,294

21. Capital Stock

This account consists of (amounts in millions, except par value and number of shares):

	Shares		Amount	
	2010	2009	2010	2009
Common stock - ₱20 par value				
Authorized	2,500,000,000	2,500,000,000		
Issued and outstanding				
Balance at beginning of year	1,807,269,350	1,807,269,350	₱36,145	₱36,145
Issuance of common stock	104,116,667	–	2,083	–
Balance at end of year	1,911,386,017	1,807,269,350	38,228	36,145
HT1 Capital	–	–	6,351	6,351
	1,911,386,017	1,807,269,350	₱44,579	₱42,496

On October 13, 2010, the BOD of the Parent Company has authorized the Parent Company to conduct a stock rights offering for subscription by its existing eligible shareholders of unissued common shares for the purpose of raising additional capital of up to ₱10.0 billion (Note 34).

On April 29, 2010, the BOD of the Parent Company approved the issuance of 104,116,667 shares out of its unissued authorized capital stock. On April 30, 2010, the Parent Company launched and priced an overnight top-up placement raising approximately ₱5.0 billion in primary capital to strengthen its position in the Philippine banking sector. As part of the top-up placement which was consummated on May 6, 2010, certain shareholders (the "Selling Shareholders") of the Parent Company sold 104,116,667 shares to global investors (the "Placement") at ₱48.00 per share ("Offer Price"). Concurrent to the Placement, Parent Company issued an equal number of new primary shares at the same Offer Price to the Selling Shareholders. All proceeds from the Placement were received by the Parent Company.

NOTES:

HT1 Capital represents US$125.0 million, 9.00% non-cumulative step-up callable perpetual capital securities with liquidation preference of US$100,000 per capital security issued by the Parent Company on February 15, 2006 pursuant to a trust deed with The Bank of New York (Trustee) and listed with the Singapore Exchange Securities Trading Limited. The HT1 Capital is governed by English law except on certain clauses in the Trust Deed which are governed by Philippine law. Basic features of the HT1 Capital follow:

- Coupons - bear interest at 9.00% per annum payable semi-annually in arrear from (and including) February 15, 2006 to (but excluding) February 15, 2016, and thereafter at a rate, reset and payable quarterly in arrear, of 6.10% per annum above the then prevailing London interbank offered rate for three-month U.S. dollar deposits. Under certain conditions, 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 February 15 and August 15 in each year, commencing on August 15, 2006 (in respect of the period from (and including) February 15, 2006 to (but excluding) August 15, 2006 and ending on February 15, 2016 (first optional redemption date); thereafter coupon amounts will be payable (subject to adjustment for days which are not business days) on February 15, May 15, August 15 and November 15 in each year commencing on May 15, 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 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
  - 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 of the terms of the issuance.
  - 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 BSP's minimum capital ratio; and (b) the HT1 Capital are simultaneously replaced with the issue of new capital which is neither smaller in size nor lower in quality than the original issue.

The HT1 Capital is unsecured and 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, the HT1 Capital is not treated as deposit and is not guaranteed or insured by the Parent Company or any of its related parties or the PDIC and these may not be used as collateral for any loan availments. The Parent Company or any of its subsidiaries may not at any time purchase HT1 Capital except as permitted under optional redemption, tax event call, and regulatory event call as described in the terms of issuance. The HT1 Capital is sold to non-U.S. persons outside the United States pursuant to Regulation under the U.S. Securities Act of 1933, as amended, and represented by a global certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream.

The Parent Company paid the semi-annual coupon amounting to USD5.6 million in 2006 to 2010 after obtaining their respective BSP approvals. Details are as follows:

Date of BSP Approval	Date Paid
August 9, 2010	August 16, 2010
February 4, 2010	February 16, 2010
August 12, 2009	August 17, 2009
February 16, 2009	February 17, 2009
August 8, 2008	August 14, 2008
February 14, 2008	February 14, 2008
July 26, 2007	August 15, 2007
February 9, 2007	February 15, 2007
August 8, 2006	August 15, 2006

NOTES:

Details of the Parent Company's cash dividend distributions follow:

Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record date	Payment date
February 17, 2010	₱0.60	₱1,084	March 8, 2010	March 25, 2010	April 15, 2010
August 19, 2009	0.40	723	October 7, 2009	October 23, 2009	November 10, 2009
March 11, 2009	0.60	1,084	April 15, 2009	April 30, 2009	May 18, 2009
June 18, 2008	0.60	1,084	August 8, 2008	September 15, 2008	October 3, 2008
December 2, 2007	0.40	723	January 3, 2008	January 18, 2008	January 22, 2008

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

22. Surplus Reserves

This account consists of:

	2010	2009
Reserve for trust business	₱603	₱556
Reserve for self-insurance	309	287
	₱912	₱843

In compliance with existing BSP regulations, 10.00% 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 20.00% 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.

23. Retirement Plan and Other Employee Benefits

The Group and most of its subsidiaries have funded noncontributory defined benefit retirement plan covering all their respective permanent and full-time employees.

The principal actuarial assumptions used in determining retirement liability of the Parent Company and significant subsidiaries as of January 1, 2010 and 2009 are shown below:

	Parent Company	FMIC	PSBank	MTI	MCC	OMLFC
As of January 1, 2010						
Average remaining working life	10 years	8 years	21 years	14 years	11 years	25 years
Discount rate	9.00%	9.10% to 9.39%	10.56%	9.65%	10.00%	10.10%
Expected rate of return on assets	8.60%	6.00%	8.44%	6.00%	7.30%	6.00%
Future salary increases	6.00%	10.00%	8.00%	6.00%	9.00%	7.00%
As of January 1, 2009						
Average remaining working life	11 years	9 to 11 years	21 years	14 years	7 years	25 years
Discount rate	13.00%	8.3% to 14.0%	34.00%	9.65%	14.00%	10.00%
Expected rate of return on assets	6.00%	6.00%	6.00%	6.00%	7.30%	6.00%
Future salary increases	8.00 to 10.00%	10.00%	10.00%	6.00%	9.00%	7.00%

For employees of the Parent Company, retirement from service is compulsory upon the attainment of the 55th birthday or 30th year of service, whichever comes first.

NOTES:

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

The amounts recognized in the statement of financial position follow:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Present value of the obligation	₱6,782	₱5,257	₱5,608	₱4,333
Fair value of plan assets	(6,629)	(6,112)	(5,656)	(5,330)
Funded status	153	(855)	(48)	(997)
Unrecognized actuarial gains (losses)	(320)	220	(395)	140
Unrecognized past service cost - nonvested benefits	(76)	(7)	(67)	–
Net retirement asset	(₱243)	(₱642)	(₱510)	(₱857)

Net retirement asset included in the statement of financial position follows:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Net retirement asset (Note 13)	(₱520)	(₱857)	(₱510)	(₱857)
Net retirement liability (Note 19)	277	215	–	–
Net retirement liability (asset)	(₱243)	(₱642)	(₱510)	(₱857)

Discount rates used in computing for the present value of the obligation of the Parent Company and significant subsidiaries as of December 31, 2010 and 2009 follow:

	Parent Company	FMIC	PSBank	MTI	MCC	OMLFC
2010	7.25%	9.10% to 9.39%	11.16%	7.54%	8.88%	10.00%
2009	9.00%	9.10% to 9.39%	10.56%	9.65%	10.00%	10.10%

The movements in the retirement liability (assets) recognized in the statement of financial position follow:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Balance at beginning of year	(₱642)	₱1	(₱857)	(₱224)
Retirement expense	506	733	347	563
Contribution paid	(107)	(1,376)	–	(1,196)
Balance at end of year	(₱243)	(₱642)	(₱510)	(₱857)

Changes in the present value of the defined benefit obligation follow:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Balance at beginning of year	₱5,257	₱4,496	₱4,333	₱3,795
Current service cost	484	364	361	321
Interest cost	492	646	398	486
Past service cost	121	–	113	–
Benefits paid	(442)	(578)	(400)	(474)
Actuarial losses	870	329	803	205
Balance at end of year	₱6,782	₱5,257	₱5,608	₱4,333

NOTES:

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

	Consolidated		Parent Company	
	2010	2009	2010	2009
Balance at beginning of year	₱6,112	₱4,578	₱5,330	₱4,048
Expected return on plan assets	519	274	458	244
Contribution paid	107	1,376	–	1,196
Benefits paid	(442)	(578)	(400)	(474)
Actuarial gains	333	462	268	316
Balance at end of year	₱6,629	₱6,112	₱5,656	₱5,330

The actual return on plan assets of the Parent Company amounted to ₱726.5 million and ₱558.5 million in 2010 and 2009, respectively.

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

	Consolidated		Parent Company	
	2010	2009	2010	2009
Debt instruments	75.50%	78.33%	82.80%	85.83%
Equity instruments	22.53%	19.86%	16.24%	13.25%
Other assets	1.97%	1.81%	0.96%	0.92%
	100.00%	100.00%	100.00%	100.00%

The amounts included in 'Compensation and fringe benefits' in the statement of income follow:

	Consolidated			Parent Company		
	2010	2009	2008	2010	2009	2008
Current service cost	₱484	₱364	₱600	₱361	₱321	₱484
Interest cost	492	646	524	398	486	443
Expected return on plan assets	(519)	(274)	(251)	(458)	(244)	(202)
Net actuarial losses (gains) recognized	(3)	(5)	145	–	–	139
Past service cost	52	2	8	46	–	–
	₱506	₱733	₱1,026	₱347	₱563	₱864

Amounts for the current and previous years follow:

	Consolidated				
	2010	2009	2008	2007	2006
Present value of unfunded obligation	₱6,782	₱5,257	₱4,496	₱6,690	₱5,654
Fair value of plan assets	(6,629)	(6,112)	(4,578)	(3,975)	(3,488)
Funded status	153	(855)	(82)	2,715	2,166
Experience adjustments on plan liabilities	(870)	(329)	2,798	(523)	(2,883)
Experience adjustments on plan assets	333	462	(391)	(131)	562

	Parent Company				
	2010	2009	2008	2007	2006
Present value of unfunded obligation	₱5,608	₱4,333	₱3,795	₱5,737	₱4,795
Fair value of plan assets	(5,656)	(5,330)	(4,048)	(3,362)	(3,028)
Funded status	(48)	(997)	(253)	2,375	1,767
Experience adjustments on plan liabilities	(803)	(205)	2,491	(616)	(2,605)
Experience adjustments on plan assets	268	316	(221)	(180)	514

NOTES:

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 100.00% of the accumulated value of the personal contribution plus a percentage of the accumulated value arising from the Parent Company's contributions in accordance with the completed number of years serviced. The Parent Company's contribution to the Provident Fund in 2010 and 2009 amounted to ₱127.9 million and ₱103.5 million, respectively.

As of December 31, 2010 and 2009, the retirement fund of the Parent Company's employees amounting to ₱5.7 billion and ₱5.3 billion, respectively, is being managed by the Parent Company's Trust Banking Group.

Directors' fees and bonuses of the Parent Company in 2010, 2009 and 2008 amounted to ₱32.4 million, ₱32.1 million and ₱37.4 million, respectively. On the other hand, officers' compensation and benefits of the Parent Company aggregated to ₱3.7 billion, ₱3.2 billion and ₱3.0 billion, respectively.

24. Long-term Leases

The Parent Company leases the premises occupied by some of its branches (about 50.00% and 50.71% of the branch sites in 2010 and 2009, respectively, 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 5.00% to 10.00%. As of December 31, 2010 and 2009, the Group has no contingent rent payable.

Rent expense (included in 'Occupancy and equipment-related cost' in the statement of income) in 2010, 2009 and 2008 amounted to ₱1.2 billion, ₱1.0 billion and ₱0.9 billion, respectively, for the Group and ₱683.7 million, ₱610.4 million and ₱510.9 million, respectively, for the Parent Company.

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

	Consolidated		Parent Company	
	2010	2009	**2010**	2009
Within one year	**₱523**	₱475	**₱220**	₱373
After one year but not more than five years	**1,225**	1,104	**526**	974
More than five years	**511**	455	**206**	475
	₱2,259	₱2,034	**₱952**	₱1,822

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's available office spaces and real and other properties acquired and finance lease agreements over various items of machinery and equipment. These non-cancelable leases have remaining non-cancelable lease terms between 1 and 20 years.

In 2010, 2009 and 2008, leasing income amounted to ₱824.0 million, ₱1.0 billion and ₱365.4 million, respectively, for the Group and ₱217.4 million, ₱255.3 million and ₱325.3 million, respectively, for the Parent Company.

NOTES:

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

	Consolidated		Parent Company	
	2010	2009	2010	2009
Within one year	₱303	₱278	₱138	₱130
After one year but not more than five years	440	427	189	154
More than five years	3	121	3	121
	₱746	₱826	₱330	₱405

25. Miscellaneous Income and Expenses

In 2010, 2009 and 2008, miscellaneous income includes gain on initial recognition of investment properties amounting to ₱446.1 million, ₱509.1 million and ₱411.9 million, respectively, for the Group and ₱220.7 million, ₱308.4 million and ₱194.0 million, respectively, for the Parent Company and recovery on charged-off assets amounting to ₱289.0 million, ₱319.9 million and ₱243.6 million, respectively, for the Group and ₱8.1 million, ₱0.1 million and nil, respectively for the Parent Company. Also in 2008, miscellaneous income of the Group includes demutualization of Visa shares amounting to ₱222.5 million.

Miscellaneous expenses consist of:

	Consolidated			Parent Company		
	2010	2009	2008	2010	2009	2008
Insurance	₱1,314	₱1,223	₱1,182	₱1,072	₱1,027	₱956
Security, messengerial and janitorial	1,223	1,219	1,180	1,027	1,025	995
Litigation (Note 12)	715	976	906	562	781	759
Advertising	665	412	512	102	52	76
Information technology	571	579	556	690	694	496
Communication	527	394	348	132	129	111
Management and professional fees	436	526	313	279	368	434
Stationery and supplies used	367	274	246	164	153	149
Transportation and travel	342	308	312	249	225	232
Repairs and maintenance	326	302	312	190	192	225
Supervision fees	249	259	242	188	198	184
Entertainment, amusement and representation (EAR) (Note 26)	208	148	176	175	121	151
Others	1,014	1,338	1,506	327	359	326
	₱7,957	₱7,958	₱7,791	₱5,157	₱5,324	₱5,094

Other expenses of the Group include CG3AMI and LNC3AMI net income amounting to ₱219.9 million in 2009 and net losses of ₱799.2 million in 2008. Other expenses also include cost of rewards due to redemption of loyalty points, collection fees, freight expenses, fuel and lubricants, membership fees and donation and other charitable contributions.

26. Income and Other Taxes

Under Philippine tax laws, the RBU of the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as 'Taxes and licenses' in the statement of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp taxes (DST). Income taxes include corporate income tax, as discussed below, and 20.00% final taxes paid, which is a final withholding tax on gross interest income from government securities and other deposit substitutes. The regular corporate income tax (RCIT) rate is reduced from 35% to 30% effective January 1, 2009 pursuant to Republic Act No. 9337, *An Act Amending the National International Revenue Code*. Interest allowed as a deductible expense is reduced by an amount equivalent to 33% of interest income subjected to final tax.

NOTES:

Current tax regulations also provide for the ceiling on the amount of EAR expense (Note 25) 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 1.00% of net revenue. The regulations also provide for MCIT of 2.00% 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 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 7.50%. 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 10.00% income tax.

Following are the applicable taxes and tax rates for the foreign branches of the Parent Company:

Foreign Branches	Income Tax	Business Tax (BT)	Value Added Tax (VAT)/Capital/ Surplus Tax
United States of America:			
Guam Branch (US $)		4.00% (GRT)	
$50,000 and below	15.00%		
>$50,000 up to $75,000	25.00%		
>$75,000 up to $100,000	34.00%		
>$100,000 up to $335,000	39.00%		
Above $335,000	34.00%		
New York Branch	30.00%		8.875% VAT NYS-0.01% (Capital/ Surplus Tax) NYC-0.26% (Capital/ Surplus Tax)
Japan - Tokyo and Osaka Branches	30.00%	7.552% (BT)	0.504% (VAT) 0.210% (Capital / Surplus Tax)
Korea:			
Seoul Branch	23.10%	0.50% (Education Tax)	
Pusan Branch	24.20%	0.50% (Education Tax)	
Taiwan - Taipei Branch	17.00%	2.00% (Gross Business Receipt Tax)	5.00% (VAT)

The provision for income tax consists of:

	Consolidated			Parent Company		
	2010	2009	2008	**2010**	2009	2008
Current:						
Final tax	**₱1,911**	₱1,734	₱1,202	**₱1,205**	₱1,172	₱917
RCIT*	**1,231**	757	799	**536**	228	201
MCIT	**3**	296	268	**3**	233	218
	3,145	2,787	2,269	**1,744**	1,633	1,336
Deferred*	**586**	(538)	758	**183**	(338)	743
	₱3,731	₱2,249	₱3,027	**₱1,927**	₱1,295	₱2,079

* Includes income taxes of foreign subsidiaries.

NOTES:

Components of net deferred tax assets of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Deferred tax asset on:				
Allowance for credit and impairment losses	₱6,160	₱6,471	₱5,134	₱5,019
Accumulated depreciation of investment properties	661	935	611	882
Unamortized past service cost	522	625	489	587
MCIT	393	808	334	679
Unrealized foreign exchange loss	317	309	311	305
Unrealized losses on financial assets at FVPL	207	–	207	–
Deferred membership/awards	136	54	–	–
Accrued expenses	82	61	43	46
Accrued retirement liability	78	55	–	–
Unearned rental income	8	45	7	7
NOLCO	–	387	–	387
Others	133	82	41	27
	8,697	9,832	7,177	7,939
Deferred tax liability on:				
Unrealized gain on initial measurement of investment properties	847	889	591	651
Retirement asset	153	257	153	257
Unrealized gain on AFS investments (Note 8)	80	91	72	71
Unrealized gain on financial assets at FVPL	4	27	–	19
Others	117	92	–	–
	1,201	1,356	816	998
Net deferred tax assets	₱7,496	₱8,476	₱6,361	₱6,941

Components of net deferred tax liabilities of the Group follow:

	2010	2009
Deferred tax asset on:		
Allowance for credit and impairment losses	₱29	₱16
Unamortized past service cost	6	4
Accumulated depreciation of investment properties	2	2
Retirement benefit liability	1	1
	38	23
Deferred tax liability on:		
Leasing income differential between finance and operating lease method	161	178
Unrealized gain on AFS investments (Note 8)	10	8
Retirement asset	3	–
Unrealized gain on financial assets at FVPL	1	–
Others	–	2
	175	188
Net deferred tax liabilities	₱137	₱165

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

	Consolidated		Parent Company	
	2010	2009	2010	2009
Allowance for credit and impairment losses	₱4,328	₱447	₱2,977	₱–
NOLCO	2,653	1,991	243*	–
MCIT	12	53	8*	48
Others	174	109	–	–

*Represents FCDU's MCIT and NOLCO

NOTES:

The Group believes that it is not reasonably probable that the tax benefits of these temporary differences will be realized in the future.

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

The Parent Company applied NOLCO balance as of December 31, 2009 amounting to ₱1.3 billion against its taxable income in 2010.

Details of the Parent Company's MCIT follow:

Inception Year	Amount	Used	Balance	Expiry Year
2007	₱276	₱276	₱–	2010
2008	218	117	101	2011
2009	233	–	233	2012
	₱727	₱393	₱334	

A reconciliation of the statutory income tax rates and the effective income tax rates follows:

	Consolidated			Parent Company		
	2010	2009	2008	**2010**	2009	2008
Statutory income tax rate	**30.00%**	30.00%	35.00%	**30.00%**	30.00%	35.00%
Tax effect of:						
Tax-paid and tax-exempt income	**(22.66)**	(30.83)	(24.23)	**(23.17)**	(20.58)	(21.56)
Nondeductible interest expense	**8.43**	15.78	10.06	**9.24**	10.64	11.66
Nonrecognition of deferred tax asset	**14.79**	(3.92)	(5.38)	**15.47**	(6.10)	0.59
FCDU income	**(6.06)**	(10.64)	8.49	**(9.23)**	(6.32)	13.44
Others - net	**4.21**	24.48	13.42	**6.40**	15.74	(0.63)
Effective income tax rate	**28.71%**	24.87%	37.36%	**28.71%**	23.38%	38.50%

Supplementary Information Under Revenue Regulations No. 15-2010
On November 25, 2010, the Bureau of Internal Revenue issued Revenue Regulation (RR) 15-2010 to amend certain provisions of RR 21-2002. The Regulations provide that starting 2010 the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Parent Company reported the following types of taxes for the year ended December 31, 2010 included under 'Taxes and licenses' account in the statement of income:

GRT	₱1,595
Documentary stamp taxes	882
Local taxes	65
Real estate tax	64
Others	13
	₱2,619

Details of total withholding taxes remitted for the taxable year December 31, 2010 follow:

Final withholding taxes	₱1,396
Withholding taxes on compensation and benefits	1,237
Expanded withholding taxes	128
	₱2,761

NOTES:

27. Related Party Transactions

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

In the ordinary course of business, the Group has loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI). Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% 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 equity or 15.00% 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:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Total outstanding DOSRI accounts	₱16,141	₱12,375	₱10,868	₱9,013
Percent of DOSRI accounts granted prior to effectivity of BSP Circular No. 423 to total loans	0.00%	0.02%	0.00%	0.02%
Percent of DOSRI accounts granted after effectivity of BSP Circular No. 423 to total loans	4.22%	3.50%	3.84%	3.26%
Percent of DOSRI accounts to total loans	4.22%	3.52%	3.84%	3.28%
Percent of unsecured DOSRI accounts to total DOSRI accounts	13.58%	16.26%	13.29%	18.10%
Percent of past due DOSRI accounts to total DOSRI accounts	3.69%	4.88%	0.00%	0.00%
Percent of nonaccruing DOSRI accounts to total DOSRI accounts	3.69%	4.88%	0.00%	0.00%

BSP Circular No. 560 provides the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said Circular, the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank. As of December 31, 2010 and 2009, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates did not exceed 10.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 5.00% of such net worth and the total outstanding loans, other credit accommodations and guarantees to all such subsidiaries and affiliates represent 9.46% and 12.51%, respectively, of the Parent Company's net worth.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation, i.e., a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank: provided, that the unsecured portion thereof shall not exceed twelve and one-half percent (12.50%) of such net worth: provided further, that these subsidiaries and affiliates are not related interests of any of the director, officer and/or stockholder of the lending bank/quasi-bank; except where such director, officer or stockholder sits in the board of directors or is appointed officer of such corporation as representative of the bank/quasi-bank. As of December 31, 2010 and 2009, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates engaged in energy and power generation did not exceed 25.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 12.50% of such net worth.

Total interest income on the DOSRI loans in 2010, 2009 and 2008 amounted to ₱652.7 million,₱738.6 million and ₱704.4 million, respectively, for the Group and ₱511.1 million, ₱546.7 million and ₱692.3 million, respectively, for the Parent Company.

NOTES:

Other significant related party transactions of the Parent Company follow:

Interbank call loans receivable from subsidiaries amounting to ₱1.8 billion and ₱290.0 million as of December 31, 2010 and 2009, respectively, with related interest income of ₱35.4 million, ₱49.7 million and ₱137.6 million in 2010, 2009 and 2008, respectively.

As of December 31, 2010 and 2009, sales contract receivable from a wholly-owned real estate subsidiary amounted to ₱627.0 million with allowance for credit losses of ₱195.9 million as of December 31, 2010. Sales contract receivables from a related party amounted to ₱516.8 million and ₱629.1 million as of December 31, 2010 and 2009, respectively.

Deposit liabilities to subsidiaries, associates and other related parties amounted to ₱17.5 billion and ₱8.9 billion as of December 31, 2010 and 2009, respectively, with related interest expense of ₱28.8 million, ₱35.3 million and ₱41.6 million in 2010, 2009 and 2008, respectively.

Bills payable to subsidiaries amounted to ₱613.7 million and ₱308.0 million as of December 31, 2010 and 2009, respectively, with related interest expense of ₱14.8 million, ₱4.2 million and ₱96.8 million in 2010, 2009 and 2008, respectively.

In 2010, 2009 and 2008, service fees and commissions from subsidiaries amounted to ₱57.1 million, ₱52.1 million and ₱44.0 million, respectively, and information technology expenses with a wholly-owned subsidiary amounted to ₱173.1 million, ₱168.8 million and ₱169.0 million, respectively.

Rent income from subsidiaries, associates and related parties in 2010, 2009 and 2008 amounted to ₱39.4 million, ₱29.3 million and ₱26.0 million, respectively.

In 2010 and 2009, held-for-trading and AFS investment securities transactions with subsidiaries, affiliates and other related parties include outright purchases totaling to ₱12.3 billion and ₱38.5 billion, respectively, and outright sales totaling to ₱12.8 billion and ₱27.9 billion, respectively.

As of December 31, 2010 and 2009, treasury bills (classified under HTM investments) with total face value of ₱50.0 million are pledged by PSBank to the Parent Company to secure its payroll account with the Parent Company. As of December 31, 2010 and 2009, the Parent Company has assigned to PSBank, government securities (classified under AFS investments) with total face value of ₱3.0 billion and ₱1.5 billion, respectively, to secure PSBank deposits to the Parent Company (Note 8).

In June 2010, the Parent Company sold its investment in LCMC to FMIC for ₱763.4 million (Note 11).

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

	Consolidated			Parent Company		
	2010	2009	2008	**2010**	2009	2008
Short-term employee benefits	**₱992**	₱846	₱727	**₱523**	₱434	₱326
Post employment benefits	**2,607**	1,858	1,570	**2,579**	1,829	1,529
	₱3,599	₱2,704	₱2,297	**₱3,102**	₱2,263	₱1,855

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 financial position since these are not resources of the Parent Company and its subsidiaries (Note 29).

In compliance with current banking regulations relative to the Parent Company and a certain subsidiary's trust functions, government securities (classified under AFS investments) with a total face value of ₱2.6 billion and ₱2.2 billion as of December 31, 2010 and 2009, respectively, are deposited with the BSP.

NOTES:

29. Commitments and Contingent Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities 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:

	Consolidated		Parent Company	
	2010	2009	2010	2009
Trust Banking Group accounts (Note 28)	₱271,029	₱210,342	₱270,398	₱209,711
Commitments - credit card lines	41,946	40,946	–	–
Unused commercial letters of credit	19,469	17,633	18,943	17,529
Credit line certificate with bank commission	3,949	4,039	3,949	4,039
Bank guaranty with indemnity agreement	2,272	2,411	2,272	2,411
Late deposits/payments received	1,395	2,060	1,337	1,972
Outstanding shipside bonds/airway bills	1,195	1,593	1,195	1,593
Outward bills for collection	581	745	545	745
Inward bills for collection	459	513	459	513
Confirmed export letters of credits	156	183	137	183
Outstanding guarantees	123	707	123	607
Traveler's check unsold	15	28	15	28
Others	2,452	716	508	716

In September 2008, the Parent Company filed petitions for rehabilitation against two Philippine subsidiaries of Lehman Brothers Holdings, Inc. in connection with a combined ₱2.4 billion loan exposure. These came as a result of the declaration of bankruptcy filed by Lehman Brothers Holdings, Inc., a surety under the loan agreements. The rehabilitation plans were duly approved by the handling courts. A Management Committee was created for each of the two (2) Lehman subsidiaries. These Management Committees are now overseeing and managing the company assets and will continue to do so during the term of the rehabilitation plans or until 2015 and 2017, respectively. A third party's petition to exclude certain assets from the portfolio of the Lehman subsidiaries is still pending with the Court of Appeals. In September 2010, the majority stockholder of Philippine Investment Two (SPV-AMC), Inc. filed an Omnibus Motion to terminate the rehabilitation proceedings, dissolve the Management Committee, and remove the imposition of creditors' consent in the approved rehabilitation plan. Similarly, in October 2010, Philippine Investment One (SPV-AMC), Inc. filed with the rehabilitation court an Omnibus Motion to terminate the rehabilitation proceedings and abolish the Management Committee. In January 2011, the rehabilitation court denied these Omnibus Motions. In February 2011, Philippine Investment Two (SPV-AMC) elevated the order denying its Omnibus Motion to the Court of Appeals which is still pending to date.

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

30. Financial Performance

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows (amounts in millions except for earnings per share):

	2010	2009	2008
a. Net income attributable to equity holders of the Parent Company	₱8,366	₱6,029	₱4,408
b. Share of hybrid capital securities holders	(515)	(484)	(484)
c. Net income attributable to common shareholders	7,851	5,545	3,924
d. Weighted average number of outstanding common shares of the Parent Company	1,876	1,807	1,807
e. Basic/diluted earnings per share (c/d)	₱4.18	₱3.07	₱2.17

As of December 31, 2010, 2009 and 2008, there were no outstanding dilutive potential common shares.

NOTES:

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

	Consolidated			Parent Company		
	2010	2009	2008	**2010**	2009	2008
Return on average equity	**10.27%**	8.59%	6.77%	**6.77%**	6.75%	5.39%
Return on average assets	**0.96%**	0.74%	0.69%	**0.69%**	0.65%	0.54%
Net interest margin on average earning assets	**3.43%**	3.82%	3.75%	**2.69%**	3.19%	3.14%

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:

	Consolidated			Parent Company		
	2010	2009	2008	**2010**	2009	2008
Interbank loans receivable and SPURA	**₱26,507**	₱79,554	₱19,910	**₱18,006**	₱73,943	₱19,968
Interbank loans receivable and SPURA not considered as cash and cash equivalents	**(2,732)**	(2,190)	(3,564)	**(2,732)**	(2,190)	(3,564)
	₱23,775	₱77,364	₱16,346	**₱15,274**	₱71,753	₱16,404

32. Foreign Exchange

PDS closing rates as of December 31 and PDSWAR for the year ended December 31 are as follows:

	2010	2009	2008
PDS Closing	**₱43.84**	₱46.20	₱47.52
PDSWAR	**45.12**	47.64	44.47

33. Other Matters

The Group has no significant matters to report in 2010 on the following:

a. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.

b. Explanatory comments about the seasonality or cyclicality of operations.

c. Issuances, repurchases and repayments of debt and equity securities except for the issuances of the 104.1 million common shares by the Parent Company as discussed in Note 21.

d. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of the 3.00% cash dividend on April 15, 2010 and semi-annual coupons on the HT1 Capital securities on February 16 and August 16, 2010 as discussed in Note 21.

e. Effect of changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except those discussed in Note 11.

NOTES:

34. Subsequent Events

a. On January 20, 2011, the BOD of PSBank declared a 1.50% regular cash dividend for the fourth quarter of 2010 amounting to ₱36.04 million or ₱0.15 per share which was submitted to BSP for approval.

b. On January 24, 2011, the Parent Company has concluded the ₱10.0 billion stock rights offering (Note 21), involving 200 million common shares with a par value of ₱20.00 priced at ₱50.00 per share (Offer Price). The Offer Price was computed based on the 10-trading day volume-weighted average price of the Parent Company's common shares on the PSE prior to the December 10, 2010 pricing date, subject to a discount of 30.5%. Stockholders were entitled to the rights as of December 20, 2010, the record date, at the ratio of one (1) right share for every 9.557 common shares held.

c. PSBank exercised the call option on its 2016 Peso Notes (Note 18) amounting to ₱2.0 billion last January 28, 2011. The redemption fell under the call provisions which had an original maturity of ten years or until 2016. The call option allowed PSBank to buy back after five years from the date of issuance. Relative to this, the unamortized debt issuance cost of ₱22.5 million was charged against 2011 operations.

d. On February 10, 2011, the BSP approved the semi-annual coupon payment on HT1 Capital amounting to USD5.6 million which the Parent Company paid on February 15, 2011.

35. 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 February 23, 2011.

NOTES:

Products and Services

DEPOSIT SERVICES
ATM Savings Account
Passbook Savings Account
Fun Savers Club
Regular Checking Account
MetroChecking Extra
Account One
Time Deposit

FOREIGN CURRENCY DEPOSIT SERVICES
Savings Account
Checking Account
Time Deposit

ELECTRONIC BANKING FACILITIES
Metrobank E.T. ATM
Affiliated with Mastercard Cirrus-Maestro/BancNet
Visa Plus/Electron Cash Withdrawal and Credit Card Advances
China Union Pay Withdrawal
Balance Inquiry
Bills Payment
Inter-bank Funds Transfer
Intra-bank Funds Transfer
Purchase of Prepaid PINs
Checkbook Request
Statement Request (Last 5 Transactions)
BancNet Point-of-Sale (Accredited BancNet Merchants)
Payslip Viewing/Printing

Metrophone
Balance Inquiry
Bills Payment
Fund Transfer
Checkbook Request
Request Last 10 Transactions via Fax

Mobile Banking
Balance Inquiry
Bills Payment
Fund Transfer
Prepaid Reload

metrobank*direct* Retail
Balance Inquiry
View/Download Statement
Bills Payment
Fund Transfer
Checkbook Request
View Deposit Interest Rates
View Foreign Exchange Rates
Enroll New/Existing Own Account
Manage Enrolled Accounts
Manage Stock Trading Funds
New Account Opening

CASH MANAGEMENT SERVICES
metrobank*direct* Corporate/ Electronic Solutions
Inquiry/Basic Banking
- Account Info/Statement
- Check Status
- Loan Inquiry
- Fund Transfer
- Telegraphic Transfer
- Bills Payment
- Checkbook Request

Payments
- Comprehensive Disbursement Solutions – Cashier's Check
- Corporate Check Writer
- Payroll Service
- Pay Card
- Auto Credit

Collections
- Bills Payment Collection
- Real Time Debit
- Electronic Invoice Presentment and Payment
- Check Warehousing

Liquidity
- Account Sweep/Reverse Sweep
- Government e-Services
- Taxdirect
- SSS Employee Contributions and Loan Payments

Post-Dated Check Warehousing

Deposit Pick Up/Cash Delivery

Metro Check Collect

Multi Channel Bills Payment Collection Arrangement

One-Way Deposit Arrangement

GOVERNMENT COLLECTION AND OTHER PAYMENT SERVICES
Tax Payments
Philhealth Premiums
SSS Contributions
Bills Payment
SMEC (Sickness, Maternity and Employees Compensation)

FUND TRANSFER AND RELATED SERVICES
SSS Direct Deposit Pension
U.S. Direct Deposit Pension
Foreign and Domestic Telegraphic Transfer
Foreign Demand Draft
Traveler's Check
Purchase and Sale of Foreign Currency Notes
Foreign Exchange Sale for Invisible (Non-trade) Transactions
BSRD Registration–Inward Remittances/Investments

MISCELLANEOUS OVER-THE-COUNTER SERVICES
FSC Gift Checks
Cashier's Checks

CUSTODIAL SERVICES
Safety Deposit Boxes

EXPORT TRADE PRODUCTS AND SERVICES
Red Clause Advances
Export Bills Purchased (LC and Non-LC)
Export Bills for Collection (LC and Non-LC)
Letter of Credit Advising
Letter of Credit Confirmation
Transferable Letter of Credit
Discounting Usance Letter of Credit
Export Packing Credit Loan

IMPORT AND DOMESTIC TRADE PRODUCTS AND SERVICES
Commercial Letters of Credit (LC)
Standby Letter of Credit
Bank Guaranty
Credit Line Certification with Bank Undertaking
Non-LC Trade Transactions such as:
- Documents Against Payment
- Documents Against Acceptance
- Open Account
- Direct Remittance
- Advance Payment

Shipping Guaranty
Trust Receipt Financing
Collection of Import Advance and Final Duties
Preferred Supplier's Credit
Factoring of Receivables

CONSUMER AND LENDING SERVICES
MetroCar Financing
- Retail
- Fleet

MetroHome Financing
- Retail
- Wholesale

SPECIALIZED LENDING FACILITIES
Countryside Loan Fund (CLF)
- CLF I
- CLF II
- CLF III
- Credit Support for the Environment, Agri-Business, and Small and Medium Enterprises (CREAM)
- Japan Funded Facility for Agricultural Credit Support Program

Business and Social Loans
Special Financing Program
Industry Loan Program
Financing Program for Tourism Projects
Hospital Financing Program
Financing Program for Educational Institutions
Special Financing Program for Vocational/Technical School
Pre-Settlement Risk Cover Line
Settlement Risk Cover Line
Working Capital Loans
Industrial Guarantee & Loan Fund (IGLF)
Environmental Development Project
Logistics Infrastructure Development Project
Rural Power Projects for:
- Type A Beneficiaries (RESCO, QTP, NGO, Cooperatives & LGUs)
- Type B Beneficiaries (RET Purchasers/Suppliers)
- Type C Beneficiaries (Electric Cooperative)
- Type D Beneficiaries (Private Sectors Proponents and LGUs)
- Sustainable Health Care Investment Program

OVERSEAS FILIPINO SERVICES
Remit to Metrobank Savings Account
- Various Metrobank Deposit Accounts
- OFW Savings Account
  - Peso ATM / Passbook
  - US Dollar Passbook

Remit to World Cash Card
Claim at Metrobank Branches
Cash Pick-up at Local Payout Centers
- M. Lhuillier Branches
- CIS Bayad Centers

Door-to-Door Delivery
Remit to Other Banks' Account
Remit through International Money Transfer Tie-ups
- Coinstar Money Transfer
- Xoom Corporation (Online Remittance)

Pay Bills

TREASURY SERVICES
Government Securities
Peso Treasury Bills
Peso Fixed Rate Treasury Notes
Peso Retail Treasury Bonds
Foreign Currency-Denominated ROP Bonds
Sovereign Bonds

Corporate Securities
Peso and USD Denominated Bonds
Corporate Promissory Notes
Lower Tier 2 Capital Notes

Bank Subordinated Notes

Foreign Exchange and Hedging Solutions
Spot
Forward
Non-Deliverable Forwards
Interest Rate Swaps
Cross Currency Swaps
Credit Default Swaps

TRUST PRODUCTS AND SERVICES
Personal Trust and Agency Accounts
Wealth Management Services
- Metrobank Exclusive
- Basic Wealth Management

Standard Portfolio Management Services
- Personal Investment Account

Institutional Trust and Agency Accounts
Employee Benefit Trust
- Metrobank Corporate Stewardship

Corporate Fund Management
Corporate Retirement Funds
Corporate Funds
Insurance/Mutual Funds
Educational/Religious Institutions and Foundation Funds
Pre-Need Funds

Other Fiduciary Services Accounts
Unit Investment Trust Funds (UITF)
Life Insurance Trust
Escrow
Safekeeping
Court Trust
Property Administratorship
Corporate Fiduciary Services
- Mortgage Trust Indenture
- Facility/Loan Agency
- Paying Agency
- Transfer Agency

Investment Funds
Peso Fixed Income Funds
- Metro Money Market Fund (Metrofund Starter)*
- Metro Max-3 Bond Fund (Metrofund Elite)*
- Metro Max-5 Bond Fund (Metrofund Peak Earner)*
- Metro Wealth Builder Fund (Metro Invest Plus) *

Peso Balanced/Equity Funds
- Metro Balanced Fund (Metro Capital Growth Fund)*
- Metro Equity Fund

Dollar Fixed Income Fund
- Metro$ Money Market Fund (Metrodollar Money Market Fund)*
- Metro$ Max-3 Bond Fund (Metrodollar Phil. Liquid Fund)*
- Metro$ Max-5 Bond Fund (Metrodollar Phil. Bond Fund)*

** note: former product name*

Branch Network

CALOOCAN

C3-A. Mabini
Magsimpan Complex
200 A. Mabini
Maypajo, Caloocan City
Tel No. 285-9298 to 99
Fax No. 285-9297

Caloocan
315 Rizal Ave. Ext.
Grace Park, Caloocan City
Tel No. 361-7302 to 03
361-1290
Fax No. 366-7304

Camarin Road-Caloocan
Camarin Road cor. Susano Road
Caloocan City
Tel No. 962-5301
961-1354
Fax No. 962-5218

Edsa-Caloocan Center
Edsa near cor. A. De Jesus St.,
Caloocan City
Tel No. 364-8662
363-6571
Fax No. 364-8579

Grace Park Center
446 Rizal Ave. Ext.
Caloocan City
Tel No. 365-7509
901-3368
Fax No. 365-7506

Rizal Ave. Ext.-3rd Ave.
213-C Rizal Ave. Ext.
Between 2nd & 3rd Ave.
Caloocan City
Tel No. 366-9619
365-3317 to 18
Fax No. 366-9620

Samson Road-Caloocan
U.E. Tech cor. Samson Road
Caloocan City
Tel No. 361-3088
362-1347
Fax No. 361-1905

LAS PIÑAS

Las Piñas-Almanza
467 Alabang-Zapote Road
Almanza, Las Piñas City
Tel No. 806-0473
806-0467
Fax No. 806-0266

Las Piñas-Alabang Zapote Road
Real St. Alabang-Zapote Road
Pamplona, Las Piñas
Tel No. 873-6995
873-6247
Fax No. 873-9615

Las Piñas-BF Resort
Lot 18 & 20, Block 18
BF Resort Drive, Las Piñas City
Tel No. 874-2072 to 73
873-6475
Fax No. 873-4529

Las Piñas-Pamplona
Along Alabang-Zapote Road
Pamplona 3, Las Piñas City
Tel No. 872-4856
872-3458
Fax No. 872-2706

MAKATI

Head Office Center
Metrobank Plaza
Sen. Gil Puyat Ave.
Brgy. Urdaneta, Makati City
Tel No. 857-5502
857-5309
Fax No. 818-0136

A. Arnaiz-San Lorenzo
908 A. Arnaiz Ave.
Makati City
Tel No. 818-2027
818-2093
Fax No. 810-3557

Aguirre-Salcedo
Cattleya Condominium Bldg.,
235 Salcedo St.
Legaspi Village, Makati City
Tel No. 812-2190
813-3515
Fax No. 812-3743

Alfaro
ALPAP Bldg.
140 LP Leviste St.
Salcedo Village, Makati City
Tel No. 892-6708
867-3113
Fax No. 892-2383

Ayala Avenue-Bankmer
Bankmer Bldg.
6756 Ayala Ave., Makati City
Tel No. 891-3522
891-3328
Fax No. 891-3575

Ayala Avenue-VA Rufino
Rufino Bldg.
6784 Ayala Ave., Makati City
Tel No. 811-0147
811-0134
Fax No. 811-0132

Ayala Triangle
15th flr. Tower One and
Exchange Plaza
Ayala Ave. cor.
Paseo de Roxas Ave., Makati City
Tel No. 759-4888 to 89
Fax No. 759-4890

Buendia-Dian
Buendia Ave. cor. Dian St.
Makati City
Tel No. 892-9603
844-1891
Fax No. 892-8981

Corinthian Plaza-Makati
Corinthian Plaza Bldg.
Paseo de Roxas Ave.
Legaspi Village, Makati City
Tel No. 811-3209
892-1661 to 62
Fax No. 811-3290

Dela Rosa-Salcedo Street
Kalayaan Bldg.
Salcedo St. cor. Dela Rosa St.
Legaspi Village, Makati City
Tel No. 894-0359 to 61
Fax No. 894-0362

Don Bosco-Makati
La Fuerza Plaza Bldg.
2241 Don Chino Roces Ave.,
Makati City
Tel No. 889-2099
844-3173
Fax No. 885-7755

Edsa-Magallanes
19 Edsa
Bangkal, Makati City
Tel No. 887-5578 to 79
Fax No. 887-5580

Greenbelt
Pioneer House Bldg.
108 Paseo de Roxas cor.
Legaspi St. Makati City
Tel No. 812-7174
840-4907
Fax No. 892-3855

GT Tower Center
GT Tower
Ayala Ave., Makati City
Tel No. 840-1957
812-5156
Fax No. 810-3362

H.V. Dela Costa
Westgate Condominium Plaza
120 H.V. dela Costa St.
Salcedo Village, Makati City
Tel No. 840-0649 to 50
840-0652 to 53
Fax No. 840-0651

J.P. Rizal
J. P. Rizal St.,
near Makati City Hall
Makati City
Tel No. 897-6836 to 37
897-6833
Fax No. 897-6834

Jupiter-Bel Air
130 Jupiter St.
Bel-air, Makati City
Tel No. 896-6040
895-0268
Fax No. 897-3171

Kalayaan-Bel Air
Primetown Tower
Kalayaan Ave.
Bel-air, Makati City
Tel No. 750-3141 to 44
896-9784
Fax No. 896-9787

Kamagong-Sampaloc
Kamagong St. cor.
Sampaloc St.
San Antonio Village
Makati City
Tel No. 895-7125
895-7127
Fax No. 895-7135

Kayamanan C
PIFCO Bldg.
2300 Pasong Tamo Ext.,
Makati City
Tel No. 810-8658
867-3260
Fax No. 810-8659

Legaspi Village-Makati
Amorsolo Mansion
130 Amorsolo St. cor.
V.A. Rufino St.
Legaspi Village, Makati City
Tel No. 892-1479
817-4118
Fax No. 894-3359

Magallanes Village
Paseo de Magallanes,
Makati City
Tel No. 852-4908
852-4902
Fax No. 852-4909

Paseo De Roxas
PSBank Bldg.
777 Paseo de Roxas,
Makati City
Tel No. 840-1296 to 97
864-0755
Fax No. 811-4559

Pasong Tamo
2300 Leelin Bldg.
Pasong Tamo St., Makati City
Tel No. 844-3182
893-9413
Fax No. 843-7664

Pasong Tamo-Bagtikan
G/F Unit A BM Lou-Bel Plaza,
Bagtikan St. cor.
Pasong Tamo St., Makati City
Tel No. 896-9693
896-9708 to 10
Fax No. 895-0895

Pasong Tamo-Buendia
Pasong Tamo St.
Makati City
Tel No. 810-0892
810-1031
Fax No. 810-4073

Pasong Tamo-Extension
Moridel Bldg.
2280 Pasong Tamo Ext.,
Makati City
Tel No. 867-1260 to 61
816-1952
Fax No. 867-1263

Pasong Tamo-Javier
Marvin Plaza
Chino Roces Ave., Makati City
Tel No. 893-3410
893-4345
Fax No. 892-1213

Pasong Tamo-Metropolitan Ave.
1133 Pasong Tamo St.
Brgy. San Antonio, Makati City
Tel No. 897-8656
896-3361
Fax No. 897-8657

Perea-Gallardo
Century Plaza
120 Perea St.
Legaspi Village East,
Makati City
Tel No. 813-3445
813-3456
Fax No. 813-3435

Rada-Rodriguez
La Maison Condo.
115 Rada St.
Legaspi Village, Makati City
Tel No. 867-4717
817-4956
Fax No. 867-4718

Rockwell Center
Phinma Bldg.
Rockwell Center, Makati City
Tel No. 898-1507 to 08
898-1511
Fax No. 898-1510

Salcedo Village
Plaza Royale Bldg.
120 LP Leviste St.
Salcedo Village, Makati City
Tel No. 816-1101
867-1671
Fax No. 892-1112

San Agustin-HV Dela Costa
Liberty Center Bldg.
H.V. dela Costa St. cor.
San Agustin St.
Salcedo Village, Makati City
Tel No. 845-2926
845-2930
Fax No. 845-2931

San Lorenzo Village
1000 Lao' Ctr.
A. Arnaiz Ave., Makati City
Tel No. 844-2172 to 73
843-6946
Fax No. 844-2174

Skyland Plaza
Skyland Plaza Condominium
Sen. Gil Puyat Ave.,
Makati City
Tel No. 888-6764
843-2576
Fax No. 888-6727

Tordesillas-Gil Puyat Ave.
328 Sen. Gil Puyat Ave.
cor. Tordesillas St.
Makati City
Tel No. 817-2112
892-4389
Fax No. 817-2113

Urdaneta Village-Makati
The Atrium Building
Makati Ave. cor.
Paseo de Roxas
Makati City
Tel No. 811-4064
811-4182
Fax No. 811-4056

MALABON

Concepcion-Malabon
286 Gen. Luna St.
Concepcion, Malabon City
Tel No. 281-0741
281-1744
Fax No. 281-1730

Malabon
696 Rizal Ave.
Malabon City
Tel No. 281-5994 to 95
281-5699
Fax No. 281-5796

Potrero-Malabon
Ponciana Bldg.
McArthur Highway cor.
Del Monte St.
Potrero, Malabon City
Tel No. 363-8238
363-8257
Fax No. 363-8241

Tugatog-Malabon
139 M.H. del Pilar St.
Tugatog, Malabon City
Tel No. 285-5650 to 51
285-6662
Fax No. 285-6788

MANDALUYONG

ADB Extension Office
6 ADB Ave.
Mandaluyong City
Tel No. 632-4145 to 46
632-4200
Fax No. 636-2689

Boni Avenue
743 Boni Ave., Brgy. Malamig
Mandaluyong City
Tel No. 533-6555 to 56
533-2779
Fax No. 533-0339

Edsa-Corinthian
CLMC Bldg.
217-223 Edsa
Mandaluyong City
Tel No. 721-1645
724-2126
Fax No. 721-8828

Edsa-POEA
POEA Bldg.
Ortigas Ave. cor. Edsa
Mandaluyong City
Tel No. 724-3468
724-3093
Fax No. 725-4559

Edsa-Shaw
Beside Shangrila Plaza
Shaw Blvd., Mandaluyong City
Tel No. 632-7597
634-3216
Fax No. 632-7596

Kalentong-Mandaluyong
188 Gen. Kalentong
Daang Bakal,
Mandaluyong City
Tel No. 531-7026
531-1403
Fax No. 531-6731

Libertad-Mandaluyong
PGMC Bldg.
Libertad St. cor. Calbayog St.
Hi-way Hills, Mandaluyong City
Tel No. 533-6840
531-5443
Fax No. 533-6841

Maysilo Circle-Mandaluyong
Jejomar Bldg. 344 Maysilo St.
Mandaluyong City
Tel No. 532-8730
533-5884
Fax No. 531-5448

Shaw Boulevard-Pinagtipunan
Shaw Blvd. cor.
Pinagtipunan St.
Mandaluyong City
Tel No. 533-8292
533-7974
Fax No. 533-7920

Wack-Wack
Cherry Foodarama,
514 Shaw Blvd.,
Mandaluyong City
Tel No. 533-0775
532-3744
Fax No. 532-3795

MANILA

999 Mall
3F 999 Mall Soler Street
Binondo, Manila
Tel No. 450-4029
450-4059
Fax No. 450-4868

A. Lacson Ave-Sampaloc
1243 A.H. Lacson Ave.
Sampaloc, Manila
Tel No. 711-5689 to 90
711-5687
Fax No. 711-5688

A. Maceda
1174 A. Maceda St.
Sampaloc, Manila
Tel No. 742-5689
749-3929
Fax No. 749-3459

Adriatico
Rothman Inn Hotel Bldg.
1633 Adriatico St.
Malate, Manila
Tel No. 526-0650
526-0223
Fax No. 526-0269

Anda Circle-Port Area
Champ Bldg., Anda Circle
Bonifacio Drive
Port Area, Manila
Tel No. 527-6812 to 13
523-0948
Fax No. 527-6814

Arranque Center
1344-1346 Soler St.
Sta. Cruz, Manila
Tel No. 733-8501 to 08
733-3276
Fax No. 734-7967

Asuncion
Chinatown Steel Tower
Asuncion St.
Tondo, Manila
Tel No. 242-4149 to 50
242-2137
Fax No. 242-2140

Bambang
1411-1413 G. Masangkay St.
Sta. Cruz, Manila
Tel No. 254-7686
254-7674
Fax No. 253-1368

Benavidez
943-945 Benavidez St.
Binondo, Manila
Tel No. 244-8084 to 85
245-3592
Fax No. 244-0151

Blumentritt-Sta. Cruz
2460 Rizal Ave. cor. Cavite St.
Sta. Cruz, Manila
Tel No. 493-6103
732-2134
Fax No. 732-2140

Bustillos-Sampaloc
443 J. Figueras St.
Sampaloc, Manila
Tel No. 734-6378
735-5748
Fax No. 734-6268

C.M. Recto-Mendiola
2046-2050 C.M. Recto Ave.
Sampaloc, Manila
Tel No. 735-5556
735-5569
Fax No. 735-5546

China Plaza-Tomas Mapua
645 Tomas Mapua St.
Sta. Cruz, Manila
Tel No. 735-2368
735-2788
Fax No. 733-9639

Comercio
New Divisoria Mall Bldg.,
Comercio St., San Nicolas St.
Binondo, Manila
Tel No. 242-3421 to 22
242-3415
Fax No. 242-3410

Dasmariñas-T. Pinpin
321 Dasmariñas St. cor. Ugalde St.
Binondo, Manila
Tel No. 242-9453
242-9475
Fax No. 242-9452

Divisoria Center
760 Ylaya St.
Binondo, Manila
Tel No. 242-7007 to 08
244-7413
Fax No. 242-3163

Downtown Center
Tytana Plaza, Plaza Lorenzo Ruiz
Binondo, Manila
Tel No. 244-4208 to 09
241-0287
Fax No. 241-0468

Ermita
Metrobank Bldg.
A. Mabini St. cor. Flores St.
Ermita, Manila
Tel No. 526-6509
523-7651
Fax No. 524-7958

Escolta Tower
288 Escolta Twin Tower, Escolta St.
Binondo, Manila
Tel No. 241-5460 to 61
241-5470
Fax No. 241-5469

España
M. Dela Fuente St.
near cor. España St.
Sampaloc, Manila
Tel No. 731-3784 to 85
731-3333
Fax No. 731-3783

Evangelista-Quiapo
675 B. Evangelista St.
Quiapo, Manila
Tel No. 733-2345
733-2254
Fax No. 733-2344

Federal Tower
Dasmariñas St. cor.
Muelle de Binondo
San Nicolas, Manila
Tel No. 243-0155 to 56
243-0003
Fax No. 242-2171

Folgueras
922 Carmen Planas St.
Tondo, Manila
Tel No. 245-2456 to 57
245-2539 to 40
Fax No. 245-2114

Gen. Luna-Paco
1547 Gen. Luna St.
Paco, Manila
Tel No. 525-8204
525-8250
Fax No. 525-8255

Harrison Plaza-Adriatico
A. Adriatico St.
Malate, Manila
Tel No. 536-0889
523-0995
Fax No. 526-7126

Honorio Lopez Boulevard-Balut
262 H. Lopez Blvd., Balut
Tondo, Manila
Tel No. 255-1225
255-1233
Fax No. 255-1208

Intramuros
FEMII Bldg., A. Soriano Jr. Ave.
Intramuros, Manila
Tel No. 527-3326
528-0261
Fax No. 527-3336

J. Abad Santos-Mayhaligue
1385 J. Abad Santos Ave.
Tondo, Manila
Tel No. 253-1572
253-5491
Fax No. 251-5587

J. Nakpil-Taft Ave.
Taft Ave. near cor.
J. Nakpil St., Manila
Tel No. 536-1178 to 80
526-1088
Fax No. 526-1087

Lavezares
403 CDC Bldg.
Lavezares St. cor. Asuncion St.
Binondo, Manila
Tel No. 244-6986
242-7084
Fax No. 244-9121

Luneta-T.M. Kalaw
470 T.M. Kalaw cor.
Cortada St.
Ermita, Manila
Tel No. 525-9982
567-1716
Fax No. 525-9983

Magdalena
942 G. Masangkay St.
Binondo, Manila
Tel No. 244-8730 to 31
244-4060
Fax No. 244-8642

Masangkay-Luzon
1161-1163 Masangkay St.
Sta. Cruz, Manila
Tel No. 255-1125 to 26
251-9030
Fax No. 255-1127

Masangkay-Mayhaligue
1348-1352 Broadview Tower,
G. Masangkay St.
Sta. Cruz, Manila
Tel No. 559-7650 to 51
559-7641
Fax No. 559-1754

Midtown-U.N. Ave.
Midtown Executive Comm'l.
Townhomes, 1236 U.N. Ave.
Ermita, Manila
Tel No. 480-2762
522-4518
Fax No. 522-4394

Morayta
866 N. Reyes Ave.
Sampaloc, Manila
Tel No. 735-1573
735-1478
Fax No. 736-2670

New Divisoria Market
MD Santos St.
Tondo, Manila
Tel No. 244-4530 to 32
Fax No. 244-4183

Nueva
562-568 Nueva St.
Binondo, Manila
Tel No. 241-3449
241-4274
Fax No. 242-3691

Ocean Tower
Ocean Tower
Roxas Blvd., Manila
Tel No. 567-3192
567-3322
Fax No. 567-2810

Ongpin
910 Ongpin St.
Sta. Cruz, Manila
Tel No. 734-5203 to 04
733-3197
Fax No. 734-5202

Paco
1756 Singalong St.
Paco, Manila
Tel No. 523-3604
522-3946
Fax No. 522-3974

Pedro Gil-Paco
1343 Pedro Gil St. cor. Merced St.
Paco, Manila
Tel No. 561-9645 to 46
563-2356
Fax No. 563-2370

Plaza Cervantes
Dasmariñas St. cor.
Juan Luna St.
Binondo, Manila
Tel No. 988-7567 to 68
988-7555
Fax No. 242-0246

Plaza Lorenzo Ruiz
475 Juan Luna St.
Binondo, Manila
Tel No. 242-0695
242-7001
Fax No. 242-7003

Pritil-Tondo
1995 Juan Luna St.
Tondo, Manila
Tel No. 251-6896
253-0255
Fax No. 251-4792

Pureza-R. Magsaysay Blvd.
De Ocampo Memorial School
R. Magsaysay Blvd. near Pureza St.
Sta. Mesa, Manila
Tel No. 713-5718
714-4692
Fax No. 713-5716

Quiapo
129 C. Palanca St.
Quiapo, Manila
Tel No. 733-7138 to 39
733-4590
Fax No. 733-7157

Quirino Ave.-L. Guinto
Quirino Ave. cor. L. Guinto St.
Malate, Manila
Tel No. 526-7439 to 40
Fax No. 526-7438

Raon
633 Gonzalo Puyat St.
Sta. Cruz, Manila
Tel No. 733-1665
733-1676
Fax No. 736-6252

Reina Regente
934-936 Reina Regente St.
Binondo, Manila
Tel No. 244-1236
244-6960
Fax No. 243-5671

Robinson's Adriatico
1413 M. Adriatico St.
Ermita, Manila
Tel No. 581-1808
522-4665
Fax No. 522-2720

Roxas Boulevard-Vito Cruz
Legaspi Towers
Roxas Blvd. cor.
Vito Cruz St., Manila
Tel No. 522-8879
521-6164
Fax No. 525-8053

San Nicolas Center
455 Clavel St., San Nicolas
Binondo, Manila
Tel No. 243-4049
244-9218
Fax No. 243-1104

Soler
72 Soler St. cor.
Reina Regente St.
Binondo, Manila
Tel No. 244-3077
244-3082 to 83
Fax No. 244-3076

Sta. Ana-Manila
2447 Pedro Gil St.
Sta. Ana, Manila
Tel No. 564-4503
561-0949 to 50
Fax No. 561-0951

Sta. Cruz-Manila
582 Gonzalo Puyat St.
Sta. Cruz, Manila
Tel No. 733-0468 to 70
733-0472
Fax No. 733-0475

Sto. Cristo-CM Recto
Ong Building, 859 Sto. Cristo
Binondo, Manila
Tel No. 241-9370 to 72
Fax No. 241-9369

Sto. Cristo-San Nicolas St.
600 Sto. Cristo St. cor.
San Nicolas St.
Binondo, Manila
Tel No. 243-6313 to 15
Fax No. 243-6316

Sta. Elena
Bodega Sales Bldg.
602 Sta. Elena St.
Binondo, Manila
Tel No. 243-2693 to 94
241-7491
Fax No. 243-0424

Taft Avenue-La Salle
2456 Taft Ave.
Manila
Tel No. 382-2004
404-3912
Fax No. 405-0221

Tayuman-Felix Huertas
Tayuman St. cor.
Felix Huertas St.
Sta. Cruz, Manila
Tel No. 711-1552 to 53
711-1512
Fax No. 711-1571

Tomas Mapua-Fugoso
1052-1056 Tomas Mapua St.
cor. Fugoso St.
Sta. Cruz, Manila
Tel No. 711-3348
711-3329
Fax No. 711-3332

Tutuban
Cluster Bldg. II,
Tutuban Center
Dagupan St.
Tondo, Manila
Tel No. 251-0069 to 70
251-0072
Fax No. 251-0073

Tutuban Prime Block
Tutuban Primeblock,
C.M. Recto Ave.
Tondo, Manila
Tel No. 251-9918 to 19
253-1959
Fax No. 253-1960

U.N. Avenue
Manila Doctors Hospital
667 U.N. Ave., Ermita, Manila
Tel No. 524-0903
526-6710

UST-España
1364 España St. cor.
Centro St.
Sampaloc, Manila
Tel No. 740-3017 to 20
Fax No. 740-3021

V. Mapa
V. Mapa St. cor. Valenzuela St.
Sampaloc, Manila
Tel No. 713-6260 to 61
713-6201
Fax No. 713-9188

Ylaya-Tondo
1057 Ylaya Mansion,
Ylaya St., Tondo, Manila
Tel No. 245-0514 to 15
243-5284
Fax No. 245-0522

Zurbaran
V. Fugoso St. cor. Oroqueta St.
Sta. Cruz, Manila
Tel No. 735-8082
735-0919
Fax No. 735-0907

MARIKINA

Barangka Riverbanks
119 A. Bonifacio Ave.
Brgy. Tañong, Marikina City
Tel No. 933-1234
Fax No. 997-6634
997-5986

Calumpang-Marikina
J. P. Rizal St.
Calumpang, Marikina
Tel No. 681-7186
681-6612
Fax No. 681-6611

Concepcion-Marikina
15 Bayan-bayanan Ave.
Concepcion, Marikina City
Tel No. 942-2823 to 24
941-8168
Fax No. 942-0668

Marikina Center
321 J. P. Rizal St.
Sta. Elena, Marikina City
Tel No. 681-2934
646-1922
Fax No. 646-1921

Parang-Marikina
113 Gen. Molina St.
Parang, Marikina City
Tel No. 941-4898
948-2772
Fax No. 948-2771

San Roque-Marikina
67 Tuazon cor. Chestnut St.,
San Roque, Marikina City
Tel No. 646-9074
646-9131
Fax No. 645-7131

Sto. Niño-Marikina
Sumulong Highway cor.
Toyota Ave.
Brgy. Sto. Niño, Marikina City
Tel No. 647-8851 to 52
998-8170
Fax No. 647-8850

MUNTINLUPA

Acacia-Ayala Alabang
Alabang Business Tower
Acacia Ave.,
Madrigal Business Park
Alabang, Muntinlupa
Tel No. 807-8419 to 20
809-2662
Fax No. 850-8190

Alabang
Valdez Bldg., Montellano St.
Alabang, Muntinlupa City
Tel No. 807-2544 to 45
Fax No. 842-3745

Ayala-Alabang
Sycamore Prime Bldg.
Alabang-Zapote Road
cor. Buencamino St.
Muntinlupa City
Tel No. 807-0408 to 09
850-8842
Fax No. 850-8887

Filinvest Corporate City
Asean Drive cor.
Singapura Lane
Filinvest Corporate City
Alabang, Muntinlupa City
Tel No. 850-8083 to 84
850-3533
Fax No. 850-8085

Madrigal Business Park
Alabang
El Molito Bldg.
Madrigal Business Park
Alabang, Muntinlupa City
Tel No. 772-3046
772-3044
Fax No. 772-3043

Muntinlupa
Poblacion National Highway
Muntinlupa City
Tel No. 862-0067
862-0069
Fax No. 862-0068

West Service Road-Alabang Hills
West Service Road cor.
Don Jesus Blvd.
Alabang Hills Village,
Muntinlupa City
Tel No. 772-2536 to 37
Fax No. 772-2534

NAVOTAS

M. Naval-Navotas
767 M. Naval St.
Navotas
Tel No. 282-1111 to 12
Fax No. 281-3959
282-1107

North Bay Blvd-Navotas
130 Northbay Blvd.
Navotas
Tel No. 282-6511 to 12
381-8663
Fax No. 282-6513

PARAÑAQUE

B.F. Homes
22 Aguirre Ave.
B.F. Homes, Parañaque City
Tel No. 807-8087
Fax No. 842-4766
842-4744

Baclaran
Quirino Ave. cor. M. Roxas St.
Baclaran, Parañaque City
Tel No. 832-0471
832-0487
Fax No. 831-9554

Bayview
Bayview International
Roxas Blvd., Parañaque City
Tel No. 855-7024 to 26
Fax No. 855-7023

Doña Soledad Avenue-Bicutan
65 Doña Soledad Ave.
Better Living Subd.
Bicutan, Parañaque City
Tel No. 824-0757
823-9201
Fax No. 824-2113

East Service Road-Bicutan
East Service Road
South Super Highway
Bicutan, Parañaque City
Tel No. 837-1315
837-1784
Fax No. 837-1314

El Grande-BF Homes
Aguirre St. cor.
Tehran El Grande Phase 3
BF Homes, Parañaque City
Tel No. 825-1081
825-1127
Fax No. 820-8859

N A I A
Columbia Airfreight Complex
Ninoy Aquino Ave., Parañaque City
Tel No. 853-5950 to 52
854-5225
Fax No. 551-4280

Redemptorist-Baclaran
27 Quirino Ave.
Baclaran, Parañaque City
Tel No. 854-2938
551-4946
Fax No. 551-0821

Sucat-Gatchalian
8165 Dr. A. Santos Ave.
Parañaque City
Tel No. 828-0223
825-9232
Fax No. 825-9760

Sucat-Ireneville
Dr. A. Santos Ave. cor.
Ireneville Ave.
Sucat, Parañaque City
Tel No. 825-3595
825-0348
Fax No. 825-0301

Sucat-San Antonio Valley
Dr. A. Santos Ave.,
beside Uniwide
Parañaque City
Tel No. 820-4495
820-3103
Fax No. 820-2429

PASAY

Domestic Airport
Salem Int'l Comm'l Complex
Domestic Road, Pasay City
Tel No. 851-0432
Fax No. 851-0434

Edsa-Tramo
453 Highway Master Bldg.
Edsa, Pasay City
Tel No. 831-6344
831-6359
Fax No. 831-6398

F.B. Harrison-Gil Puyat Ave.
Gil Puyat Ave. cor. F.B. Harrison St.
Pasay City
Tel No. 551-0619
551-0625
Fax No. 551-0618

Metropolitan Park-Roxas Boulevard
Diosdado Macapagal Ave. cor.
Edsa Ext., Pasay City
Tel No. 832-2115
833-3156
Fax No. 833-0464

Pasay-Buendia Avenue
2183 Taft Avenue near
Gil Puyat Ave.
Pasay City
Tel No. 831-0394
831-4111
Fax No. 831-0383

Pasay-Baclaran
Kapt. Ambo Street
Pasay City
Tel No. 854-4446
851-5243
Fax No. 855-8022

Pasay-Libertad
232 Libertad St.
Pasay City
Tel No. 833-6575
831-0219
Fax No. 833-6538

Pasay-Rotonda
2717 Taft Ave. Ext.
Pasay City
Tel No. 831-7674
831-7435
Fax No. 551-4117

Seafront
Seafront Garden Homes
Roxas Blvd., Pasay City
Tel No. 833-2675
833-2686
Fax No. 804-0343

Taft Avenue
1915 Taft Ave.
Pasay City
Tel No. 526-5931 to 33
536-3043
Fax No. 521-1632

West Service Road-Merville
KM 12 West Service Road
Merville, Pasay City
Tel No. 824-3799
Fax No. 824-3599

PASIG

Felix Avenue
Felix Ave., Brgy. Tatlong
Kawayan, Pasig City
Tel No. 681-6572
Fax No. 646-7235
681-7297

Frontera Verde
Transcom Centre, Frontera Verde,
Ortigas cor. C-5
Pasig City
Tel No. 706-3852
706-3856
Fax No. 706-3855

Ortigas Comm'l. Complex
Banker's Plaza Bldg.
Ortigas, Pasig City
Tel No. 635-5081
635-5078 to 79
Fax No. 635-5082

Ortigas-Emerald Ave.
Wynsum Corporate Plaza
Emerald Ave., Pasig City
Tel No. 638-8143 to 45
Fax No. 638-8142

Ortigas Meralco Ave.
Ortigas Bldg.,
Meralco Ave. cor. Ortigas Ave.
Pasig City
Tel No. 631-2662
634-9877
Fax No. 631-2659

Ortigas-San Miguel Ave.
Belvedere Condominium
San Miguel Ave., Pasig City
Tel No. 637-9705
638-9198
Fax No. 638-9177

Ortigas Taipan
Taipan Place Bldg., Emerald Ave.
Ortigas, Pasig City
Tel No. 637-5702 to 03
637-3960
Fax No. 637-5701

Pasig-Mabini
A. Mabini St.
Pasig City
Tel No. 628-4155 to 58
641-0519
Fax No. 641-0463

Rosario-Pasig
Jess Lumber Bldg.
Ortigas Ave. Ext.
Rosario, Pasig City
Tel No. 653-6551
643-6571
Fax No. 641-4060

San Joaquin-Pasig
25 R. Jabson St.
San Joaquin, Pasig City
Tel No. 642-1090
642-1192
Fax No. 642-2234

Santolan-Pasig
A. Rodriguez Ave. cor.
Santolan St., Santolan
Pasig City
Tel No. 645-0351
645-0447
Fax No. 646-4133

Shaw Boulevard
676 Shaw Blvd.
Pasig City
Tel No. 633-0216 to 17
631-6352
Fax No. 633-2723

Shaw Boulevard-J.M. Escriva
J.M. Escriva
Shaw Blvd., Pasig City
Tel No. 910-2063 to 64
632-9705
Fax No. 635-5703

Shaw Boulevard-Oranbo
Shaw Blvd. near Hill Crest Circle,
Pasig City
Tel No. 637-8934 to 35
637-3853
Fax No. 633-1655

Valle Verde
73 E. Rodriguez St.
cor. P.E. Antonio St.
Barrio Ugong, Pasig City
Tel No. 671-8371
671-9558
Fax No. 671-9557

PATEROS

Pateros
No. 104 M. Almeda St.
Pateros
Tel No. 642-6053
Fax No. 642-6118
642-6054

QUEZON CITY

20th Ave.-Cubao
No. 100, 20th Ave., Tagumpay
Cubao, Quezon City
Tel No. 438-8209
Fax No. 913-1740
438-2619

Acropolis
Metrobank Bldg.,
E. Rodriguez Ave.
Acropolis, Quezon City
Tel No. 437-2725 to 26
386-4359
Fax No. 439-2092

Aurora Blvd.
Aurora Tower
Aurora Blvd. cor. Aguinaldo St.
Cubao, Quezon City
Tel No. 911-0843
437-4010
Fax No. 437-4011

Aurora Boulevard-Anonas
Caly Building
986 Aurora Blvd., Quezon City
Tel No. 439-5389
913-7819
Fax No. 913-6467

Baesa
Olympia Commercial Plaza,
131 Quirino Highway
Baesa, Quezon City
Tel No. 330-7150
330-7148
Fax No. 330-7149

Balintawak
936 A. Bonifacio Ave.
Balintawak, Quezon City
Tel No. 363-0930 to 33
364-8713
Fax No. 362-4992

Banawe
Metrobank Bldg.
11 Banawe St. cor. Cardiz St.
Doña Josefa, Quezon City
Tel No. 712-1464
712-1298
Fax No. 711-5925

Blue Ridge
222 Katipunan Ave.
Blue Ridge, Quezon City
Tel No. 647-1018 to 19
647-1022
Fax No. 439-5212

Boni Serrano
45 Boni Serrano Ave. cor.
Greenview Compound
Quezon City
Tel No. 721-4889
724-0061
Fax No. 721-4890

Brixton Hill
118 G. Araneta Ave. cor.
Palanza St.
Quezon City
Tel No. 714-1196
714-1191
Fax No. 714-1187

Commonwealth
Lenjul Bldg., Commonwealth Ave.,
Capitol Hills, Diliman, Quezon City
Tel No. 428-1861 to 62
932-6296
Fax No. 931-3281

Congressional Avenue
141 Congressional Ave.
Bahay Toro 1, Quezon City
Tel No. 925-5047 to 49
925-5051 to 52
Fax No. 925-4055

Cubao
Aurora Blvd.
Cubao, Quezon City
Tel No. 911-0434
913-6158
Fax No. 913-6165

Cubao-Araneta Cyberpark
Telus Bldg. Araneta Center
Cubao, Quezon City
Tel No. 709-3185
709-3665
709-3596
Fax No. 709-3930

Cubao-P. Tuazon
P. Tuazon St. cor. 12th Ave.
Cubao, Quezon City
Tel No. 913-3080
911-5813
Fax No. 911-5815

Culiat-Tandang Sora
Royal Midway Plaza
419 Tandang Sora Ave.
Brgy. Culiat, Quezon City
Tel No. 951-9067
951-9082
Fax No. 951-9066

D. Tuazon-Del Monte
D. Tuazon near cor.
Del Monte Ave.
Quezon City
Tel No. 416-7699
732-1378
Fax No. 411-3078

Dapitan-Banawe
Solmac Bldg.
84 Banawe St. cor. Dapitan St.
Quezon City
Tel No. 743-7509 to 12
743-4781
Fax No. 743-7516

Del Monte
295 Del Monte Ave.
Quezon City
Tel No. 364-4350
365-1519
Fax No. 364-4485

Don Antonio Heights
Lot 20, Blk.6, Holy Spirit Drive
Don Antonio Heights
Diliman, Quezon City
Tel No. 932-9934 to 36
951-9693
Fax No. 932-9934

E. Rodriguez
1661 E. Rodriguez Sr. Blvd.
Quezon City
Tel No. 727-1697
448-7372
Fax No. 727-1690

E. Rodriguez-Cordillera
E. Rodriguez Sr. Blvd. cor.
Cordillera St.
Doña Aurora Dist. 4
Quezon City
Tel No. 743-8038
743-8132
Fax No. 413-5695

Eastwood City
Techno Plaza One Bldg.
118 E. Rodriguez Ave.
Brgy. Bagumbayan
Quezon City
Tel No. 421-2954 to 55
Fax No. 421-2956

Edsa-Congressional
Global Trade Ctr. Bldg.
1024 Edsa, Quezon City
Tel No. 924-3962
920-4871
Fax No. 926-9276

Edsa-Muñoz Market
Lemon Square Bldg.
1199 Edsa
Brgy. Katipunan, Quezon City
Tel No. 371-5935 to 36
371-5954
Fax No. 371-5940

Examiner-Quezon Ave.
Ave Maria Bldg.
1517 Quezon Ave.
Quezon City
Tel No. 371-1634
373-7340
Fax No. 371-1633

Fairview
Commonwealth Ave. cor.
Winston St.
Quezon City
Tel No. 431-8820 to 21
938-0394
Fax No. 938-0393

Farmers Plaza
Farmers Plaza, Araneta Center
Quezon City
Tel No. 912-7216 to 19
Fax No. 911-3991

G. Araneta-Quezon Ave.
Ramirez & Co. Bldg.
G. Araneta St. cor.
Quezon Ave.
Quezon City
Tel No. 712-8338
743-0163
Fax No. 741-8988

Gen. Luis-Novaliches
St. Claire Bldg.
Gen. Luis St.
Novaliches, Quezon City
Tel No. 935-0693 to 96
Fax No. 417-7300

Kalaw Hill
Commonwealth Ave.
cor. Kalaw Hill Subd.
Culiat, Quezon City
Tel No. 932-0630 to 32
932-3196
Fax No. 932-0633

Kalayaan Avenue
Odelco Bldg.
128 Kalayaan Ave.
Diliman, Quezon City
Tel No. 924-4130
924-4565
Fax No. 924-4001

Kamias
Kamias Road cor. K-H St.
Diliman, Quezon City
Tel No. 921-8554
925-4180
Fax No. 925-4140

Kamuning
Kamuning Road
Quezon City
Tel No. 920-7813 to 14
Fax No. 924-6989

Katipunan
339 Katipunan Ave.
Loyola Heights, Quezon City
Tel No. 426-6537 to 41
Fax No. 928-2408

Lagro
Lester Bldg.
Km 21 Quirino Highway
Lagro, Novaliches
Quezon City
Tel No. 930-1339 to 43
Fax No. 930-0310

Mayon-Sta. Teresita
177 Mayon St.
Brgy. Sta. Teresita
Quezon City
Tel No. 741-7280
Fax No. 741-7285

Mindanao Avenue
Unit 1-3 Ground Floor Puregold
Mindanao Ave.
Quezon City
Tel No. 925-6437 to 39
Fax No. 925-6441

Mother Ignacia-Timog
23 Carlos P. Garcia Ave.
Quezon City
Tel No. 372-4471 to 72
374-3216
Fax No. 372-3046

New Manila
676 Aurora Blvd.
New Manila, Q.C.
Tel No. 725-6790 to 91
413-1628 to 29
Fax No. 724-1959

North Edsa
Waltermart-North Edsa
near Roosevelt, Quezon City
Tel No. 332-1058 to 59
Fax No. 332-1061

Novaliches
Quirino Highway Gulod
Novaliches, Quezon City
Tel No. 936-1689
930-6185
Fax No. 937-4261

Ortigas Robinson's Galleria
Robinson's Galleria
Edsa cor. Ortigas Ave.
Quezon City
Tel No. 632-7365 to 66
631-9635
Fax No. 632-7367

Q.C. Rotonda Center
Quezon Ave. cor.
Speaker Perez St., Quezon City
Tel No. 743-4449
732-9739
Fax No. 743-4433

Quezon Avenue
982 Quezon Ave.
Quezon City
Tel No. 371-1849
371-7775
Fax No. 371-3691

Retiro-Cordillera
479 Retiro St. cor.
Cordillera St.
Quezon City
Tel No. 740-8885 to 86
515-2542
Fax No. 740-9010

Retiro-Mayon
NS Amoranto Ave. cor.
Mayon St.
La Loma, Quezon City
Tel No. 731-2054
740-1708
Fax No. 740-9196

Roces Avenue
49 A. Roces Ave. cor.
Scout Reyes
Quezon City
Tel No. 373-9318
373-2539
Fax No. 373-9317

Roosevelt
285 Roosevelt Ave.
San Antonio 1, Quezon City
Tel No. 371-5191 to 92
411-2050 to 51
Fax No. 371-5193

Sikatuna Village-Anonas
Anonas Road cor. K-7th St.
Project 2, Quezon City
Tel No. 929-7952
929-7829
Fax No. 929-7825

Sta. Mesa
73 Aurora Blvd. cor.
G. Araneta
Brgy. Santol Dist. 4
Quezon City
Tel No. 716-5227
716-5218
Fax No. 716-1564

Sta. Monica-Novaliches
1035 Quirino Highway
Sta. Monica, Novaliches
Quezon City
Tel No. 939-5934
936-4235
Fax No. 930-0940

Susano Road-Novaliches
29 Susano St.
Novaliches, Quezon City
Tel No. 930-3523
936-1063
Fax No. 938-2208

Talipapa-Novaliches
526 Quirino Highway
Talipapa, Novaliches
Quezon City
Tel No. 930-6051 to 52
938-8661
Fax No. 984-0016

Tandang Sora
185 Tandang Sora Ave.
Quezon City
Tel No. 936-9933
938-8581
Fax No. 456-3617

The Capital Towers
222 E. Rodriguez Sr. Blvd.
Brgy. Kalusugan, Quezon City
Tel No. 721-4197
721-5068
Fax No. 721-3930

Timog
Timog Ave. cor.
Scout Torillo St.
Quezon City
Tel No. 924-7518 to 19
926-6223
Fax No. 921-3344

Tomas Morato
Tomas Morato Ave. cor.
Scout Gandia St.
Quezon City
Tel No. 372-0364
372-0333
Fax No. 372-0367

Trinoma
Landmark Dept. Store, Trinoma
Ayala Triangle, Quezon City
Tel No. 901-5837 to 38
387-7325
Fax No. 901-5836

V. Luna-East Avenue
Lyman Comm'l Bldg.
East Ave. cor. V. Luna Road
Quezon City
Tel No. 436-4171
924-6930
Fax No. 436-4172

Valencia Hills
Valencia St. cor.
N. Domingo St.
Quezon City
Tel No. 723-8963
723-8935
Fax No. 724-0934

Vasra-Visayas Ave.
Visayas Ave., Brgy. Vasra
Proj. 6, Quezon City
Tel No. 925-3581 to 83
Fax No. 925-3585

Visayas Avenue
Visayas Ave. cor.
Congressional Ave.
Quezon City
Tel No. 926-1797
381-5054
Fax No. 920-9672

West Avenue
98 West Ave.
Quezon City
Tel No. 929-7548
928-6402
Fax No. 929-6424

West Triangle
1387 Quezon Ave.
Quezon City
Tel No. 373-3550
373-3251
Fax No. 373-3539

Xavierville
Xavierville Ave. cor. B. Gonzales St.
Loyola Heights, Quezon City
Tel No. 928-3332
Fax No. 929-4033

Zabarte Road-Novaliches
C.I. Plaza
Old Zabarte Road cor.
Quirino Highway
Novaliches, Quezon City
Tel No. 935-4872
938-2040
Fax No. 938-2045

SAN JUAN

Addition Hills
204 Wilson St.
San Juan
Tel No. 725-8514
Fax No. 727-4783
723-2756

Annapolis-Greenhills
14 Annapolis St. cor. La Salle St.
North Greenhills, San Juan
Tel No. 722-1946
722-6039
Fax No. 721-0631

Greenhills-Eisenhower
Goldland Plaza Condominium
8 Eisenhower St., San Juan
Tel No. 721-3645
722-4547
Fax No. 721-3570

Greenhills-McKinley Arcade
McKinley Arcade
Greenhills, San Juan
Tel No. 386-5375
386-3035

Greenhills-Wilson Center
Ortigas Ave. cor. Wilson St.
Greenhills, San Juan
Tel No. 976-2860 to 62
Fax No. 721-4359

Greenhills North
City Center Bldg.
Ortigas Ave., San Juan
Tel No. 722-4568
724-3107
Fax No. 721-2776

N. Domingo-San Juan
128-132 N. Domingo St.
San Juan
Tel No. 724-0504
727-4790
Fax No. 724-0310

Ortigas-Xavier
Ortigas Ave. cor.
Xavier St., San Juan
Tel No. 724-1981 to 82
724-1985
Fax No. 725-2281

TAGUIG

Bonifacio-Global City
32nd Ave. cor. 5th St.
Fort Bonifacio Global City, Taguig
Tel No. 844-5269
Fax No. 843-9133
844-5290

Fort-McKinley
1820 Bldg.
Upper McKinley Road
McKinley Hill
Fort Bonifacio Global City, Taguig
Tel No. 659-2773
798-0683
Fax No. 659-4869

Fort-South of Market
Twin Tower Bldg.
11th Ave. cor. 26th St.
South Market
Fort Bonifacio Global City, Taguig
Tel No. 836-2820 to 22
Fax No. 836-2823

FTI Complex-Taguig
FTI Complex
Taguig
Tel No. 821-4872
824-9127
Fax No. 824-4314

The Fort-Marajo Tower
Marajo Tower
4th Ave. cor. 26th St.
Fort Bonifacio Global City, Taguig
Tel No. 856-7508
856-7513

VALENZUELA

Bagbaguin-Valenzuela
Gen. Luis St. cor. G. Molina St.
Bagbaguin, Valenzuela City
Tel No. 983-8547 to 48
Fax No. 443-5904
983-7857

Karuhatan-Valenzuela
235-I McArthur Highway
Karuhatan, Valenzuela City
Tel No. 293-1392 to 93
291-7962
Fax No. 293-1394

McArthur Hiway-Malinta
Pure Gold, McArthur Highway
Malinta, Valenzuela City
Tel No. 293-1898
293-2014
Fax No. 292-7520

Malanday-Valenzuela
Km 16 McArthur Highway
Malanday, Valenzuela City
Tel No. 292-8904
294-1612
Fax No. 292-3838

Marulas-Valenzuela
Km. 12 McArthur Highway
Marulas, Valenzuela City
Tel No. 293-1456 to 58
293-4617 to 18
Fax No. 293-4633

Paso De Blas-Maysan
179 Paso de Blas
Valenzuela City
Tel No. 292-8591
277-2798
Fax No. 292-8797

LUZON

Agoo-La Union
Sta. Barbara National Highway
Agoo, La Union
Tel No. (072) 710-0369
Fax No. 521-2058

Alaminos, Pangasinan
Quezon Ave., Poblacion
Alaminos, Pangasinan
Tel No. (075) 654-1096
Fax No. 551-4791

Aguinaldo-Imus
Aguinaldo Highway
Brgy. Tanzang Luma
Imus, Cavite
Tel No. (046) 471-5374
Fax No. 471-5319

Angeles-Balibago
McArthur Highway, Balibago
Angeles City, Pampanga
Tel No. (045) 892-6883
322-8870
Fax No. 625-5766

Angeles-Main
Henson St.
Angeles City, Pampanga
Tel No. (045) 887-1858
888-9499
Fax No. 888-9500

Angeles-Mac Arthur Hi-way
Lot 6, Block 1 Mac Arthur Highway
Salapungan, Angeles City
Pampanga
Tel No. (045) 624-1181
Fax No. 642-1177

Angeles-Sto. Domingo
901 Sto. Rosario St.
Sto. Domingo, Angeles City
Pampanga
Tel No. (045) 624-1192
624-1196

Angeles-Sto. Rosario
464 Sto. Rosario St.
Angeles City, Pampanga
Tel No. (045) 322-8220
323-4451
Fax No. 888-9740

Angono
M. L. Quezon Ave.
Brgy. San Isidro
Angono, Rizal
Tel No. (02) 651-2928 to 29
Fax No. 651-2922

Apalit
McArthur Highway
San Vicente
Apalit, Pampanga
Tel No. (045) 652-0231
302-6776
Fax No. 879-0225

Aparri
Rizal St.
Aparri, Cagayan
Tel No. (078) 888-2018 to 19
Fax No. 888-0234

Bacao-CEPZ
Bacao Diversion Road
Gen. Trias, Cavite
Tel No. (046) 437-6409 to 10
884-1132
Fax No. 884-1135

Bacoor-Cavite
206 Gen. Aguinaldo Highway
Bacoor, Cavite
Tel No. (046) 417-0559
417-0659
Fax No. 502-4698

Baguio-Bonifacio
Bonifacio St.
Baguio City
Tel No. (074) 442-9535
304-1031
Fax No. 442-9995

Baguio-Burnham
Burnham Suites
Condominium Bldg.
Kisad Road
Legarda, Baguio City
Tel No. (074) 444-9276
304-1556
Fax No. 444-9275

Baguio-Lukban
FZ Bldg., 532 Magsaysay Ave.
Baguio City
Tel No. (074) 442-2288
444-2688
Fax No. 300-2388

Baguio-Magsaysay
Magsaysay Ave. cor.
Gen. Luna Road
Baguio City
Tel No. (074) 442-3129
442-5932
Fax No. 442-3767

Baguio-Session
Porta Vaga Bldg.
Upper Session Road
Baguio City
Tel No. (074) 445-0829
304-4014
Fax No. 445-0615

Balagtas-Bulacan
McArthur Highway
Brgy. Wawa, Balagtas, Bulacan
Tel No. (044) 693-2057
693-3641
Fax No. 693-3608

Balanga-Don M. Banzon Avenue
Don Manuel Banzon Ave.
Balanga, Bataan
Tel No. (047) 791-2207
237-9902
Fax No. 237-9901

Balanga-Main
Paterno St. cor. Hugo St.
Balanga, Bataan
Tel No. (047) 237-2090
237-1992
Fax No. 791-4011

Balayan-Batangas
Antorcha St. cor.
Emma Sison St.
Balayan, Batangas
Tel No. (043) 211-5325
407-0712
Fax No. 211-5326

Baliuag-JP Rizal
J.P. Rizal St., San Jose
Baliuag, Bulacan
Tel No. (044) 766-2294
766-1003
Fax No. 766-2296

Baliuag-Trinidad Highway
Doña Remedios Trinidad Highway,
Baliuag, Bulacan
Tel No. (044) 766-5188 to 89
Fax No. 673-0197

Bangued, Abra
McKinley St. cor. Taft St.
Bangued, Abra
Tel No. (074) 752-5457
862-0878
Fax No. 752-5458

Batac, Ilocos Norte
Washington St., Brgy. Ablan
Batac, Ilocos Norte
Tel No. (077) 792-2112
617-1345
Fax No. 792-2113

Batangas-Bauan
National Highway, Poblacion I
Bauan, Batangas
Tel No. (043) 727-3967 to 68
(02) 844-3600
Fax No. (043) 980-6178

Batangas-Calicanto
P. Burgos St. Ext. Brgy. Calicanto,
Batangas City
Tel No. (043) 722-0002
300-0473

Batangas-Kumintang Ilaya
National Highway
Kumintang Ilaya
Batangas City
Tel No. (02) 844-3625
(043) 980-1090
Fax No. (043) 723-5801

Batangas-Main
J.P. Rizal St. cor. P. Burgos St.
Batangas City
Tel No. (043) 980-1020
723-1794
Fax No. 723-1903

Batangas V. Luna
V. Luna St.
Batangas City
Tel No. (043) 980-2878
Fax No. 723-9453

Biñan
A. Bonifacio St., Canlalay
Biñan, Laguna
Tel No. (049) 511-6185
(02) 994-3936
Fax No. (049) 411-2964

Binangonan
National Road
Binangonan, Rizal
Tel No. (02) 652-0887
652-1925
Fax No. 652-0888

Bocaue-Bulacan
23 McArthur Highway
Brgy. Wakas
Bocaue, Bulacan
Tel No. (044) 692-1813
920-0283
Fax No. 692-1811

Cabanatuan-Main
Burgos Ave. cor.
Sanciangco St.
Cabanatuan City
Tel No. (044) 463-1337
463-1339
Fax No. 463-1338

Cabanatuan-Maharlika North
Maharlika Highway,
Bitas, Cabanatuan City
Tel No. (044) 463-1867
463-7861
Fax No. 463-3185

Cabanatuan-Maharlika South
Maharlika Highway,
Cabanatuan City
Tel No. (044) 463-7461 to 62
Fax No. 463-7369

Cabuyao-Laguna
Nat'l. Highway cor.
F. Bailon St.,
Sala, Cabuyao, Laguna
Tel No. (02) 781-3002
(049) 531-4678
Fax No. (049) 531-4679

Cainta
Felix Ave.
Cainta, Rizal
Tel No. (02) 656-4173
655-2901
Fax No. 656-9569

Calamba-Carmelray
Aries 1400 Bldg.
Carmelray Industrial Park (CIP) II,
National Highway
Barangay Tulo
Calamba, Laguna
Tel No. (049) 502-5788
502-5848
Fax No. 502-5789

Calamba-Crossing
J.P. Rizal St.
Calamba, Laguna
Tel No. (049) 545-1917
(02) 888-6407
Fax No. (049) 545-2269

Calamba-Market
Pabalan St., Calamba Market Site,
Calamba, Laguna
Tel No. (049) 545-1807 to 08
(02) 844-2967
Fax No. (049) 545-1809

Calamba-Parian
728 South Nat'l. Highway
Brgy. Parian, Calamba,Laguna
Tel No. (049) 545-7152
(02) 889-3366
Fax No. (049) 545-7153

Calamba-Real
PJM Bldg., National Highway
Brgy. Real, Calamba, Laguna
Tel No. (049) 545-7092
(02) 889-3363
Fax No. (049) 545-7093

Calapan
J.P. Rizal St., Calapan
Oriental Mindoro
Tel No. (043) 288-1929
288-4634
Fax No. 441-2109

Calasiao, Pangasinan
MacArthur Highway
San Miguel
Calasiao, Pangasinan
Tel No. (075) 522-5544
517-6833
Fax No. 523-4455

Camiling, Tarlac
Quezon Ave.
Camiling, Tarlac
Tel No. (045) 934-0206
Fax No. 934-0203

Candon
National Highway cor.
Calle Gray
Candon, Ilocos Sur
Tel No. (077) 644-0085
742-6519
Fax No. 742-6511

Canlubang-Carmelray
Carmelray Industrial Park I
Canlubang, Laguna
Tel No. (049) 549-0492 to 93
(02) 889-6948
Fax No. (049) 549-0484

Caridad-Cavite
P. Burgos Ave.
Caridad, Cavite City
Tel No. (046) 431-2318
431-1898
Fax No. 431-3179

Carmen Rosales, Pangasinan
McArthur Highway
Carmen West Rosales, Pangasinan
Tel No. (075) 582-3226
Fax No. 582-3227

Carmona-Biñan Highway
National Highway, Brgy. Maduya
Carmona, Cavite
Tel No. (046) 506-3157
430-1572
Fax No. 889-4286

Carmona-Cavite
Grandville Industrial Complex
Bangkal, Carmona, Cavite
Tel No. (046) 430-1931
430-1920
Fax No. 430-1932

Cauayan
Roxas St. cor. Reyes St.
Cauayan, Isabela
Tel No. (078) 652-2286
652-1897
Fax No. 652-2001

Cauayan-Maharlika
Highway Renew Lumber Bldg.
Maharlika Highway
Cauayan City
Tel No. (078) 652-3963 to 64

Cavite Economic Zone
Lot A, Cavite Economic Zone
Rosario, Cavite
Tel No. (046) 437-0678
Fax No. 437-0547

Circumferential Road-Antipolo
Circumferential Road
Antipolo City
Tel No. (02) 696-4305
696-4307
Fax No. 696-4306

Clark
7160-A Four Seasons Market Deli,
Claro M. Recto
Clarkfield, Pampanga
Tel No. (045) 599-3499
599-3501
Fax No. 599-3599

Concepcion, Tarlac
Consumer Bldg., L. Cortez St.
Poblacion, Concepcion, Tarlac
Tel No. (045) 923-0097
Fax No. 923-0125

Daet
Vinzons Avenue, Daet
Camarines Norte
Tel No. (054) 571-2385
440-3185
Fax No. 721-1676

Dagupan-Fernandez Avenue
A.B. Fernandez Ave.
Dagupan City
Tel No. (075) 522-8288
515-3729
Fax No. 522-5638

Dagupan-Main
A. B. Fernandez Ave.
Dagupan City
Tel No. (075) 522-5565
522-0172
Fax No. 522-5566

Dagupan-Perez
Perez Blvd.
Dagupan City
Tel No. (075) 523-1288
523-1299
Fax No. 515-5285

Daraga, Albay
Rizal St.
Daraga, Albay
Tel No. (052) 483-0001
483-5355
Fax No. 483-3439

Dasmariñas-Cavite
Aguinaldo Highway
Dasmariñas, Cavite
Tel No. (046) 416-1830
416-1828
Fax No. 416-1827

Dau
McArthur Highway, Dau
Mabalacat, Pampanga
Tel No. (045) 892-6522
331-2152
Fax No. 892-6525

Dinalupihan, Bataan
No. 3 San Ramon Highway
Dinalupihan, Bataan
Tel No. (047) 481-2558 to 59
Fax No. 481-2560

FPIP- Sto.Tomas, Batangas
First Philippine Industrial Park
Sto. Tomas, Batangas
Tel No. (043) 405-5421
Fax No. 405-5420

Gapan
Gen. Tinio St., Sto. Niño
Gapan, Nueva Ecija
Tel No. (044) 486-0527
486-0517
Fax No. 486-0924

General Trias-Cavite
Governor's Drive, Manggahan
Gen. Trias, Cavite
Tel No. (02) 711-0239
(046) 402-0645
Fax No. (046) 402-0555

Guagua
Sto. Cristo
Guagua, Pampanga
Tel No. (045) 900-4955
900-0965
Fax No. 900-0964

Guiguinto-Bulacan
McArthur Highway
Baryo Tuktukan
Guiguinto, Bulacan
Tel No. (044) 690-0258
794-1851
Fax No. 794-1852

Gumaca
A. Bonifacio St.
Gumaca, Quezon
Tel No. (042) 421-1492
317-6465
Fax No. 317-6600

Hagonoy, Bulacan
Sto. Niño
Hagonoy, Bulacan
Tel No. (044) 793-3654
Fax No. 793-3655

Iba-Zambales
Magsaysay National Highway
Zone I, Iba, Zambales
Tel No. (047) 811-2594
811-2596
Fax No. 811-2600

Ilagan
Rizal St.
Ilagan, Isabela
Tel No. (078) 624-2201
622-2910
Fax No. 622-3605

Ilocos Norte-San Nicolas
McKinley Bldg.
National Highway
San Nicolas, Ilocos Norte
Tel No. (077) 670-6463
Fax No. 781-2567

Imus-Cavite
Nueno Ave., Tansang Luma
Imus, Cavite
Tel No. (046) 471-0183
471-0264
Fax No. 471-4084

Iriga, Camarines Sur
Poblacion
Iriga, Camarines Sur
Tel No. (054) 456-1707
655-2461
Fax No. 456-1708

Kawit-Cavite
National Road cor. Visita Road
Binakayan, Kawit, Cavite
Tel No. (046) 434-8842
434-3814
Fax No. 434-5242

La Trinidad-Benguet
JB78 Central Pico KM4
La Trinidad, Benguet
Tel No. (074) 309-3780
422-1174
Fax No. 422-2278

La Union-Main
Quezon Ave., Nat'l. Highway
San Fernando, La Union
Tel No. (072) 888-2068
700-3275
Fax No. 242-1081

La Union-ML Quezon
Kenny's Plaza Quezon Ave.
San Fernando City, La Union
Tel No. (072) 700-4740
242-4339
Fax No. 242-0470

Laguna Bel-Air Sta. Rosa
Sta. Rosa Tagaytay Nat'l. Road
cor. Rodeo Drive
Sta. Rosa, Laguna
Tel No. (049) 541-2307
541-2305
Fax No. 541-2306

Laguna-Technopark
LTI Complex Spine Road
Biñan, Laguna
Tel No. (049) 541-2234
(02) 888-6428
Fax No. (049) 541-2236

Laoag-Gen. Segundo Avenue
Brgy. 12, Gen. Segundo Ave.
Laoag City
Tel No. (077) 771-3454
770-3344
Fax No. 773-1733

Laoag-Rizal
Rizal St. cor. Guerrero St.
Brgy. 19, Sta. Marcella, Laoag City
Tel No. (077) 772-0220
771-4797
Fax No. 771-4274

Legazpi-Mabini
Rizal St. cor. Mabini St.
Legaspi City
Tel No. (052) 480-7130
480-7128
Fax No. 480-7129

Legazpi-Rizal
85 Rizal St., Brgy. 35
Tinago, Legaspi City, Albay
Tel No. (052) 480-6431
480-6433
Fax No. 480-6432

Lemery-Batangas
Independencia St. cor. Ilustre St.
Lemery, Batangas
Tel No. (043) 409-0838
214-2618
Fax No. 411-1516

Lingayen, Pangasinan
7 Avenida Rizal West
Lingayen, Pangasinan
Tel No. (075) 542-0303
542-8002
Fax No. 662-1988

Lipa-Ayala
Pres. J. P. Laurel Highway,
Lipa City
Tel No. (043) 981-2658
312-4126
Fax No. 756-2100

Lipa-B. Morada
B. Moranda Ave.
Lipa City
Tel No. (043) 981-0360
312-4124
Fax No. 756-0866

Los Baños
Olivarez Plaza, National Highway
Los Baños, Laguna
Tel No. (049) 536-0034
Fax No. 536-0142

Lucena-Main
Enriquez St. cor.
Magallanes St.
Lucena City
Tel No. (042) 373-6172
(02) 741-8025
Fax No. (042) 373-5055

Lucena-Quezon
Enriquez St. cor.
San Fernando St.
Lucena City
Tel No. (042) 373-4663 to 64
Fax No. 373-4665

Lucena-Red V
National Highway
Red-V, Lucena City
Tel No. (042) 710-4401
710-2693
Fax No. 710-3336

Macaria Business Center-Carmona
Blk 2 Lot 4, Macaria
Business Center
Governor's Drive, Carmona, Cavite
Tel No. (046) 430-2751
(02) 886-6626
Fax No. (046) 430-2752

Malolos-Bulacan
Paseo del Kongreso Catmon
Malolos, Bulacan
Tel No. (044) 791-5010
(02) 584-4018
Fax No. (044) 791-0985

Marilao-Bulacan
McArthur Highway
Abangan Norte
Marilao, Bulacan
Tel No. (044) 711-2487
711-1510
Fax No. 760-0472

Masbate
Zurbito St.
Masbate City
Tel No. (056) 333-4542
333-4537
Fax No. 333-4545

Mayamot-Cogeo
Cherry Foodarama
Marcos Highway
Brgy. Mayamot, Antipolo City
Tel No. (02) 647-8025 to 26
647-8023
Fax No. 647-8024

Meycauayan-Malhacan
Along National Road
Malhacan, Meycauayan City
Tel No. (044) 935-4846
Fax No. 935-4860

Meycauayan-McArthur Highway
McArthur Highway, Calvario
Meycauayan, Bulacan
Tel No. (044) 815-2441
840-7379
Fax No. 815-2442

Molino-Bacoor Cavite
Molino II, Molino Road
Bacoor, Cavite
Tel No. (046) 477-1851 to 53
Fax No. 529-8890

Naga-Gen. Luna
Gen. Luna St.
Naga City
Tel No. (054) 473-6393
811-3876
Fax No. 473-9181

Naga-Main
Caceres St. cor. Dela Rosa St.
Naga City
Tel No. (054) 253-8167
811-1390
Fax No. 811-1287

Naga-Peñafrancia
Peñafrancia Ave. cor.
Arana St., Naga City
Tel No. (054) 473-2525
811-1618
Fax No. 473-2526

Naic-Cavite
Governor's Drive
Brgy. Ibayo Silangan
Naic, Cavite
Tel No. (046) 412-1140 to 41
Fax No. 412-1153

Nasugbu, Batangas
J.P. Laurel St.
Nasugbu, Batangas
Tel No. (043) 216-2598
412-0071
Fax No. 931-3484

Occidental Mindoro
C. Liboro St. cor. Rajah Soliman St.
San Jose, Occidental Mindoro
Tel No. (043) 491-1352
Fax No. 491-1439

Ortigas Ave. Ext.-Cainta
Km. 23, Ortigas Extension
Cainta, Rizal
Tel No. (02) 656-0797
656-1660
Fax No. 656-0799

Olongapo-Main
1967 Rizal Ave.
West Bajac-Bajac, Olongapo
Tel No. (047) 224-5877
222-2971
Fax No. 222-2693

Olongapo-Gordon Avenue
Gordon Avenue
Olongapo City
Tel No. (047) 611-0638
304-5065
Fax No. 611-0637

Palawan
Rizal Ave.
Puerto Princesa City
Palawan
Tel No. (048) 433-2779
433-9914
Fax No. 433-2238

Paniqui-Tarlac
M.H. del Pilar St.
Paniqui, Tarlac
Tel No. (045) 931-0006
Fax No. 931-0820

Paseo de Sta. Rosa
Paseo de Sta. Rosa,
Tagaytay Road
Sta. Rosa, Laguna
Tel No. (049) 541-2665 to 66
(02) 889-3885
Fax No. (049) 541-2662

Plaridel-Bulacan
Gov. Padilla Road Banga
Plaridel, Bulacan
Tel No. (044) 795-1422
670-1131
Fax No. 795-1423

Rosario-Batangas
Gualberto Ave., Poblacion
Rosario, Batangas
Tel No. (043) 321-2504
Fax No. 321-2506

Rosario-Cavite
Gen. Trias Drive
Rosario, Cavite
Tel No. (046) 438-3629 to 30
Fax No. 438-1109

Roxas, Isabela
No. 34 National Rd. cor.
Gen. A. Luna St.
Bantug Roxas, Isabela
Tel No. (078) 642-7113
Fax No. 642-7112

San Carlos, Pangasinan
Mabini St.
San Carlos City, Pangasinan
Tel No. (075) 532-5018
532-5008
Fax No. 634-1235

San Fernando-Main
V. Tiomico St.
San Fernando, Pampanga
Tel No. (045) 961-2856
961-4221
Fax No. 961-4225

San Fernando-B.Mendoza
B. Mendoza St.
San Fernando, Pampanga
Tel No. (045) 860-1294
963-5360
Fax No. 963-5361

San Fernando-Dolores
McArthur Highway, Dolores
San Fernando, Pampanga
Tel No. (045) 860-2359
963-5359
Fax No 963-3174

San Fernando-Olongapo Highway
Olongapo Highway
San Fernando, Pampanga
Tel No. (045) 961-7429
961-7655
Fax No. 961-7519

San Fernando-Sindalan
McArthur Highway, Sindalan
San Fernando, Pampanga
Tel No. (045) 636-4093 to 94
Fax No. 860-1025

San Fernando-McArthur Hi-way
Medical Arts Bldg.
Mother Theresa of Calcutta
Medical Center
McArthur Highway
Brgy. Maimpis, San Fernando City
Pampanga
Tel No. (045) 455-3676
455-3679

San Jose, Nueva Ecija
Maharlika Highway cor.
Market Road
San Jose City, Nueva Ecija
Tel No. (044) 947-1450 to 51
511-2061
Fax No. 511-1507

San Mateo
121 Gen. Luna St.
Guitnangbayan 1
San Mateo, Rizal
Tel No. (02) 570-1576
297-4730
Fax No. 297-4720

San Miguel, Bulacan
Norberto St., San Jose
San Miguel, Bulacan
Tel No. (044) 764-0948
764-0998
Fax No. 764-0958

San Pablo-Colago
Colago Ave.
San Pablo City
Tel No. (049) 561-1359
(02) 889-4195
Fax No. (049) 561-1360

San Pablo-Maharlika
Maharlika Highway
San Pablo City
Tel No. (049) 562-0080
(02) 889-3400
Fax No. (049) 562-3847

San Pablo-Main
Regidor St. cor. Paulino St.
San Pablo City
Tel No. (049) 562-4570
562-3939
Fax No. (02) 844-5801

San Pedro-Laguna
365 Purok 5 Nueva
San Pedro, Laguna
Tel No. (02) 808-4931
847-6029 to 30
Fax No. 808-5026

Santiago City Road
Edna's Bldg., Bonifacio Ave.
Santiago City
Tel No. (078) 682-7353
682-7705
Fax No. 682-6036

Santiago-Main
Daang Maharlika St. cor.
Camacam St.
Santiago City
Tel No. (078) 682-7418
682-4833
Fax No. 682-8221

Silang-Cavite
139 J. Rizal St. Brgy. I
Silang, Cavite
Tel No. (046) 414-2041 to 43
Fax No. 414-0405

Solano
National Highway cor. Mabini St.
Solano, Nueva Vizcaya
Tel No. (078) 326-5527
326-5033
Fax No. 326-6840

Sorsogon
Magsaysay St. near
Sorsogon Shopping Center
Sorsogon, Sorsogon
Tel No. (056) 211-1833
Fax No. 421-5099

Sta. Cruz-Laguna
P. Burgos St.,
Sta. Cruz, Laguna
Tel No. (049) 501-1324
(02) 844-3553
Fax No. (049) 501-1325

Sta. Maria-Bagbaguin
Along F. Halili Ave. Bagbaguin
Sta. Maria, Bulacan
Tel No. (044) 815-6676
641-2749
Fax No. 815-6874

Sta. Maria-Bulacan
Corazon de Jesus St. Poblacion,
Sta. Maria, Bulacan
Tel No. (044) 641-1687
641-2823
Fax No. 641-2973

Sta. Rosa-Balibago
Old Nat'l. Highway, Balibago
Sta. Rosa, Laguna
Tel No. (049) 838-0942
(02) 889-3889
Fax No. (049) 534-1310

Subic-Baraca
National Highway
Barangay Baraca
Camachili, Subic, Zambales
Tel No. (047) 232-3379
Fax No. 232-3381

Subic Bay
Bldg. 640 Sampson Road
Subic Bay Freeport Zone
Olongapo City
Tel No. (047) 252-2655
252-3356
Fax No. 252-6278

Sumulong
Kingsville Arcade
Marcos Highway
Mayamot, Antipolo City
Tel No. (02) 646-0883
646-0003
Fax No. 645-7528

Tabaco
Gen Luna St. cor.
Llorente St., Tabaco, Albay
Tel No. (052) 830-2129
487-5332
Fax No. 487-5310

Tagaytay
Foggy Heights Subdiv.
San Jose
Tagaytay City, Cavite
Tel No. (046) 860-1260
413-1053
Fax No. 413-1404

Tanauan
J.P. Laurel Highway
Tanauan, Batangas
Tel No. (043) 778-0468
(02) 844-3567
Fax No. (043) 778-0702

Tanza-Cavite
A. Soriano Highway
Daang Amaya
Tanza, Cavite
Tel No. (046) 437-6977 to 78
Fax No. 437-8519

Tarlac-F. Tañedo
F. Tañedo St., Poblacion
Tarlac City, Tarlac
Tel No. (045) 982-2933
982-2998
Fax No. 982-2932

Tarlac-McArthur Highway
McArthur Highway
Tarlac City, Tarlac
Tel No. (045) 982-7045
982-1734
Fax No. 982-7044

Tarlac-Main
McArthur Highway
San Roque, Tarlac City
Tel No. (045) 982-0732 to 33
982-0134
Fax No. 982-0057

Taytay
East Road Ave.
Near New Taytay Public Market
Taytay, Rizal
Tel No. (02) 660-5801
660-5718
Fax No. 658-3060

Tayug, Pangasinan
Bonifacio St., Poblacion
Tayug, Pangasinan
Tel No. (075) 572-2635
Fax No. 572-2636

Trece Martires-Cavite
Governor's Drive
Brgy. San Agustin
Trece Martires City, Cavite
Tel No. (046) 419-2214 to 15
419-2217
Fax No. 419-2213

Tuguegarao-Balzain
Balzain Road
Tuguegarao, Cagayan
Tel No. (078) 844-7653
Fax No. 844-7652

Tuguegarao-Main
Luna St. cor. Blumentritt St.
Tuguegarao, Cagayan
Tel No. (078) 844-1955 to 56
844-1461
Fax No. 844-8558

Tungkong Mangga-Bulacan
Pecsonville Subdivision
27 Quirino Highway
San Jose Del Monte, Bulacan
Tel No. (044) 691-3749
(02) 386-8743
Fax No. (044) 691-3750

Urdaneta-Nancayasan
Home Ideas Superstore
Nancayasan, Urdaneta City
Tel No. (075) 656-0071
568-2914

Urdaneta-Main
Alexander St.
Urdaneta, Pangasinan
Tel No. (075) 568-2912 to 13
Fax No. 624-2817

Vigan
30 M.L. Quezon Ave.
Vigan, Ilocos Sur
Tel No. (077) 722-2583
722-2260
Fax No. 722-2323

Vigan-Market
Nieves Commercial Ctr.
Alcantara St., Vigan City
Tel No. (077) 722-5941
Fax No. 632-1161

Zapote-Bacoor
178 Aguinaldo Highway
Zapote Bacoor, Cavite
Tel No. (046) 417-9258
417-9259

VISAYAS

Antique
T.A. Fornier St.
San Jose, Antique
Tel No. (036) 540-9944
540-8660
Fax No. 540-8661

Bacolod-Araneta
Araneta St.
Bacolod City
Tel No. (034) 707-0107
437-8547
Fax No. 434-0582

Bacolod-Capitol
Capitol Shopping Ctr.
Hilado St. cor. Yakal St.
Bacolod City
Tel No. (034) 709-9058
434-2365 to 66
Fax No. 433-4837

Bacolod-Eastside
Villa Angela Arcade Annex,
Circumferential Road
Bacolod City
Tel No. (034) 433-5993 to 94
433-2032
Fax No. 433-0813

Bacolod-Gatuslao
175-177 Gov. Gatuslao St.
Bacolod City
Tel No. (034) 434-1284
434-1295
Fax No. 434-1285

Bacolod-Gonzaga
MGL Bldg., Gonzaga St.
Bacolod City
Tel No. (034) 434-2481 to 83
Fax No. 435-0822

Bacolod-Lacson
Lacson St.
Bacolod City
Tel No. (034) 435-1449 to 50
435-1460
Fax No. 435-1691

Bacolod-Libertad
San Lorenzo Ruiz Bldg.
Lopez Jaena St.
Bacolod City
Tel No. (034) 433-9640 to 42
Fax No. 433-5209

Bacolod North Drive
B.S. Aquino Drive
Bacolod City
Tel No. (034) 709-0465
432-0082
Fax No. 432-0081

Bacolod-Singcang
UTC Bldg.
Araneta St. cor. Alunan St.
Bacolod City
Tel No. (034) 434-5735
434-5737
Fax No. 434-5734

Baybay
Magsaysay Ave. cor.
Tres Martires St.
Baybay, Leyte
Tel No. (053) 335-2472 to 73
Fax No. 523-9332

Boracay
Brgy. Balabag, Boracay
Malay, Aklan
Tel No. (036) 288-4868
288-5868
Fax No. 506-3068

Borongan-Samar
Gregorio Abogado St.
Borongan, Eastern Samar
Tel No. (055) 261-2927
Fax No. 560-9092

Calbayog
City Fair Bldg.
Pajarito St. cor. Rosales Blvd.
Calbayog City, Western Samar
Tel No. (055) 209-1951 to 52
Fax No. 533-9008

Catarman
Bonifacio St. cor.
P. Garcia St., Brgy. Mabolo
Catarman, Northern Samar
Tel No. (055) 251-8458
500-9010
Fax No. 500-9155

Catbalogan
Del Rosario St.
Lot 116 Rizal Ave.
Calayaan St.
Catbalogan, Samar
Tel No. (055) 251-2081
543-8398
Fax No. 251-2080

Cebu-AS Fortuna
A. S. Fortuna St.
Mandaue City, Cebu
Tel No. (032) 343-7187
343-7172
346-1051
Fax No. 412-8858

Cebu-Banilad
Metrobank Bldg.
Gov. Cuenco Ave.
Banilad, Cebu City
Tel No. (032) 346-5519
416-1766
416-1769
Fax No. 346-5520

Cebu-Bogo
P. Rodriguez St.
Bogo, Cebu
Tel No. (032) 434-9144
434-8090
Fax No. 251-2977

Cebu-Borromeo
Borromeo St. cor.
Lopez St., Cebu City
Tel No. (032) 253-4555
253-7750
253-4777
253-7565
Fax No. 254-0301

Cebu-Business Park
Mindanao Ave. cor.
Cardinal Rosales Ave.
Cebu Business Park
Cebu City
Tel No. (032) 231-5722 to 24
417-1028
Fax No. 231-5727

Cebu-Capitol
N. Escario St. cor.
M. Zosa St., Cebu City
Tel No. (032) 255-6944 to 46
Fax No. 255-6282

Cebu-Colon Center
0251 Palaez St.
Cebu City
Tel No. (032) 416-7745
256-0456
255-7115
256-0473
256-0457
255-3170
Fax No. 256-0457

Cebu-Consolacion
Cebu National Road, Cansaga
Consolacion, Cebu
Tel No. (032) 564-3913
423-9229
Fax No. 423-9223

Cebu-Downtown Center
191 Plaridel St.
Cebu City
Tel No. (032) 255-0145
253-9223
Fax No. 254-8811

Cebu-Fuente Osmeña Center
Metrobank (Cebu) Plaza
Osmeña Blvd.
Near Rotonda, Cebu City
Tel No. (032) 253-1364
253-2652
253-2658
253-2644
253-2650
253-6338
254-4662
Fax No. 253-2735

Cebu-Gorordo
117 Gorordo Ave.
Lahug, Cebu City
Tel No. (032) 231-0910
231-0712 to 13
Fax No. 414-7153

Cebu-Guadalupe
M. Velez St.
Cebu City
Tel No. (032) 253-3728
253-5202
253-5468
Fax No. 253-3448

Cebu-Lahug
Gorordo Ave. cor.
Archbishop Reyes Ave.
Lahug, Cebu City
Tel No. (032) 231-4496
412-2248
412-2698
231-4596
Fax No. 231-4507

Cebu-Lapu-Lapu
National Highway
Pusok, Lapu-Lapu City
Tel No. (032) 494-0090
340-1181 to 83
Fax No. 340-1182

Cebu-Leon Kilat
RFDC Bldg.
Sanciangco St. cor.
Leon Kilat St.
Cebu City
Tel No. (032) 254-9581
256-0395 to 97
Fax No. 256-0397

Cebu-Mabolo
1956 M. J. Cuenco Ave.
Mabolo, Cebu City
Tel No. (032) 231-2391 to 92
231-7596
235-5304
Fax No. 231-7595

Cebu-Mactan MEPZ
Mactan Economic Zone 1
Lapu-Lapu City
Tel No. (032) 341-3011
341-3014
Fax No. 341-3013

Cebu-Magallanes
Magallanes St.
Brgy. Ermita, Cebu City
Tel No. (032) 416-9855
418-4458
254-1349
Fax No. 254-9068

Cebu-Mambaling
N. Basalco Ave.
Mambaling, Cebu City
Tel No. (032) 418-9825 to 26
261-9051 to 52
Fax No. 414-6029

Cebu-Manalili
V. Guillas cor. D. Jakosalem
Sto. Niño, Cebu City
Tel No. (032) 255-1037 to 38
255-1030
Fax No. 255-1039

Cebu-Mandaue Center
Nat'l Highway cor. Jayme St.
Mandaue, Cebu City
Tel No. (032) 346-3592 to 93
420-2216 to 17
Fax No. 420-2217

Cebu-Mango Avenue
Metrobank Bldg.
Gen. Maxilom Ave.
Cebu City
Tel No. (032) 254-2204
253-9564
Fax No. 412-6683

Cebu-MEPZ II
N.G.A Dev't. Corp. Bldg., MEPZ II
Basac, Lapu-Lapu City
Tel No. (032) 495-9885
341-5408
Fax No. 341-5409

Cebu-Minglanilla
Lower Tiber cor.
Cebu South Rd.
Minglanilla, Cebu
Tel No. (032) 490-8488
272-6617 to 18
Fax No. 272-6619

Cebu-North Reclamation Area
APM Mall, A. Soriano Ave.
Cebu Port Centre
Cebu North Reclamation Area
Cebu City
Tel No. (032) 268-3938
268-3940
Fax No. 419-1402

Cebu-North Road
Metrobank Bldg.
North Nat'l Road
Brgy. Tabok, Mandaue City
Tel No. (032) 346-6871 to 72
346-6015
Fax No. 346-2564

Cebu-Opon
G.Y. dela Serna St.
Poblacion, Lapu-Lapu City
Tel No. (032) 340-1038
340-1050
Fax No. 340-8484

Cebu-Parkmall
Cebu-Parkmall
North Reclamation Area
Mandaue City
Tel No. (032) 344-8457
Fax No. 422-8884

Cebu-Ramos
Metrobank Bldg.
F. Ramos St. cor.
Junquera Ext.
Cebu City
Tel No. (032) 254-9423
255-1047 to 48
Fax No. 412-6680

Cebu-Salinas Drive
Amon Trading Corp. Bldg.
Salinas Drive, Cebu City
Tel No. (032) 232-8411
232-7999
Fax No. 232-7979

Cebu-Subangdaku
Lopez Jaena St.
Subangdaku, Mandaue City
Tel No. (032) 344-0857
346-4310
Fax No. 346-0357

Cebu-Tabo-an
B. Aranas St.
Tabo-an, Cebu City
Tel No. (032) 261-6172 to 74
Fax No. 261-1415

Cebu-Tabunok
South National Road, Bulacao
Talisay, Cebu City
Tel No. (032) 273-1002
272-0462
Fax No. 273-1003

Cebu-Talamban
PNF, Commercial Bldg.
Talamban, Cebu City
Tel No. (032) 416-0678
346-6931
Fax No. 346-6942

Cebu-Toledo
Diosdado Macapagal Highway
Brgy. Poblacion
Toledo City, Cebu
Tel No. (032) 467-8053
467-8060 to 61

Dumaguete-Main
Dr. Vicente Locsin St.
Dumaguete City, Negros Oriental
Tel No. (035) 225-4754 to 55
422-7551 to 52
Fax No. 225-4374

Dumaguete-Real
131 Real St.
Dumaguete City
Tel No. (035) 225-4555 to 56
422-7057
Fax No. 225-4629

Iloilo-Delgado
Delgado St.
Iloilo City
Tel No. (033) 337-0594
337-5509
Fax No. 338-0114

Iloilo-Diversion Road
JSB Bldg., B.S. Aquino Ave.
Mandurriao, Iloilo City
Tel No. (033) 320-6861
320-7082
Fax No. 320-5090

Iloilo-General Luna
Gen. Luna St.
Iloilo City
Tel No. (033) 337-6390
337-0814
Fax No. 335-0269

Iloilo-Guanco
Guanco St.
Iloilo City
Tel No. (033) 335-0192
335-1246
Fax No. 335-0017

Iloilo-Iznart
Iznart St.
Iloilo City
Tel No. (033) 337-7177
335-0477
Fax No. 337-7615

Iloilo-J.M. Basa
G/F Magdalena Bldg.
J.M. Basa St.
Iloilo City
Tel No. (033) 335-0057
335-0649 to 50
Fax No. 335-1196

Iloilo-Jaro
Simon Ledesma St.
Jaro, Iloilo City
Tel No. (033) 509-0152
329-2631
Fax No. 329-2632

Iloilo-La Paz
Huervana St.
La Paz, Iloilo City
Tel No. (033) 329-6813 to 14
Fax No. 329-6812

Iloilo-Mabini
39-AD Valiant Bldg.
Mabini St. Iloilo City
Tel No. (033) 338-0630
337-8636
Fax No. 336-5500

Kalibo
Roxas Ave.
Kalibo, Aklan
Tel No. (036) 500-5006
268-4106
Fax No. 262-4852

Maasin, Southern Leyte
Tomas Oppus St.
Maasin City, Southern Leyte
Tel No. (053) 381-2579 to 80
Fax No. 570-9660

Naval-Biliran
Ballesteros St., Naval
Biliran
Tel No. (053) 500-9462
500-9482

Ormoc
Real St. cor. Lopez Jaena St.
Ormoc City, Leyte
Tel No. (053) 561-8808
255-4215
Fax No. 561-8800

Roxas
Roxas Ave.
Roxas City, Capiz
Tel No. (036) 621-0636
621-0816
Fax No. 621-2744

Roxas-Arnaldo
Gaisano Arcade, Arnaldo Blvd.
Roxas City
Tel No. (036) 522-1010
621-4555
Fax No. 621-4575

San Carlos-Negros Occidental
Carmona St.
San Carlos City, Negros Occidental
Tel No. (034) 729-9689
312-5119
Fax No. 312-5626

Silay-Negros Occidental
Rizal St., Silay City
Tel No. (034) 495-1328
495-1321
Fax No. 714-8773

Sogod-Southern Leyte
J.P. Rizal St.
Sogod, Southern Leyte
Tel No. (053) 382-3490
Fax No. 382-0088

Tacloban-Main
P. Zamora St.
Tacloban City, Leyte
Tel No. (053) 321-3147
523-7390
Fax No. 523-9092

Tacloban-P. Burgos
P. Burgos cor. Del Pilar St.
Tacloban City
Tel No. (053) 321-4212
325-2332
Fax No. 523-6135

Tacloban-Marasbaras
Marasbaras National Highway
Tacloban City
Tel No. (053) 323-5638
323-5639
Fax No. 523-1029

Tacloban-Rizal Ave.
109 Rizal Ave.
Tacloban City
Tel No. (053) 523-7080
321-2188
Fax No. 321-2627

Tagbilaran-Cogon
Junevil Bldg. Belderol St.
Cogon District, Tagbilaran City
Tel No. (038) 235-6192
411-2205
Fax No. 501-8570

Tagbilaran-Main
No. 20 C.P. Garcia Ave.
Tagbilaran City, 6300, Bohol
Tel No. (038) 501-8283
235-3097
Fax No. 411-3352

MINDANAO

Agusan del Sur
Bonifacio St.
San Francisco, Agusan Del Sur
Tel No. (085) 242-3306
242-2029
Fax No. 343-9521

Basilan
J.S. Alano St. cor.
L. Magno St.
Isabela, Basilan
Tel No. (062) 200-3624
Fax No. 200-3625

Butuan-Main
San Francisco St. cor.
P. Burgos St.
Butuan City
Tel No. (085) 341-5246
341-5212
Fax No. 341-5213

Butuan-Montilla Blvd.
Montilla St. cor. Villanueva St.
Butuan City
Tel No. (085) 342-2892
Fax No. 225-6733

Cagayan de Oro-Carmen
Carmen Market
Max Suniel St. cor. Ipil St.
Cagayan de Oro City
Tel No. (088) 858-1722
Fax No. 858-5162

Cagayan de Oro-Cogon
Osmeña St. cor. Hayes St.
Cogon, Cagayan de Oro City
Tel No. (088) 857-2057
Fax No. 857-2056

Cagayan de Oro-Main
Corales Ave.
Cagayan de Oro City
Tel No. (088) 857-2634 to 35
Fax No. 857-2633

Cagayan de Oro-Divisoria Park
G/F RN Abejuela Pabayo St.
Cagayan de Oro City
Tel No. (088) 857-6999
857-5999
Fax No. 857-7990

Cagayan de Oro-JR Borja
J.R. Borja St.
Cagayan de Oro City
Tel No. (088) 857-2999
Fax No. 857-1999

Cagayan de Oro-Lapasan
Nat'l. Highway cor.
Agora Road
Lapasan District
Misamis Oriental
Tel No. (088) 856-1720 to 21
857-8056 to 57
Fax No. 856-4343

Cagayan de Oro-Velez
A. Velez St. cor. Yacapin St.
Cagayan De Oro City
Tel No. (088) 856-1724
856-3742
Fax No. 856-2925

Cagayan de Oro-Osmeña
Osmeña St. cor. CM Recto St.
Cagayan de Oro City
Tel No. (088) 231-6624 to 25
231-6626

Cotabato-Main
Makakua St.
Cotabato City
Tel No. (064) 421-2371
421-2692
Fax No. 421-3410

Cotabato-Pendatun
Insular Life Bldg.
S.K. Pendatun Ave.
Cotabato City
Tel No. (064) 421-9825
Fax No. 421-9822

Davao-Bajada
Victoria Plaza Comm'l. Complex
Bajada, Davao City
Tel No. (082) 224-2187
221-6614 to 15
Fax No. 224-2186

Davao-Bankerohan
Quirino Ave. cor.
Pichon St., Davao City
Tel No. (082) 222-2856 to 57
221-4780 to 82
Fax No. 222-2858

Davao-Agdao
J.P. Cabaguio Ave.
Agdao, Davao City
Tel No. (082) 227-1571
221-6174 to 76
Fax No. 221-6174

Davao-Airport View
Davao Airport
View Commercial Complex
Catitipan, Davao City
Tel No. (082) 233-0331
233-0330

Davao-Buhangin
Along Kilometer 5
Buhangin Road
Davao City
Tel No. (082) 222-3752 to 53
Fax No. 222-3754

Davao-Center
Magsaysay Ave. cor.
J. dela Cruz St.
Davao City
Tel No. (082) 221-0613
226-4983
Fax No. 222-3688

Davao-D. Suazo
Sta. Ana Ave. cor.
Damaso Suazo St.
Davao City
Tel No. (082) 300-4992
221-1143
Fax No. 221-1142

Davao-Damosa
Damosa Business Center
Angliongto Ave.
Lanang, Davao City
Tel No. (082) 234-2344
Fax No. 321-0638

Davao-Doctors
Davao Doctors Medical Tower
Quirino Avenue, Davao City
Tel No. (082) 224-4347
Fax No. 224-4357

Davao-Ecoland
AMYA Bldg. 2
Quimpo Blvd. cor. Tulip Drive
Matina, Davao City
Tel No. (082) 299-3688
297-4177
Fax No. 297-4377

Davao-Matina
JJLL Building I
McArthur Highway
Matina, Davao City
Tel No. (082) 297-0865
297-0862
Fax No. 297-1030

Davao-Panabo
Poblacion, Panabo
Davao del Norte
Tel No. (084) 822-5409
628-6028 to 29
Fax No. 628-6030

Davao-Rizal
J. Rizal St. cor.
F. Inigo St., Davao City
Tel No. (082) 227-9151
221-3775
Fax No. 221-3529

Davao-Roxas
Chapter Millenium Bldg.
Manuel Roxas Ave., Davao City
Tel No. (082) 222-8953
224-1110
Fax No. 227-9334

Davao-Sta. Ana
Monteverde Ave., cor. Lizada St.
Sta. Ana District, Davao City
Tel No. (082) 221-0201 to 04
Fax No. 226-3931

Davao-Tagum
J.P. Rizal St. cor.
Abad Santos St.
Tagum, Davao del Norte
Tel No. (084) 400-1315
218-1172 to 73
Fax No. 400-1316

Davao-Toril
61 Saavedra St. cor.
D. Agton St.
Toril, Davao City
Tel No. (082) 291-0772 to 73
291-0775
Fax No. 291-0774

Digos
Estrada St. cor.
Cabrillo St., Digos
Tel No. (082) 553-2271
553-3422
Fax No. 552-3218

Dipolog-Gen. Luna
Gen. Luna St., Dipolog City
Zamboanga del Norte
Tel No. (065) 212-2227 to 28
212-5389
Fax No. 212-2703

Dipolog-P. Burgos
P. Burgos St.
Dipolog City
Tel No. (065) 212-8961
Fax No. 212-8960

General Santos-Makar
Veres Bldg., Nat'l. Highway
Makar, General Santos City
Tel No. (083) 553-6549
553-5666
Fax No. 553-5665

General Santos-National Highway
National Highway
General Santos
Tel No. (083) 554-2311
554-2313
Fax No. 301-2511

General Santos-Pioneer
Pioneer Ave.
General Santos City
Tel No. (083) 301-1179
553-4521
Fax No. 552-4303

General Santos-Santiago Boulevard
I. Santiago Blvd.
General Santos City
Tel No. (083) 553-5569
552-2708
Fax No. 552-6258

Iligan-Main
0055 Gen. Aguinaldo St.
Iligan City
Tel No. (063) 221-5334
221-3148
Fax No. 221-2596

Iligan-Roxas Avenue
Eternal Bldg.
Roxas Ave. cor.
Zamora St., Iligan City
Tel No. (063) 221-2285
221-2641
Fax No. 221-2284

Jolo
Gen. Arolas St.
Jolo, Sulu
Cell No. 0916-5709942
Tel No. (085) 341-8911 loc 2261

Kidapawan
National Highway
Kidapawan, North Cotabato
Tel No. (064) 288-5008
288-5117
Fax No. 288-1324

Marbel
Gen. Santos Drive
Nat'l. Highway
Marbel, South Cotabato
Tel No. (083) 228-3369 to 70
Fax No. 228-3368

Midsayap
M.L. Quezon Ave.
Midsayap, Cotabato
Tel No. (064) 229-8186
229-8705
Fax No. 229-8704

Ozamiz-Burgos
602-604 Burgos St.
Ozamis City
Tel No. (088) 521-1610
521-0318
Fax No. 521-0317

Ozamiz-Rizal
38-C Rizal Ave.
Ozamis City
Tel No. (088) 521-1617
521-0017
Fax No. 521-0016

Pagadian-Rizal
Rizal Ave. cor.
J.S. Alano St., Pagadian City
Tel No. (062) 214-1686 to 87
214-1631
Fax No. 214-1434

Pagadian-Sta. Lucia
J.P. Rizal Ave.
Pagadian City
Tel No. (062) 214-2718
215-3164
Fax No. 214-2708

Surigao
Borromeo St., Surigao City
Surigao del Norte
Tel No. (086) 231-7296 to 97
Fax No. 231-7299

Tacurong
National Highway
Tacurong, Sultan Kudarat
Tel No. (064) 200-3327
477-0509
Fax No. 200-3325

Valencia, Bukidnon
Apolinario Mabini St.
Valencia, Bukidnon
Tel No. (088) 852-3300
222-2484
Fax No. 828-0394

Zamboanga-Brillantes
P. Brillantes cor.
Mayor Climaco Ave.
Zamboanga City
Tel No. (062) 991-3760 to 61
Fax No. 991-1555

Zamboanga-Canelar
Mayor Jaldon St.
Canelar, Zamboanga City
Tel No. (062) 991-2834
991-2832
Fax No. 991-2158

Zamboanga-Galleria
Gov. Lim Ave. cor.
Almonte St., Zamboanga City
Tel No. (062) 992-3240
991-1547 to 48
Fax No. 991-1491

Zamboanga-Gov. Lim
Gov. Lim Ave.
Zamboanga City
Tel No. (062) 991-1564
991-6432
Fax No. 992-4243

Zamboanga-Guiwan
National Highway
Brgy. Guiwan, Zamboanga City
Tel No. (062) 984-1055
984-1075
Fax No. 911-1463

Zamboanga-Nunez Ext.
Nunez Extension
Zamboanga City
Tel No. (062) 991-1111
991-7666
991-7777

Zamboanga-Veterans
Veterans Ave. cor.
Gov. Alvarez Ave.
Zamboanga City
Tel No. (062) 991-3763 to 64
991-1934
Fax No. 991-1493

International Offices and Subsidiaries

INTERNATIONAL BRANCHES AND REPRESENTATIVE OFFICES

Hong Kong
Representative Office
Unit D 15/F United Centre Bldg.
95 Queensway Rd.
Hong Kong
Tel. No. (852) 2527-5019

Beijing
Representative Office
14/F Rm.1410
Office Tower One
Henderson Center
18 Jian Guo Men Nei St.
Beijing, PROC 100005
Tel. No. 86 (10) 6518-3359
Fax No. 86 (10) 6518-3358

Li Hong, Chief Representative
lihong@metrobank.com.cn

Shanghai Branch
1152 West Yan'An Road
1/F Metrobank Plaza
Shanghai 200052 PROC
Tel. No. 86 (21) 6191-0799
86 (21) 6191-0777
Fax No. 86 (21) 6191-0711
86 (21) 6191-0022

Nanjing Branch
G/F Lian Qiang International Mansion,
289 Middle Jiang Dong Road,
Hexi New Town, Nanjing 210019 PROC
Tel. No. 86 (2) 6855-1888
86 (25) 6858- 4422

Pudong Sub-Branch
Unit 103, 1/F Quanhua Information Plaza,
455 Fushan Road, Pudong District,
Shanghai 200122 PROC
Tel. No. 86 (21) 6886-0008 ext 19
Fax No. 86 (21) 6886-0007

Derek Cheung
President
derekcheung@metrobank.com.cn
mbtcsh@metrobank.com.cn

Taipei Branch
107 Chung Hsiao East Rd.
Sec. 4 Taipei, Taiwan 10690
Republic of China
Tel. No. 886 (2) 2776-6355
Fax No. 886 (2) 2721-1497

Tom Hsieh
Officer-In-Charge
tom.hsieh@metrobank.com.tw

George Tsai
General Manager
george.tsai@metrobank.com.tw

Tokyo Branch
1/F Chiyoda First Bldg.
3-8-1, Nishi-Kanda, Chiyoda-ku
Tokyo, Japan 101-0065
Tel. No. 81 (3) 3237-1403
81 (3) 3237-6855
81 (3) 3237-0092
Fax No. 81 (3) 3237-1406
81 (3) 3237-0399

Kenichi Katakura
General Manager
kenichi.katakura@metrobank.com.ph
k-katakura@metrobank.co.jp
mbtokyo@metrobank.com.ph

Osaka Branch
1/F Honmachi Central Bldg.
4-2-5, Honmachi, Chou-ku
Osaka, Japan 541-0053
Tel. No. 81 (6) 6252-1333
Fax No. 81 (6) 6252-2226

Joseph Eric D. Pelaez
Branch Head
j-pelaez@metrobank.co.jp
joseph.pelaez@metrobank.com.ph
mbosaka@metrobank.co.jp
mbosaka@metrobank.com.ph

Seoul Branch
2/F Danam Bldg.
(formerly International Insurance Bldg.)
120,5 - Ka Namdaemun-Ro
Chung-ku, Seoul, Korea 100-704
Tel. No. 82 (2) 779-2751 to 52
Fax No. 82 (2) 779-2750

Hae Won Seok
Acting General Manager
hae.seok@metrobank.com.ph
mbseoul@metrobank.com.ph

Pusan Branch
8/F Samsung Fire & Marine
Insurance Bldg.
1205-22 Choryang 1 Dong
Dong-gu, Pusan, Korea 601-011
Tel. No. 82 (51) 462-1091 to 93
Fax No. 82 (51) 462-1090

Alfredo P. Valencia
Head
fred.valencia@metrobank.com.ph
mbpusan@metrobank.com.ph

New York Branch
10 East 53rd St.
New York, New York 10022
U.S.A.
Tel. No. 1 (212) 832-0855 ext. 228
1 (212) 909-3665 (Direct Line)
Fax No. 1 (212) 223-0916

Ivan S. Atmaja
General Manager
ivan.atmaja@metrobankny.com

Guam Branch
Sunny Plaza Bldg.
1/F #125 TJN Jesus Crisostomo St.
Tamuning, Guam 96913
Tel. No. 1 (671) 649-9555 to 57
Fax No. 1 (671) 649-9558

Lamberto M. Padilla, Jr.
Head
bong.padilla@metrobank.com.ph
mbguam@metrobankgu.com

INTERNATIONAL SUBSIDIARIES

FIRST METRO INTERNATIONAL INVESTMENT CO., LTD.
Unit D 15/F United Centre Bldg.
95 Queensway Rd.
Hong Kong
Tel. No. (852) 2527-5019

Alex C. Lim
Managing Director
aclim@firstmetrohk.com
fmiichk@netvigator.com
alex.lim@metrobank.com.ph

MB REMITTANCE CENTRE LIMITED
United Centre Office
Shops 2038-2039, 2/F
United Centre Shopping Arcade
95 Queensway
Central, Hong Kong, SAR
Tel. No. (852) 2856-0980
Fax No. (852) 2856-3902
unitedcentre@mbrchk.com

Worldwide House Branch
Shop 201-206, 2/F Worldwide Plaza
No. 19 Des Voeux Rd.
Central Hong Kong
Tel. No. (852) 2877-9161
Fax No. (852) 2877-3569
worldwide@mbrchk.com

Yuen Long Branch
Flat 2, 1/F
Hung Fook Bldg.
No. 25-29 Tung Lok St.
Yuen Long, New Territories
Hong Kong, SAR
Tel. No. (852) 2521-4965
(852) 2522-4593
Fax No. (852) 2442-0559
yuenlong@mbrchk.com

Tseung Kwan O Branch
Shop UG17, Maritime Bay Shopping Mall
18 Pui Shing Road, Tseung Kwan O,
New Territories, Hong Kong
Tel. No. (852) 2736- 1311
(852) 2736- 1566
Fax No. (852) 2736- 1116
tseungkwano@mbrchk.com

Shatin Branch
Shop 104, Level 3
Shatin Lucky Plaza
No. 1-15 Wang Pok St.
Shatin, New Territories
Hong Kong, SAR
Tel. No. (852) 2698-4809
Fax No. (852) 2698-4632
shatin@mbrchk.com

Tsuen Wan Branch
Shop 305E, 3/F
Nan Fung Centre, New Town Mall
Nos. 264-298 Castle Park Road and
Nos. 64-98 Sai Lau Kok Road
Tsuen Wan, New Territories
Hong Kong
Tel. No. (852) 2498-6261
Fax No. (852) 2414-9102
tsuenwan@mbrchk.com

Causeway Bay Branch
Shop 1 & 2,
Ground Floor, Haven Court
No. 136-138 Leighton Road
Causeway Bay, Hong Kong, SAR
Tel. No. (852) 2613-2130
Fax No. (852) 2613-1897
causewaybay@mbrchk.com

Marlon B. Hernandez
General Manager
marlon.hernandez@metrobank.com.ph
marlon.hernandez@mbrchk.com

METRO REMITTANCE SINGAPORE PTE LTD.
304 Orchard Rd.
No. 03-30 Lucky Plaza
Singapore 238863
Tel. No. (65) 6734-4648
(65) 6734-2748
Fax No. (65) 6734-7348

Ma. Asuncion Charina C. Yap
General Manager
chary.yap@metrobank.com.ph
mbsingapore@metrobank.com.ph

METRO REMITTANCE CENTER, INC. (U.S.A.)
Head Office
41-70 Main St. #A4
Flushing, New York 11355 U.S.A.
Tel. No. 1 (718) 463-7770
Fax No. 1 (888) 281-3743

Woodside Branch
69-11 C Roosevelt Ave.
Woodside, New York 11377, U.S.A.
Tel. No. 1 (718) 779-8519 to 20
Fax No. 1 (888) 302- 9061

Milagros S. Alegre
General Manager
mila.alegre@metroremitusa.com

Niles (Chicago) Branch
7315 West Dempster St.,
Niles, Illinois 60714, U.S.A.
Tel. No. 1 (847) 965-2368
Fax No. 1 (847) 965-2415
1 (888) 493-1180

Voltaire A. Gella
Operations Officer
voltaire.gella@metroremitusa.com
voltaire.gella@metrobank.com.ph

METRO REMITTANCE CENTER (California), INC.
Daly City Office
7317 Mission St.
Daly City, California 94014
U.S.A.
Tel. No. 1 (650) 756-8803 to 05
Fax No. 1 (650) 756-8806

Union City Office
32210 Alvarado Blvd.
Union City, California 94587
U.S.A.
Tel. No. 1 (510) 324-4300 to 01
Fax No. 1 (510) 324-4302

Maritess A. Veracruz
General Manager
tess.veracruz@metroremitca.com
dalycity@metroremitca.com
unioncity@metroremitca.com

METRO REMITTANCE CENTER, INC. (CANADA)
Vancouver Office
4292 Fraser St.
Vancouver, British Columbia
Canada V5V 4G2
Tel. No. 1 (604) 874-3373
Fax No. 1 (604) 874-3374

Mabelle C. Sia
Head
mcsia@metroremittance.ca
Vancouver@metroremittance.ca

Toronto Office
1466 Bathurst St.
Suite 108-A
Toronto, Ontario
Canada M5R 3S3
Tel. No. 1 (416) 532-9779
1 (416) 532-3223
Fax No. 1 (416) 534-4040

Edgar D. Mararac
Head
edgar.mararac@metroremittance.ca
toronto@metroremittance.ca

MB REMITTANCE CENTER (HAWAII) LTD.
Kalihi (Honolulu) Office
2153 North King St. Suite 100-A
Honolulu, Hawaii 96819
U.S.A.
Tel. No. 1 (808) 841-9889 to 90
Fax No. 1 (808) 841-9891

Waipahu Extension Office
94-766 Farrington Hwy.
Waipahu, Hawaii 96797
U.S.A.
Tel. No. 1 (808) 686-9377
Fax No. 1 (808) 686-9388

Ramon P. Nicdao
General Manager
ramon.nicdao@metrobank.com.ph
ramon.nicdao@mbrchawaii.com
mbremittance@mbrchawaii.com
mbhonolulu@metrobank.com.ph

METROPOLITAN BANK (BAHAMAS) LTD.
New Providence Financial Center
2/F East Bay St.
P.O. Box CR-56766, Suite 700
Nassau, Bahamas
Tel. No. 1 (242) 677-1925
Fax No. 1 (242) 394-2142

John M. Lawrence
Acting President
john.lawrence@metrobankbahamas.com

METRO REMITTANCE (ITALIA) S.p.A.
ROME
Via Del Viminale 43
00184 Rome, Italy
Tel. No. 39 (06) 4891-3091
39 (06) 4891-3095
Fax No. 39 (06) 4898-9882

METRO REMITTANCE (ITALIA) S.p.A.
MDO (Extension Office)
Viale delle Medaglie d'Oro
123 Rome 00136 Italy
(opposite Philippine Embassy Rome)
Tel. No. 39 (06) 3903-1085
Fax No. 39 (06) 3976-3483

Eduardo G. Abrenica
General Manager
egabrenica@metroremit.it
mri-rome@metroremit.it

METRO REMITTANCE (ITALIA) S.p.A.
MILAN
Via Victor Hugo 2
20123 Milan, Italy
Tel. No. 39 (02) 8909-5225
39 (02) 8698-4316
Fax No. 39 (02) 8029-8624

Rodel C. Dimatulac
Head
rcdimatulac@metroremit.it
mri-milan@metroremit.it

METRO REMITTANCE (ITALIA) S.p.A.
BOLOGNA
Via Dei Mille, 24
40121 Bologna, Italy
Tel. No. 39 (051) 421-4330
39 (051) 244-373
Fax No. 39 (051) 421-8757

Ruby D. Soyosa
Head
rdsoyosa@metroremit.it
mri-bologna@metroremit.it

METRO REMITTANCE (UK) LIMITED
1/F 12 Kensington Church St.
London W8 4EP
United Kingdom
Tel. No. 44 (207) 368-4490
Fax No. 44 (207) 937-6140

Maria Victoria R. Rocha
General Manager
mvrocha@metrorem.co.uk
metrorem@btconnect.com

METRO REMITTANCE CENTER, S.A.
MADRID
C/ Tiziano 6 Local
28039 Madrid Spain
Tel/Fax No. 34 (91) 570-8817

Dante Mandahuyan
Country Manager
mrc_madrid@metroremittancecenter.es
dmandahuyan@yahoo.com

METRO REMITTANCE CENTER, S.A.
BARCELONA
Calle Muntaner No. 3
08001 Barcelona Spain
Tel. No. 34 (93) 317-0361/0346
Fax No. 34 (93) 317-0630

Vilma Grace E. De la Cruz
Operations Officer-Head
mrc_barcelona@metroremittancecenter.es
vilmagracedelacruz@yahoo.com

MBTC REMITTANCE GmbH
VIENNA
Singerstrasse 16/1
A-1010 Vienna, Austria
Tel. No. 43 (1) 512-2292/2248
512-2229211-16
Fax No. 43 (1) 512-2259

Olivia Alejandrino-Urdl
Head
olive@mbtc.at

REMITTANCE CORRESPONDENTS

MIDDLE EAST

WALTER C. LIM
AVP
ME Regional Coordinator
P.O. Box 39925
Dubai, UAE
Mobile No. (97150) 456-7916
Fax No. (9714) 261-5891
(9714) 220-6113
mbtcdxb@eim.ae
walterlim@etisalat.blackberry.com
walter.lim@metrobank.com.ph

Bahrain

Zenj Exchange Co.
P.O. Box 236 Manama, Bahrain
Tel No. (973) 224-352
Fax No. (973) 214-405

Ali Hamad Abdul
Managing Director
info@zenjex.com
zenjex@batelco.com.bh

Kuwait

Carroll D. Ong, Jr.
Manager
Marketing Officer (Kuwait)
Tel No. (9656) 6029672
carroll.ongjr@metrobank.com.ph
mbtc.kuwait@gmail.com

Al Fuad Exchange Co. - Kuwait
Salim Al-Moubarak Road, Al-Salmiyah,
Kuwait
Tel No. (965) 224-76070 / 80
Fax No. (965) 224-91309

Mohamad Mustafa Abazid
Chairman
mohamed@alfuadexchange.com

Al Moosa Exchange Co. W.L.L.
Mubarakiya, Soul Al-Dakli,
Ahmed Al-Jaber St., Bldg #53, Office 1-3,
Ground Floor, P.O. Box 739, Kuwait
Tel. Nos. (965) 224-68117
(965) 996-10683
Fax No. (965) 224-68117

Ziad Salama Ghazlan
General Manager
swift@almoosa-ex.com

Al Mulla International Exchange Co.
P.O. Box 177, Safat, 13002, Kuwait
Tel Nos. (965) 243-1912
(965) 243-1913
Fax No. (965) 243-1904

Ravi Shankar
General Manager
Hormuzda B. Davar
ravi.shankar@almullagroup.com
exch-treasury@almullagroup.com

Al Muzaini Exchange Co. K.S.C.C
Al Mubarakiya, Saud Bin Abd Al Aziz Street
P.O. Box 2154, Safat 13022, Kuwait
Tel No. (965) 888-818 ext. 283
Fax No. (965) 243-0701

G. Sadasivarao
BDH
cs@muzaini.com
nabil@muzaini.com
international@muzaini.com

Bahrain Exchange Co.
P.O. Box 29149, Safat, 13152, Kuwait
Tel Nos. (965) 246-8729
(965) 246-0828
Fax No. (965) 240-1859

E.D. Titus
General Manager
Raju Joseph
baexco@bec.com.kw
raju@bec.com.kw
titus@bec.com.kw

City International Exchange Co. W.L.L.
Abdulla Dashti Bldg.,
Abdullah Mubarak Street
Safat 13079, Kuwait
Tel No. (965) 244-8507
Fax No. (965) 240-7371

M.P. Dalbeherra
General Manager
T.V. Reddy
Deputy GM
citex@qualitynet.net
citexgm@qualitynet.net
citexkuwait@yahoo.com

Dollarco Exchange Co. Ltd.
Sulaiman Abdullah Al Mansoor Bldg.,
Al Shuhanda Street Safat 13125,
Mirqab, Kuwait
Tel Nos. (965) 245-4713
(965) 241-2767
Fax No. (965) 241-2788

Khalid Sharif
General Manager
dollarco@qualitynet.net

Etemadco Exchange Co. W.L.L.
G/F Zaid Al Kazemi Bldg., Mubarak Al
Keabir Street Darwasa Abdulrazzak,
Kuwait
Tel Nos. (965) 246-3116 to 17
Fax No. (965) 245-8328

Abdel Rahman
General Manager
headoffice@etemadco.com
watiya@etemadco.com

International Financial Line Co. W.L.L.
Al Sharq Ahmed Al Jabber Street
P.O. Box 24171, Safat, Kuwait
Fax No. (965) 246-7543

Abdulla Yacoub Al Wazzan
Managing Partner
filcoexchange@hotmail.com

National Exchange Company
P.O. Box 11520, Dasma 15355, Kuwait
Tel Nos. (965) 2571-3557
(965) 2571-3447
Fax No. (965) 2573-6605

Sabih Abu Al Hassan
Chairman & Managing Director
neckuwait@yahoo.com

National Money Exchange W.L.L.
P.O. Box 29760, Safat 13158, Kuwait
Tel No. (965) 246-2680
Fax No. (965) 246-2681

Mahmoud Hussain Khajah
Managing Director
nmekwt@qualitynet.net

Overseas Network Exchange Remit Inc.
(Phil.Office) Ground Floor Worldwide Corporate Center, Shaw Boulevard, Mandaluyong City
Tel Nos. (02) 584-0222

Rowena S. Reclosado
President
optimum_oneri@yahoo.com
nmtdiaz@yahoo.com

UAE Exchange Centre W.L.L.
P.O. Box 26155, Safat 13122, Kuwait
Tel No. (965) 245-0852 to 53

Pancily Varkey
Country Head
jeanette.delacruz@uaeexchange.com.kw
kuwaitho@qualitynet.net

Oman

Al Jadeed Exchange L.L.C.
P.O. Box 3705 Ruwi Postal Code 112, Sultanate of Oman
Tel Nos. (968) 245-21335 to 36
Fax No. (968) 245-21334

Nalaka De Silva
General Manager
Sharon Bornilla
Fil. Staff
aljadexc@omantel.net.om

Asia Express Exchange
P.O. Box 881 Postal Code 112, Ruwi, Sultanate of Oman
Tel No. (968) 781-727
Fax No. (968) 781-729

Amir Amit
Manager
Christopher Torriente
Fil. Staff
slankaex@omantel.net.om

Majan Exchange L.L.C.
P.O. Box 583, Postal Code 117, Muscat Governorate, Sultanate of Oman
Tel Nos. (968) 2479-4017 to 18
Fax No. (968) 2479-4019

Ranjan Saparamadu
General Manager
majanech@omantel.net.om

Oman & UAE Exchange Centre Co., L.L.C.
P.O. Box 1116 Postal Code 131, Al Hamriya, Sultanate of Oman
Tel No. (968) 750-830
Fax No. (968) 750-908

B.R. Shetty
CEO & Managing Director
Tony George Alexander
Country Manager
omanuaex@omantel.net.om
ouaeacts@omantel.net.om

QATAR

LOUIE D. NAVARRO
Metrobank Representative Officer for Qatar
Mobile No. (974) 5537-2324
Fax No. (974) 537-2324
navarro_louie@yahoo.com
mbtcqat@qatar.net.qa
louie.navarro@metrobank.com.ph

Al Dar For Exchange Works
P.O. Box 24451 Doha, Qatar
Tel No. (974) 455-0455
Fax No. (974) 455-0888

Hashim Abdulrahim Y.H. Al-Sayed
Director & CEO
aldar@aldarexchange.com

Al Fardan Exchange Co., W.L.L.
P.O. Box 339 Doha, Qatar
Tel No. (974) 440-8234
Fax No. (974) 441-7468

Muzammel Hanif
SVP
afx@qatar.net.qa

Al Sadd Exchange
P.O. Box 17127 Doha, Qatar
Tel No. (974) 432-3334
(974) 432-3337
Fax No. (974) 432-7774 to 75

Victor Nazim Agha
General Manager
alsaddex@qatar.net.qa

Coriner International Services Inc.
(Phil. Office) Room 602 Annapolis Tower Condominium, 43 Annapolis St., Greenhills, San Juan City
Tel No. (02) 726-7230

Dominador Purino
Chairman
corinermnl@corsmanila.com.ph
corinerinternational@yahoo.com

Gulf Exchange Co.
P.O. Box 4847 Doha, Qatar
Tel No. (974) 438-3253
Fax No. (974) 438-3258

Ramesh Badjate
General Manager
gulfex@qatar.net.qa
gulfexchange@qatar.net.qa

Habib Qatar International Exchange Ltd.
P.O. Box 1188 Doha, Qatar
Tel No. (974) 441-4329
Fax No. (974) 441-2639

Qamar Hasnain
General Manager
Manny Canchela
Phil. Officer
habib@qatar.net.qa
mcanchela@yahoo.com
habib_souq@yahoo.com

SAUDI ARABIA

Jonathan R. Cabaddu
AM
MB Riyadh Desk Office
mbdesk_riyadh@awalnet.net.sa
mbdesk_riyadh@metrobank.com.ph

Al Malaz Center, Riyadh
Al Batha Exchange & Remittance Center
2F Manila Plaza, Al Batha District
P.O. Box 2202
Riyadh 11495, KSA
Tel. No. (9661) 402-0722

Abdul Aziz A. Al-Zamil & Sons Exchange Co. Ltd.
P.O. Box 83 King Saud St. cor. Cross A., Al Khobar 31952, KSA
Tel No. (9663) 899-0215
Fax No. (9663) 895-4423

Hisham A. Aziz Al-Zamil
General Manager
zamilex@awalnet.net.sa

Al Amoudi Exchange Co.
Al Balad Gabil Street,
Al Hazzazy Bldg., Office 58, KSA
Tel No. (9662) 647-4515
(9662) 647-7733

Saleh Al Amoudi
Executive Director
Mohd Salim
Manager
info@alamoudiexchange.com

Al Rajhi Bank
P.O. Box 22022, Riyadh 11495, KSA
Tel No. (9661) 405-0292
(9661) 460-1518

Abul Aziz Sedeas
Senior Manager
mbdesk_riyadh@awalnet.net.sa

Arab National Bank
Arab National Bank Building, Mouraba St., P.O. Box 56921, Riyadh 11564, KSA
Tel No. (9661) 402-9000 ext. 7986
Fax No. (9661) 402-9000 ext. 4886

Shalimar Salomabao
Product Manager
ssalomabao@anb.com.sa

Bank Al Bilad - Enjaz
Bank Al Bilad, Head Office - Alseteen St., AlMalaz, P.O. Box 140, Riyadh 11411, KSA
Tel No. (9661) 479-8844
(9661) 291-9874

Sami Al Rajhi
Division Head, Central Banking Operations
SAlrajhi@bankalbilad.com.sa

National Commercial Bank
King Abdulaziz Street, P.O. Box 3555, Jeddah 21481, KSA
Tel No. (9662) 646-4086
Fax No. (9662) 644-9474

Marcelino Tolosa
Senior Officer for Business & Product Development
m.tolosa@alahli.com

Jehad Idries
Operations Manager
j.idries@alahli.com

Riyadh Bank
P.O. Box 229, Riyadh 11411 KSA
Tel No. (9661) 411-3333
Fax No. (9661) 404-2707

Akeel Al-Hashim
VP Strategic Planning
paymentcenter@riyadbank.com.sa

U.A.E.

RODELITO P. MACASAET / JAM
Marketing Officer (UAE)
Mobile No. (0917) 557- 9230
rodmacph1@yahoo.com
rodel.macasaet@metrobank.com.ph

Al Ahalia Money Exchange Bureau
P.O. Box 2419, Hamdan St., Abu Dhabi, UAE
Tel No. (9712) 627-0004
Fax No. (9712) 626-8858

Vazhoor Sudarsanan Thampi
General Manager
mahesh@ahaliaexchange.com

Al Ansari Exchange
P.O. Box 325, Abu Dhabi, UAE
Tel No. (9712) 622- 7888
(9712) 622- 5120
Fax No. (9712) 622- 4421
(9712) 662- 7204

Mohammad Al Ansari
General Manager
ansaria@emirates.net.ae
phils.operations@alansari.ae

Al Falah Exchange
P.O. Box 3692, Abu Dhabi, Sheikh Zayed The Second Street, UAE
Tel No. (9712) 632-9888
Fax No. (9712) 634-6849

Moh'd Jaffar Abbaz
Senior Manager
afec@emirates.net.ae

Al Fardan Exchange
P.O. Box 498, Al Amin Tower, Liwa Street, Abu Dhabi, UAE
Tel No. (9712) 622-3222
Fax No. (9712) 622-3331

Moh'd Al Fardan
General Manager
afex1@emirates.net.ae

Al Fuad Exchange
Shop#2 Bldg. of Saif Al Otaiba, Al Reqqa St., Deira, P.O. Box 16362, Dubai, U.A.E
Tel No. (9714) 221-1117
(9714) 272-7100
Fax No. (9714) 221-1440
(9714) 272-7077

Ibrahim Moustafa Abazid
General Manager
ibrahim@alfuadexchange.com
alfuadex@emirates.net.ae

Abdul Nazar
BDM
abdulnazar@alfuadexchange.com
mustafa@alfuadexchange.com

Al Ghurair Exchange
P.O. Box 5530, 7/F Rm. 702, Al Masaoud Bldg. Al Maktoum Abu Dhabi, UAE
Tel No. (9714) 222-2955
Fax No. (9714) 227-0839

Helmi Yousef
General Manager
Marie Cris
Fil. Staff
agex@saraf.ae
agex@emirates.net.ae

Al Razouki International Exchange Co. L.L.C.
P.O. Box 12583, Naif Rd., Deira
Dubai, UAE
Tel No. (9714) 393-2331
(9714) 393-3909
Fax No. (9714) 393-9033

K. Dayakara Kamath
General Manager
nrarieco@emirates.net.ae

Central Exchange L.L.C. (now Sharaf Exchange L.L.C.)
P.O. Box 29040, Dubai, UAE
Tel No. (9714) 355-4560
(9714) 302-5750
Fax No. (9714) 351-1101

Hameed Ibrahim
General Manager
centexch@emirates.net.ae
jona@centralexchangeuae.com

Delma Exchange Company
P.O. Box 129869, Abu Dhabi, UAE
Tel No. (9712) 622-5544
Fax No. (9712) 622-5511

Abdul Jabbar Sayegh
Chairman
delmaexc@emirates.net.ae

Emirates India International Exchange
Room 202, 2/F Kanoo Building,
near Al Manama Hypermarket,
P.O. Box 7190, Karama, Dubai, UAE
Tel No. (9714) 223-2261
(9714) 223-2258
Fax No. (9714) 627-2184/85

Nagesh Prahbu
General Manager
Santosh Tandel
CEO
eiie@emirates.net.ae
remitphp@eiieho.ae

Habib Exchange Co.
Central Office - P.O. Box 2370,
Hamdan St., Abu Dhabi, UAE
Tel No. (9712) 627-2656

Muhammad Amin Bawa
General Manager
hecoad@emirates.net.ae

Hadi Express Exchange
P.O. Box 28909, Dubai, UAE
Tel No. (9714) 353-7650
(9714) 353-4802
Fax No. (9714) 353- 7660

Shelly Joseph
General Manager
A.F. Paul
Manager
hadiexp@emirates.net.ae

Leela Megh Exchange Co. L.L.C.
P.O. Box 6309, Deira, Dubai, UAE
Tel No. (9714) 354-0191
(9714) 226-4628
Fax No. (9714) 354-0193
(9714) 226-5487

Ranjit Kumar Meghji Ved
Director
ranjit@lakhoos.com

Lulu International Exchange Co.
Al Dhfrah St. - Al Muroor, Al Shaikh
Mohammad Bin Zayed Al Nehyan Bldg.,
P.O. Box 4059, Abu Dhabi, UAE
Tel No. (9712) 642-1800
Fax No. (9712) 642-2110

Adeeb Ahamed
COO
adeeb.ahamed@luluexchange.com

Orient Exchange Co. L.L.C.
Al Souq Al Kabeer St., Murshid Bazar,
P.O. Box 25557, Dubai, UAE
Tel No. (9714) 235-3795
Fax No. (9714) 235- 3796

Shibani Roy
Correspondent Banking
shibani.roy@orientexchange.com
floramay.ralar@orientexchange.com

Redha Al Ansari Exchange Est.
Al Falah Branch, P.O. Box 8828,
Dubai, UAE
Tel No. (9714) 353-3090
(9714) 353-0088
(9714) 353-2500
Fax No. (9714) 353-3664
(9714) 353-4064

Humaid Al Ansari
Deputy GM
raee2@emirates.net.ae
ansarire@emirates.net.ae

Smart Exchange
Main Office Harib Tower Building, Sheikh
Rashid Bin Saeed Al Maktoum St.,
P.O. Box 2911, Abu Dhabi, UAE
Tel No. (9712) 634-4699
Fax No. (9712) 632-3704

Alok Mahapatra
COO
alok.mahapatra@smartexchanze.com

Al Rostamani International Exchange (Thomas Cook)
Al Rostamani Bldg. Mezzanine Flr.
(above First Gulf Bank), Bank St.,
Bur Dubai, P.O. Box 10072, Dubai, UAE
Tel No. (9714) 609-8100
Fax No. (9714) 396-5386

P. Krishnamurthy
CEO
tcaremgt@al-rostamani.co.ae
ariecbd@alrostamanigroup.ae

Taymour & Abu Harb Exchange Co. L.L.C
Al Urobah Street, Al Ghowair,
P.O. Box 22949, Sharjah, UAE
Tel No. (9716) 553-3935
(9716) 553-3950
Fax No. (9716) 553- 9388

Bashar Moh'd Saleem Abu Harb
Managing Director
Yaser Bouz
Deputy GM
abuharb1@emirates.net.ae
info@abuharb.com

UAE Exchange Centre L.L.C.
P.O. Box 170, Sheik Hamdan St.,
Abu Dhabi, UAE
Tel No. (9712) 632-2166
Fax No. (9712) 631-2030

B.R. Shetty
Managing Director & CEO
Promoth Manghat
VP-Operations
gopinath@uaeexchange.com
lakshmi.menon@uaeexchange.com

Wallstreet Exchange Centre, L.L.C.
1103 Twin Towers, Baniyas Rd.,
P.O. Box 3014, Dubai, UAE
Tel No. (9714) 228-4889
Fax No. (9714) 228-6533

Abdulla Bin Ghalib
Group Managing Director
H. Sudhakar Rao
Manager
hsudkahar@wallstreet.ae
telex@wallstreet.ae

Xpress Money Services Ltd.
P.O. Box 170, Sheik Hamdan St.,
Abu Dhabi, UAE
Tel No. (9712) 610- 5560
Fax No. (9712) 632- 0970

Prashanth Veeramangala
Head
Sudhir Kumar Shetty
General Manager
xm.services@xpressmoney.com

JORDAN

Alawneh
15 Abdul Hamid Shoman St., Shmeisani,
P.O. Box 942041, Amman 11194,
Kingdom of Jordan
Tel No. (962) 656-68535
Fax No. (962) 656-83484

Assad Alawneh
Deputy GM
info@alawnehexchange.com

Saudi Exchange Company
Wasfi Al-Tar Street (Al-Gardens),
Building No.87, Amman,
Kingdom of Jordan
Tel No. (962) 656- 60428
Fax No. (962) 655- 60427

Abdel Salam Hani Saudi
General Manager
yassar@go.com.jo

REMITTANCE PARTNERS

AMERICAS

Canada

Mabini Express Phils., Inc.
105 Unit 9-C H.V. Dela Costa St.,
Salcedo Village, Makati City
Tel. No. 750-9498
750-9499
Fax No. 750-9502

Jayson G. Mallari
President
jojo@mabinicanada.com
jayson@tivoli.com.ph
jojo@mabini.com

United States of America

Pacific Remittances Services, Inc. (PACREM) - Anaheim Branch
901 N. Euclid St.
Anaheim, CA 92801
Tel. No. 1 (714) 635-2888
Fax No. 1 (714) 635-4888

Criselda Reyes
Branch Manager
bilispadala@pacremca.com

Pacific Remittances Services, Inc. (PACREM) - San Francisco
447 Sutter Street, Suite 506
San Francisco, California 94108
Tel. No. 1 (415) 694-5767/68
Fax No. 1 (415) 694-5766

Roslynne Balasta
Branch Supervisor
bilispadala@pacremca.com

Pacific Remittances Services, Inc. (PACREM) - Long Beach
1426 W. Willow Street, Unit 4,
Long Beach, CA 90810
Tel. No. 1 (562) 595-0988
Fax No. 1 (562) 595-6798

Susan Arenas
bilispadala@pacremca.com

Pacific Remittances Services, Inc. (PACREM) - Artesia
17510 Pioneer Blvd., Suite 208
Artesia, California 90701
Tel No. 1 (562) 207-6874
Fax No. 1 (562) 207-6877

Gregoria Aure
Remittance Specialist
bilispadala@pacremca.com

Pacific Remittances Services, Inc. (PACREM) - Los Angeles
2323 Beverly Blvd.,
Los Angeles, California 90057
Tel. No. 1 (213) 201-2444
201-2447
Fax No. 1 (213) 201-2448

Anita Ty
Branch Manager
bilispadala@pacremca.com

Pacific Remittances Services, Inc. (PACREM) - Carson
860 E. Carson St.
Carson, CA 90745
Tel. No. 1 (310) 549-5333
Fax No. 1 (310) 549-5399

Lourdes Panganiban
Remittance Specialist
bilispadala@pacremca.com

Bank of New York Mellon
Bank of New York Mellon
(Manila Office)
Tel. No. (632) 885-0383

Therese Floro
Vice-President

Guam

DMK Express
3/F RCBC Building,
AB Fernandez Ave.
Dagupan City, Pangasinan
Tel. No. (075) 523-3279
(075) 515-4202
Fax No. (075) 523-3279

Gladys J. Solamillos
Proprietor
dmk_ja@yahoo.com

ASIA PACIFIC

South Korea

Hana Bank
Hana Bank World Center
Branch 9-102-Ka, Euljiro
Chung-Ku, Seoul 100-720
Korea
Tel. No. (822) 775-1111
Fax No. (822) 779-8285
771-5376

worldcenter@hanabank.com

Singapore

One Stop Remittance Center
304 Orchard Rd.,
02-30/31 Lucky Plaza
Singapore 238863
Tel. No. (656) 834-0071
(656) 834-0072
Fax No. (656) 834-0069

osrcsing@singnet.com.sg

Cambodia

Singapore Banking Corporation
No. 68 Samdech Pan St.
(51214) Phnom Penh
Tel. No. (855) 23-211211

infor@sbc-bank.com

Philippines

Asia United Bank
G/F Parc Royale Condominium,
Dona Julio Vargas Ave.,
Ortigas Center, Pasig City
Tel. No. (632) 638-6888

Worldwide Delivery Services
2A FCC Building, Santillan St.,
Pio Del Pilar, Makati City
Tel. No. (632) 894-1064
Fax No. (632) 819- 0965

Jessica Palmiano
General Manager
jes_palmiano@wds.com.ph

Czarina Foreign Exchange
Unit 1412 Tower One & Exchange Plaza,
Ayala Avenue cor. Paseo de Roxas,
Makati City
Tel. No. (632) 848- 6112
848- 6113
Fax No. (632) 848- 6508

Czarina M. Ong
Treasurer
czarina_tower1@yahoo.com

BTI Courier Express
BTI Courier Express,
10th E. Sage House Condominium,
110 V.A. Rufino St.,
Legaspi Village, Makati City
Tel. No. (632) 813- 4856
893- 3344
Fax No. (632) 813- 4855
813- 3457

Tan Li Kian
General Manager
likkian@hotmail.com

Pinoy Express Hatid Padala
2/F Security Bank Bldg.,
President Ave., Paranaque
Tel. No. (632) 772-3620

Armando Dayrit
President

PHILREM
Unit 208 Cityland Condominium,
Herrera St., San Lorenzo Village,
Makati City
Tel. No. (632) 726 - 9311 to 13
Fax No. (632) 722 - 6597

Salud R. Bautista
President
bautista@pldtdsl.net

CITI Express Payment
18-D San Marcelino St.,
Plainview, Mandaluyong City
Tel. No. (632) 470- 6303

Phoebus Muyot
Business Development and Compliance
Officer
citiexpressmla@gmail.com
citiexpress.smuyot@yahoo.com

Werquick
Unit 208 Cityland Condominium,
Herrera St., San Lorenzo Village,
Makati City
Tel. No. (632) 727- 3742
Fax No. (632) 725- 5564

Arlene D.B. Dipaling
arlene.dipaling@werquick.com

New Zealand

LM Money Transfer
87 Carribean Drive, Unsworth Heights,
North Shore City 0632
Auckland, New Zealand
Tel. No. (64) 09- 4421119
09- 4421113

Abelardo V. Marundan
Director
larry_remit@yahoo.com
larryvm418@yahoo.com

Australia

DTD Express
B4 L29 Constellation Ave.,
Rainbow Village, San Isidro,
Paranaque City
Tel. No. (632) 820-2957
(632) 826-2754

Reinario V. Nala
Proprietor
reynala@pldtdsl.net
reinala@dtdexpress.com.au

EUROPE

Ireland

Lagura Enterprises
1 Aston Court, Bedford Row Dublin 2,
Ireland
Tel. No. 353 (1) 873-331

Bernadette Lagura
President
bernlagura@yahoo.com

Netherlands

Sunro Change B.V.
Damrak 17, 1012 LH Amsterdam,
The Netherlands
Tel. No. 31 (63) 054-0055
31 (20) 669-7389

Rosario Ong
Director
rosario7@xs4a11.n1

Spain

La Caixa (Caja de Ahorros)
Avenida Diagonal, No. 6621-629
Barcelona, Spain
Tel. No. 34 (93) 404-7174
31 (93) 404-6168

Joan Rosas Xicota
Director
jrosas@lacaisa.es

United Kingdom

Direct Money Transfer U.K. Limited
2/F Pinoy Supermarket, 10 Hogarth Place
Earl's Court, London, SW5OPT

Maximo Magdalena
Director
maxdmtuk@yahoo.co.uk
mpo1226@yahoo.com

The Filipino Agency Remittance Limited
79 Buckingham Palace Road,
Victoria London, SWIW0QJ
Tel. No. 44 (207) 976-6700
44 (207) 976-6400

John Bautista
Managing Director
john@filipinoagency.co.uk

Germany

MA Transworld GMBH
Springeltwiete 5 & 7 20095
Hamburg, Germany
Tel. No. 040-3039 2286
Fax No. 040-3039 2078

Mila Antony
Frederick Lobaton
moneytransfer@matransworld.de

Italy

Banco Populare di Verona e Novara
Piazza Nogara 2,
37121 Verona, Italy
Tel. No. (39) 045 8675 153
Fax No. (39) 045 8675 412

Paolo Ranelli
Area Manager
Correspondent Banking
paolo.ranelli@bpv.it

Domestic Subsidiaries

FIRST METRO INVESTMENT CORPORATION
45th Floor, GT Tower International
Ayala Avenue cor. H.V. dela Costa St.,
Makati City
Tel. No. 858-7900

FRANCISCO C. SEBASTIAN
President

TOYOTA MOTOR PHILIPPINES CORPORATION
31st Floor GT Tower International
Ayala Avenue cor. H.V. dela Costa St.,
Makati City
Tel. No. 858-8200

MICHINOBU SUGATA
President

PHILIPPINE SAVINGS BANK
PSBank Center, 777 Paseo de Roxas Ave.
cor. Sedeño St. Legaspi Village,
Makati City
Tel. No. 885-8208

PASCUAL M. GARCIA III
President

SUMISHO MOTOR FINANCE CORPORATION
12th Floor, PSBank Center,
777 Paseo de Roxas Ave. cor.
Sedeño St., Makati City
Tel. No. 802-6888

HIDETOSHI FUKUI
President

ORIX METRO LEASING & FINANCE CORPORATION
21st Floor GT Tower International
Ayala Avenue cor. H.V. Dela Costa St.
Makati City
Tel. No. 858-8888

PROTACIO C. BANTAYAN, JR.
President

METROBANK CARD CORPORATION
Metrobank Card Corp. Center
6778 Ayala Avenue, Makati City
Tel. No. 870-0900

RIKO ABDURRAHMAN
President

SMBC METRO INVESTMENT CORPORATION
20th Floor Rufino Pacific Tower
6784 Ayala Ave. cor. V. Rufino St.,
Makati City
Tel. Nos. 811-0845 to 52

YASUHIRO OASHI
President

MBTC TECHNOLOGY, INC.
11th & 14th Floors PSBank Center
777 Paseo de Roxas Ave. cor.
Sedeño St., Makati City
Tel. No. 811-4855

JOSE RAYMUND O. VERGARA
President

PHILIPPINE AXA LIFE INSURANCE CORPORATION
Phil. AXA Life Center
Sen. Gil J. Puyat Ave. cor. Tindalo St.,
Makati City
Tel. No. 885-0101

SEVERINUS P. P. HERMANS
President

PHILIPPINE CHARTER INSURANCE CORPORATION
Ground & 2nd Floors Skyland Plaza
Sen. Gil J. Puyat Ave. cor. Tindalo St.,
Makati City
Tel. Nos. 844-7044 to 54

MELECIO C. MALLILLIN
President

TOYOTA MANILA BAY CORPORATION
Metropolitan Park, Roxas Blvd. cor.
EDSA Extension
Boulevard 2000 Pasay City
Tel. No. 581-6168

HENRY SY
President/General Manager

TOYOTA CUBAO, INCORPORATED
926 Aurora Boulevard, Cubao
Quezon City
Tel. No. 981-6168

LEO J. FERRERIA
President/General Manager

TOYOTA FINANCIAL SERVICES PHILS. CORP.
32nd Floor, GT Tower International,
Ayala Avenue cor. H.V. dela Costa St.,
Makati City
Tel. No. 858-8500

MOTOTAKA SATO
President

GLOBAL BUSINESS POWER CORPORATION
22nd Floor, GT Tower International
Ayala Avenue cor. H.V. dela Costa St.,
Makati City
Tel. Nos. 818-5931 to 35

ARTHUR AGUILAR
Acting President

FIRST METRO SECURITIES BROKERAGE CORPORATION
18th Floor, PSBank Center
777 Paseo de Roxas cor.
Sedeño St., Makati City
Tel. Nos. 859-0600 to 02

ROBERT T. YU
President

GONZALO G. ORDONEZ
Senior Vice President

Shareholder Information

Stock Transfer Agent
Metrobank Trust Banking Group
17th Floor GT Tower International
Ayala Avenue cor. H.V. dela Costa St.
Makati City, Philippines 1200
Tel: +632 857 5600
Fax: +632 858 8010

Investor Relations
11th Floor Metrobank Plaza
Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Tel: +632 857 9783
Fax: +632 817 6355
Email: investor.relations@metrobank.com.ph

Corporate Communications
11th Floor Metrobank Plaza
Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Tel: +632 857 5526
Fax: +632 893 3726
Email: corpcom@metrobank.com.ph

www.metrobank.com.ph

Metrobank is the country's premier universal bank, with an extensive consolidated network that spans over 1,300 ATMs nationwide, 752 local branches, and 39 foreign branches, subsidiaries and representative offices.

EASTERN - 63555 METMKT PN
FAX +632 817 6248
Customer Care: 8700 700
Domestic Toll Free: 1 800 10 8700 700
Member of the Philippines Deposit Insurance Corporation
A proud member of BancNet

Designed by: Studio 5 Designs, Inc.

Head Office Metrobank Plaza
Sen. Gil J. Puyat Avenue
Makati City, 1200 Philippines