

**BANK OF THE PHILIPPINE ISLANDS**  
**CONSOLIDATED STATEMENTS OF INCOME**  
Year-to-Date March 31, June 30, September 30, and December 31, 2006  
(In Thousands of Pesos)

	March 31, '06	Unaudited June 30, '06	Sep. 30, '06	Audited Dec. 31, '06
<b>INTEREST INCOME</b>				
On loans and advances	5,376,419	10,967,727	16,561,527	23,044,683
On held-to-maturity and trading securities	1,588,051	3,048,846	4,639,630	6,234,394
On available-for-sale securities	1,028,983	2,027,759	3,117,835	4,460,326
On deposits with banks	268,841	749,973	1,311,073	1,338,660
Gross Receipts Tax	(317,461)	(648,831)	(979,860)	(1,324,327)
	<b>7,944,833</b>	<b>16,145,474</b>	<b>24,650,205</b>	<b>33,753,736</b>
<b>INTEREST EXPENSE</b>				
On Deposits	3,177,443	6,310,294	9,685,955	13,293,775
On Bills Payable and other borrowings	134,235	273,645	381,625	500,113
	3,311,678	6,583,939	10,067,580	13,793,888
<b>NET INTEREST INCOME</b>	<b>4,633,155</b>	<b>9,561,535</b>	<b>14,582,625</b>	<b>19,959,848</b>
<b>IMPAIRMENT LOSSES</b>	<b>368,976</b>	<b>727,697</b>	<b>1,068,954</b>	<b>1,524,279</b>
<b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b>	<b>4,264,179</b>	<b>8,833,838</b>	<b>13,513,671</b>	<b>18,435,569</b>
<b>OTHER INCOME</b>				
Income from foreign exchange trading and trading securities	1,038,752	1,329,945	2,065,531	2,947,324
Service charges and commissions	601,409	1,253,343	1,827,417	2,569,900
Income attributable to insurance operations	219,647	480,842	731,304	962,048
Other operating income	977,581	2,410,834	3,495,193	4,810,600
Gross Receipts Tax	(147,552)	(282,493)	(452,177)	(648,691)
	<b>2,689,837</b>	<b>5,192,471</b>	<b>7,667,268</b>	<b>10,641,181</b>
<b>OTHER EXPENSES</b>				
Compensation and fringe benefits	1,680,624	3,483,326	5,631,466	7,542,795
Occupancy and equipment-related expenses	1,036,945	2,184,505	3,351,674	4,635,361
Other operating expenses	1,087,974	2,377,636	3,485,231	5,248,876
	<b>3,805,543</b>	<b>8,045,467</b>	<b>12,468,371</b>	<b>17,427,032</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>3,148,473</b>	<b>5,980,842</b>	<b>8,712,568</b>	<b>11,649,718</b>
<b>PROVISION FOR INCOME TAX</b>				
Current	517,648	1,072,311	1,526,027	2,205,047
Deferred	85,232	233,905	194,168	250,869
	<b>602,880</b>	<b>1,306,216</b>	<b>1,720,195</b>	<b>2,455,916</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>2,545,593</b>	<b>4,674,626</b>	<b>6,992,373</b>	<b>9,193,802</b>
Attributable to:				
Equity holders of BPI	2,503,213	4,592,357	6,856,037	9,040,061
Minority interest	42,380	82,269	136,336	153,741
	<b>2,545,593</b>	<b>4,674,626</b>	<b>6,992,373</b>	<b>9,193,802</b>

Member PDIC: Bank of the Philippine Islands