

**BANK OF THE PHILIPPINE ISLANDS**  
**CONSOLIDATED STATEMENTS OF INCOME**  
Year-to-Date March 31, June 30, September 30, and December 31, 2007  
(In Millions of Pesos)

	Mar. 31, '07	Unaudited June 30, '07	Sep. 30, '07	Audited Dec. 31, '07
<b>INTEREST INCOME</b>				
On loans and advances	5,340	10,569	16,086	21,658
On held-to-maturity and trading securities	1,404	2,616	3,740	4,859
On available-for-sale securities	1,161	2,352	3,517	4,826
On deposits with banks	602	1,109	1,673	2,325
Gross Receipts Tax	(312)	(607)	(929)	(1,253)
	<b>8,195</b>	<b>16,040</b>	<b>24,086</b>	<b>32,415</b>
<b>INTEREST EXPENSE</b>				
On Deposits	3,139	6,036	9,189	13,002
On Bills Payable and other borrowings	121	228	333	463
	3,260	6,265	9,522	13,465
<b>NET INTEREST INCOME</b>	<b>4,935</b>	<b>9,775</b>	<b>14,564</b>	<b>18,950</b>
<b>IMPAIRMENT LOSSES</b>	<b>719</b>	<b>959</b>	<b>1,199</b>	<b>1,250</b>
<b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b>	<b>4,215</b>	<b>8,815</b>	<b>13,365</b>	<b>17,700</b>
<b>OTHER INCOME</b>				
Income from foreign exchange trading and trading securities	1,674	1,787	2,022	3,502
Service charges and commissions	648	1,302	2,008	2,747
Income attributable to insurance operations	844	1,522	1,690	1,855
Other operating income	1,119	3,051	4,550	6,398
Gross Receipts Tax	(201)	(532)	(740)	(898)
	<b>4,083</b>	<b>7,130</b>	<b>9,529</b>	<b>13,604</b>
<b>OTHER EXPENSES</b>				
Compensation and fringe benefits	1,918	3,959	6,018	8,193
Occupancy and equipment-related expenses	1,159	2,327	3,488	4,853
Other operating expenses	1,290	2,608	3,874	5,265
	<b>4,367</b>	<b>8,894</b>	<b>13,380</b>	<b>18,311</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>3,931</b>	<b>7,051</b>	<b>9,514</b>	<b>12,993</b>
<b>PROVISION FOR INCOME TAX</b>				
Current	770	1,226	1,710	2,408
Deferred	(114)	(35)	(29)	359
	<b>656</b>	<b>1,191</b>	<b>1,681</b>	<b>2,767</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>3,275</b>	<b>5,860</b>	<b>7,833</b>	<b>10,226</b>
Attributable to:				
Equity holders of BPI	3,215	5,715	7,640	10,012
Minority interest	60	145	193	214
	<b>3,275</b>	<b>5,860</b>	<b>7,833</b>	<b>10,226</b>
Earnings per share	P 1.19	P 2.11	P 2.82	P 3.78

Member PDIC: Bank of the Philippine Islands