

**STANDARD DOCUMENT COVER SHEET
FOR SEC FILINGS**

All documents should be submitted under a cover page which clearly identifies the company and the specific document form as follows:

SEC Number **121**
File Number

**BANK OF THE PHILIPPINE ISLANDS
BPI BUILDING, 6768 AYALA AVE. CORNER PASEO DE ROXAS
MAKATI CITY, METRO MANILA
818-55-41 to 482t*
FISCAL YEAR ENDING DECEMBER 31
(indicate if anything above is new and the date it was changed)**

**SEC FORM 17-Q QUARTERLY REPORT
AMENDMENT DESIGNATION "A"**

PERIOD-ENDED March 31, 2008
(if a report, financial statement, GIS, or related amendment or show-cause filing)

NONE
EACH ACTIVE SECONDARY LICENSE TYPE AND FILE NUMBER
(state "NONE" if that is the case)

SECURITIES AND EXCHANGE COMMISSION

**SEC FORM 17-Q QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER**

- 1. For the quarterly period ended **March 31, 2008**
- 2. Commission identification number **121**
- 3. BIR Tax identification No. - **TIN: 000-438-366-000**
- 4. **BANK OF THE PHILIPPINE ISLANDS**
Exact name of registrant as specified in its chart
- 5. **Philippines**
Province, country or other jurisdiction of incorporation
- 6. Industry Classification Code: (SEC Use Only)
- 7. **BANK OF THE PHILIPPINE ISLANDS BUILDING**
6768 Ayala Avenue Corner Paseo de Roxas
Makati City **ZIP Code 1226**
Address of principal office Postal Code
- 8. **(02) 818 5541 to 48**
Registrant's telephone number, including area code
- 9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report
- 10. Securities registered pursuant to Sections 8 and 12 of the Code

Title of each class	Number of shares of common stock outstanding and amount of debt outstanding
Common	2,704,693,459

- 11. Are any or all of the securities listed on the Philippine Stock Exchange? Yes [] No []
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange

Common

12. Indicate by check mark whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports) Yes [] No []

(b) Has been subject to such filing requirements for the last 90 days Yes [] No []

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CONDITION
MARCH 31, 2008 and DECEMBER 31, 2007
(In Thousands of Pesos)

RESOURCES	UNAUDITED MARCH 31, 2008	AUDITED DECEMBER 31, 2007
Cash and Other Cash Items	12,217,477	13,243,110
Due from Bangko Sentral ng Pilipinas	65,182,865	72,877,919
Due from Other Banks	9,749,504	6,969,432
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	22,967,831	31,772,067
Derivative Financial Asset	1,859,019	3,122,536
Trading Securities	29,062,249	9,193,949
Investment Securities		
Available for Sale Securities, net	75,636,549	103,563,650
Held-to-Maturity Securities, net	46,919,932	52,431,883
Loans and Advances (Net)	262,296,643	273,756,421
Bank Premises, Furniture, Fixtures & Equipment, net	11,078,134	10,898,451
Investment Property, net	2,800,200	2,815,816
Assets Held for Sale, net	16,756,988	16,843,553
Equity Investments, net	930,177	933,001
Assets Attributable to Insurance Operations	21,906,051	22,004,405
Deferred Income Tax Assets, net	6,135,879	6,150,920
Other Resources, net	9,872,314	10,707,996
TOTAL RESOURCES	595,371,815	637,285,109
LIABILITIES AND CAPITAL FUNDS		
Deposit Liabilities		
Demand Deposits	89,594,499	86,922,961
Savings Deposits	134,843,692	129,954,877
Time Deposits	250,627,008	296,566,562
Sub-total	475,065,199	513,444,401
Derivative Financial Liability	2,390,805	3,359,778
Bills Payable	7,433,069	5,374,941
Due to Bangko Sentral ng Pilipinas and Other Banks	1,259,267	1,302,788
Manager's Checks and Demand Drafts Outstanding	3,162,337	2,713,487
Accrued Taxes, Interests and Other Expenses	3,432,446	4,670,534
Liabilities Attributable to Insurance Operations	16,591,680	16,484,043
Deferred Credits and Other Liabilities	20,789,398	18,803,709
TOTAL LIABILITIES	530,124,202	566,153,682
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI		
Capital Stock	27,045,471	27,043,507
Paid-in Surplus	1,369,717	1,359,812
Translation Adjustment	(559,188)	(579,968)
Reserves	2,115,425	4,402,007
Surplus	34,198,093	37,785,640
	64,169,519	70,010,998
MINORITY INTEREST IN SUBSIDIARIES	1,078,095	1,120,430
TOTAL CAPITAL FUNDS	65,247,613	71,131,427
TOTAL LIABILITIES AND CAPITAL FUNDS	595,371,815	637,285,109

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2008 and 2007
(In Thousands of Pesos)

	<u>Unaudited 2008</u>	<u>Unaudited 2007</u>
INTEREST INCOME		
On loans and advances	5,342,743	5,135,773
On held-to-maturity and trading securities	1,120,820	1,404,403
On available-for-sale securities	1,114,843	1,160,626
On deposits with banks	658,212	808,228
Gross Receipts Tax	(316,741)	(312,066)
	<u>7,919,878</u>	<u>8,196,964</u>
INTEREST EXPENSE		
On Deposits	3,318,206	3,141,199
On Bills Payable and other borrowings	115,173	121,190
	<u>3,433,379</u>	<u>3,262,389</u>
NET INTEREST INCOME	4,486,499	4,934,575
IMPAIRMENT LOSSES	385,431	719,384
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	4,101,068	4,215,192
OTHER INCOME		
Income from foreign exchange trading and trading securities	447,446	1,673,522
Service charges and commissions	683,539	647,630
Income attributable to insurance operations	135,259	843,833
Other operating income	1,082,326	1,118,652
Gross Receipts Tax	(140,947)	(200,736)
	<u>2,207,622</u>	<u>4,082,901</u>
OTHER EXPENSES		
Compensation and fringe benefits	1,931,052	1,914,648
Occupancy and equipment-related expenses	1,185,700	1,159,205
Other operating expenses	1,006,600	1,293,124
	<u>4,123,352</u>	<u>4,366,977</u>
INCOME BEFORE INCOME TAX	2,185,339	3,931,115
PROVISION FOR INCOME TAX		
Current	553,561	770,187
Deferred	50,232	(113,796)
	<u>603,793</u>	<u>656,391</u>
NET INCOME FOR THE PERIOD	1,581,545	3,274,724
Attributable to:		
Equity holders of BPI	1,549,339	3,214,708
Minority interest	32,207	60,017
	<u>1,581,545</u>	<u>3,274,724</u>
Earnings per share:		
Based on 2,704,693,459 shares as of March 31, 2008 and 2,704,400,034 shares in 2007	P 0.57	P 1.19

BANK OF THE PHILIPPINE ISLANDS							
STATEMENT OF CHANGES IN CAPITAL FUNDS							
FOR THE QUARTERS ENDED MARCH 31, 2008 & MARCH 31, 2007							
(In Thousands of Pesos)							
Consolidated							
Attributable to equity holders of BPI							
	Capital stock	Paid-in surplus	Translation adjustments	Reserves	Surplus	Minority interest	Total
Balance, December 31, 2007	Php27,043,507	Php1,359,812	(Php579,968)	Php4,402,007	Php37,785,640	Php1,120,430	Php71,131,427
Net change in available-for-sale investments, net of deferred income tax effect				(2,072,150)			(2,072,150)
Currency translation differences			20,781				20,781
Fair value reserve on investments of insurance subsidiaries				(216,177)			(216,177)
Net income (loss) recognized directly in equity	-	-	20,781	(2,288,327)	-	-	(2,267,547)
Net income for the year					1,549,339	32,207	1,581,545
Total recognized income (loss) for the year	-	-	20,781	(2,288,327)	1,549,339	32,207	(686,001)
Exercise of Stock Option	1,964	9,905		(12,860)			(991)
Value of services under stock option plan				14,606			14,606
Transfer/Adj to/from surplus					1,627		1,627
Cash dividends					(5,138,513)		(5,138,513)
Other changes in minority interest						(74,542)	(74,542)
Balance, March 31, 2008	Php27,045,471	Php1,369,717	(Php559,188)	Php2,115,425	Php34,198,093	Php1,078,095	Php65,247,613
Consolidated							
Attributable to equity holders of BPI							
	Capital stock	Paid-in surplus	Translation adjustments	Reserves	Surplus	Minority interest	Total
Balance, December 31, 2006	Php27,042,702	Php1,355,808	(Php95,000)	Php5,543,543	Php30,591,229	Php1,048,473	Php65,486,755
Net change in available-for-sale investments, net of deferred income tax effect				(1,378,822)			(1,378,822)
Currency translation differences			(88,367)				(88,367)
Fair value reserve on investments of insurance subsidiaries				56,597			56,597
Net income (loss) recognized directly in equity	-	-	(88,367)	(1,322,225)	-	-	(1,410,591)
Net income for the year					3,214,708	60,017	3,274,724
Total recognized income (loss) for the year	-	-	(88,367)	(1,322,225)	3,214,708	60,017	1,864,133
Change in capital stock	-						-
Change in paid-in surplus		-					-
Transfer/Adj to/from surplus					1,723		1,723
Transfer to reserves				20,752	-		20,752
Value of services under stock option plan							-
Other changes in minority interest						1,565	1,565
Balance, March 31, 2007	Php27,042,702	Php1,355,808	(Php183,367)	Php4,242,070	Php33,807,660	Php1,110,055	Php67,374,928

BANK OF THE PHILIPPINE ISLANDS		
CONSOLIDATED STATEMENTS OF CASH FLOWS		
FOR THE QUARTERS ENDED MARCH 31, 2008 AND MARCH 31, 2007		
(In Thousands of Pesos)		
	2008	2007
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	2,185,339	3,931,115
Adjustments for:		
Impairment losses	385,431	719,384
Depreciation and amortization	501,114	411,854
Equity in net income of associates	2,320	34
Share based compensation	14,606	20,752
Dividend income	(1,161)	-
Interest income	(8,236,618)	(8,509,030)
Interest received	11,127,695	8,517,592
Interest expense	3,433,379	3,044,203
Interest paid	(3,904,605)	(3,389,503)
Operating income before changes in operating assets and liabilities	5,507,500	4,746,400
Changes in operating assets and liabilities		
(Increase) decrease in:		
Due from Bangko Sentral in Pilipinas	7,845,054	(7,471,173)
Interbank loans receivable and securities purchased under agreements to resell	6,915,765	7,243,919
Trading securities	(19,946,383)	4,437,721
Loans and advances	10,930,850	11,833,163
Assets held for sale	86,565	(319,286)
Assets attributable to insurance operations	318,395	227,617
Other resources	651,203	(591,777)
Increase (decrease) in:		
Deposit liabilities	(38,379,203)	(11,953,185)
Due to Bangko Sentral ng Pilipinas and other banks	(43,521)	182,861
Manager's checks demand drafts outstanding	448,849	147,931
Accrued taxes, interest and other expenses	(766,862)	(462,536)
Liabilities attributable to insurance operations	107,638	370,041
Derivative financial instrument	294,544	-
Deferred credits and other liabilities	1,984,798	(2,529,958)
Net cash from operating activities before income tax	(24,044,806)	5,861,737
Income taxes paid	(588,753)	(916,761)
Net cash generated from operating activities	(24,633,559)	4,944,976
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in:		
Available for sale securities	24,528,302	5,409,348
Held-to-maturity securities	4,304,513	9,179,629
Bank, premises, furniture, fixtures and equipment	(630,205)	778,520
Dividends received	1,161	19,337
Equity investments	(269,434)	(30,662)
Assets attributable to insurance operations	(235,680)	(1,445,852)
Investment property	15,616	(1,171,465)
Net cash used in investing activities	27,714,274	12,738,855
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Dividends	(5,138,513)	(5,138,360)
Increase (decrease) in bills payable	2,058,128	2,779,217
Net cash (used in) provided by financing activities	(3,080,385)	(2,359,143)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	330	15,324,688
CASH AND CASH EQUIVALENTS		
January 1	45,147,896	32,505,990
March 31	45,148,226	47,830,678

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

SEC REQUIREMENT	DISCLOSURE
Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles	The Bank's interim financial statements have been prepared in accordance with the Phil. Financial Reporting Standards (PFRS) which includes applicable PFRS, PAS (Phil. Accounting Standards) and interpretations approved by the FRSC (Financial Reporting Standards Council).
The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report:	
<ul style="list-style-type: none"> • A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change. 	<ul style="list-style-type: none"> • The Bank's interim financial statements have been prepared consistent with its most recent annual financial statements as of December 31, 2007 which was in accordance with the PFRS (Philippine Financial Reporting Standards) adopted by the SEC.
<ul style="list-style-type: none"> • Explanatory comments about the seasonality or cyclicity of interim operations 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period 	<ul style="list-style-type: none"> • In compliance with the PFRS, the Bank adopted certain accounting and measurement methods in 2007. Those changes did not materially affect the current interim period.
<ul style="list-style-type: none"> • Issuances, repurchases, and repayments of debt and equity securities 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • Dividends paid (aggregate or per share) separately for ordinary shares and other shares 	<ul style="list-style-type: none"> • Cash dividend amounting to P5.1 B was paid by the Bank on February 20, 2008 to Common stockholders of record as of February 5, 2008. • At the regular meeting held on March 18, 2008, the Board of Directors approved to recommend to the stockholders the declaration and issuance of

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

SEC REQUIREMENT	DISCLOSURE
	<p>20% stock dividend on the total issued and outstanding common shares of the authorized capital stock. This will be payable to stockholders of record fifteen (15) working days after the approval by the Securities & Exchange Commission of the increase in the Authorized Capital Stock.</p> <ul style="list-style-type: none"> • The declaration of 20% stock dividend was approved by the stockholders on April 3, 2008.
<ul style="list-style-type: none"> • Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements) 	<ul style="list-style-type: none"> • Attached
<ul style="list-style-type: none"> • Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • Changes in contingent liabilities or contingent assets since the last annual balance sheet date 	<ul style="list-style-type: none"> • Changes in contingent liabilities and contingent assets are in the normal course of business and are not anticipated to cause any material losses from those commitments/ contingent liabilities.
<ul style="list-style-type: none"> • Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period. 	<ul style="list-style-type: none"> • Nothing to report

BANK OF THE PHILIPPINE ISLANDS
SEGMENT REPORT
For the Quarter Ending March 31, 2008

In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING/ FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net Interest Income	2,298	1,158	1,085	(54)	4,487
Interest Income	5,620	1,232	1,145	(77)	7,920
Interest Expense	3,322	74	60	(23)	3,433
Other Income	1,220	291	614	82	2,207
Net Interest Income & Other Income	3,518	1,448	1,700	28	6,694
Operating and Other Expenses	3,412	356	170	187	4,124
Income Before Impairment Losses, Income Tax and Minority Interest	107	1,093	1,530	(159)	2,570
Impairment Losses	234	125	0	26	385
Income before Income Tax and Minority Interest	(127)	967	1,530	(185)	2,185
Provision for Income Tax					604
Minority Interest					32
Net Income					1,549
	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING/ FINANCIAL MARKETS	CORP / ELIM	TOTAL
Assets	211,121	171,211	192,054	20,986	595,372
Liabilities	498,484	8,143	8,473	15,021	530,121
Capex	235	249	3	59	545
Depreciation	219	170	4	109	501

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition

Total resources as of end of first quarter 2008 stood at P595.4 billion, P41.9 billion or 6.6% lower than 2007 year-end level of P637.3 billion. **Deposits** contracted by P38.4 billion or 7.5% as **time deposits** dropped by P45.9 billion or 15.5% due to maturities, the proceeds of which were reinvested in other investment alternatives, i.e. asset management products. The decline in time deposits was partially offset by increases in **demand and savings deposits** totaling P7.6 billion. Corollary to the decline in time deposits, **accrued taxes, interest and other expenses** declined by P1.2 billion or 26.5% on payments of accrued interests on matured/redeemed time deposits. **Derivative financial liability** likewise decreased by P969.0 million due to lower mark-to-market valuation of forward contracts, foreign exchange and interest rate swaps brought about by lower volume. On the other hand, supplemental funds were provided by **bills payable** which grew by P2.0 billion or 38.3%. **Deferred credits and other liabilities** also rose by P2.0 billion or 10.6% on higher miscellaneous liabilities and bills purchased contra account. **Manager's checks and demand drafts outstanding** also increased by P448.8 million due to new manager's checks issued.

Total capital funds contracted by P5.8 billion or 8.3% on account of lower surplus and reserves accounts. **Surplus** account dropped by P3.6 billion or 9.5% due to the P5.1 billion cash dividend payment last February 20, 2008 for the regular and special cash dividend of P1.90 per share declared during the second semester of 2007. The full impact of this dividend payment was partly compensated for by the P1.5 billion earnings for the first quarter of 2008. **Reserves** were lower by P2.3 billion due to the sell down of available for sale securities inventory to shorten duration of peso securities and avert potential losses that may arise from the further rise in interest rates.

On the asset side, net **loans** declined by P11.5 billion or 4.2% due to payments of maturing loans of oil companies and other top corporate clients. **Available for sale securities and held-to-maturity securities** dropped by P27.9 billion and P5.5 billion, respectively, on maturities and sell downs for the reason stated above. **Interbank loans receivable and securities purchased under agreements to resell** was also down by P8.8 billion as foreign currency placements were minimized in favor of US Treasuries. This repositioning of peso and foreign currency assets thus resulted in the growth of **trading securities and due from other banks** by P19.9 billion and P2.8 billion, respectively. **Due from Bangko Sentral ng Pilipinas** was likewise lower by P7.7 billion on lower statutory reserves on deposits in line with the lower deposit level. **Cash and other cash items** were also down by P1.0 billion on this quarter's lower cash level requirement compared to year-end. **Derivative financial assets** dropped by P1.3 billion on lower mark-to-market valuation of forward contracts, foreign exchange and interest rate swaps brought about by lower volume. **Other resources** were likewise down by P835.7 million due to decreases in accounts receivables and accrued interest and fees receivables.

Results of Operation

For the Quarters ended March 31, 2008 and 2007

First quarter 2008 **net income** was P1.5 billion, P1.7 billion or 51.8% lower against last year's P3.2 billion. Total revenues declined by the P2.3 billion but was partly tempered by decreases in **impairment losses, operating expenses** and **provision for income tax** of P334.0 million, P243.6 million and P53.0 million, respectively.

The contraction in revenues was largely attributed to the drop in **non-interest income** by P1.9 billion or 45.9%. **Net interest income** also decreased by P448 million or 9.1%.

Average assets expanded by P28.3 billion but **net interest income** contracted due to narrower spreads. **Interest income** was down by P277.1 million while **interest expense** was up by P171.0 million or 5.2%.

- On the interest income side, income on **held-to-maturity and trading securities and deposit with banks** fell by P283.6 million (20.2%) and P150.0 million (18.5%), respectively. The lower level of held-to-maturity securities accounted for the drop in the corresponding interest income account, while lower interest rates were behind the decline in bank deposits interest income. As early as in the second half of last year, the bank made a conscious effort to trim its sails in the foreign currency markets and look for safe haven assets. The 300 basis points cut in the U.S. Federal Funds rate from 5.25% to 2.25% further caused a drastic decline in the bank's foreign currency asset yields upon asset repricing and replacement of matured securities inventory.
- Increase in interest expense came from the rise in interest expense on **deposits** by P177.0 million or 5.6% due to the P18.4 billion expansion in average deposit level and a 5 basis points increase on deposits interest rates.

Other income was recorded at P2.2 billion, P1.9 billion or 45.9% lower than last year's P4.1 billion. This was mainly due to the decrease in **income from foreign exchange and securities trading** by a P1.2 billion or 73.3%. The rising interest rate scenario provided limited opportunities to generate securities trading gains. **Income from insurance operations** also dropped by P708.6 million due to the P416 million non-recurring gain on the sale of a property and lower investment income. **Service charges and commissions** were however higher by P35.9 million on higher transaction volume. The drop in total other income consequently brought down the **gross receipts tax** by P59.8 million or 29.8%.

Impairment losses were at P385.4 million following the normal level of monthly provisioning based on projected annual requirement, as against accelerated provisioning last year. This year's provision was thus lower by P333.9 million or 46.4% .

Other expenses were down to P4.1 billion or by 5.6% versus last year's P4.4 billion. The decrease came from **other operating expense**, which was lower by P286 million, due to last year's non-recurring prior period tax payments and non-credit write-offs as well as the lower stationeries costs.

This year's lower taxable income brought down **current income tax** by P216.6 million or 28.1%. **Deferred income tax** increased by P164 million or 144.1% due to lower impairment losses as well as the recognition of taxes on booked transactions with timing differences. **Income of Minority Interest** contracted by P27.8 million or 46.3% on account of the lower profits of the bank's insurance subsidiaries.

Key Performance Indicators

The following ratios, applied on a consolidated basis, are used to assess the performance of the Bank and its majority owned subsidiaries:

	March 31, 2008	March 31, 2007
Return on Equity (%)	9.4	20.6
Return on Assets (%)	1.0	2.3
Net Interest Margin (%) *	3.6	4.1
Operating Efficiency Ratio (%)	61.6	48.4
Capital Adequacy Ratio (%) **	14.2	15.0

* Adjusted to incorporate documentary stamps as part of deposit costs

** BSP BIS Ratio (Basel II)

Return on equity (ROE), net income divided by average equity, fell by 11.2% due to lower earnings in the first quarter of this year. **Return on assets (ROA)**, net income divided by average assets, also declined from 2.3% to 1.0%. ROE and ROA measures the bank's efficiency in utilizing its capital and resources, respectively, in generating profits.

Net interest margin (NIM), net interest income divided by average interest bearing assets, was down by 58 basis points due to lower spreads on interest bearing assets in view of the lower assets yields relative to the first quarter last year.

Operating efficiency ratio (cost to income), operating expenses divided by total revenues, deteriorated by 13.2% as revenues were lower this year.

Capital adequacy ratio (CAR), total qualifying capital divided by total risk-weighted assets, measures the ability of the bank's capital funds to cover its various risks. CAR as of March 2008 was lower by 0.83% due to the higher level of risk assets. The bank's CAR is however more than BSP's minimum requirement of 10% notwithstanding that the bank carries only Tier 1 capital. The bank's strong capital position is a product of the bank's ability to generate profits.

Material Events and Uncertainties

The Bank has nothing to report on the following:

1. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
3. Other material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period other than those mentioned above.
4. Material commitments for capital expenditures.
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
6. Events that will cause material change in the relationship between costs and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments).
7. Any significant elements of income or loss that did not arise from the registrant's continuing operations.
8. Any seasonal aspects that had a material effect on the financial condition or results of operations.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANK OF THE PHILIPPINE ISLANDS

Issuer



AURELIO R. MONTINOLA III
Chief Executive Officer / President

Date: May 14, 2008



ANTONIO V. PANER
Executive Vice President / Treasurer

Date: May 14, 2008

**BPI UNIBANK
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
MARCH 31, 2008**

No. of Days Outstanding	Amount (In Thousands)
01-90	P 861,077
91-180	483,966
181-360	62,875
Over 360	916,801

Grand Total	P 2,324,719
Less: Allowance for Probable Losses	610,544

Net of Allowance for Probable Losses	P 1,714,175
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