



Via ODiSy

03 June 2008

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Re: Press Release on Lower Tier 2 Notes Issue

Gentlemen:

Banco De Oro will release to the press the attached statement on its successful issue of Php10.0 Billion Lower Tier 2 Notes. Please apprise the investing public and trading participants.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano'.

ELMER B. SERRANO
Corporate Information Officer



BDO Issues ₱10 billion Lower Tier 2 Notes

On May 30, 2008, BDO successfully issued ₱10 billion in unsecured subordinated debt eligible as Lower Tier 2 Capital (the “Notes”). Total demand reached ₱25 billion, 5 times the announced issue size of ₱5 billion. Due to strong demand for the Notes, BDO upsized the issue to ₱10 billion and shortened the offer period to one week. Retail investors took up a larger share in the allocation, indicative of the Notes’ appeal to individuals searching for investment options for their long-term savings. The transaction harnessed domestic market liquidity with an orderbook from a broad spectrum of retail and institutional investors.

This transaction is the second issuance of BDO, the first one of which was a similar Php 10 billion issue in November 2007, making BDO the largest issuer of capital notes in the domestic market.

The Notes carry a coupon rate of 8.500% per annum and were issued at 100.00% of face value. The issue was priced very tightly against the 5 year government bond yield. The Notes will be used to support BDO’s expansion plans and to refinance an existing issue of dollar-denominated Lower Tier 2 debt due in July 2008. The Notes will also increase and strengthen BDO’s capital base, ensuring that it has available capital for its growth plans in the coming years. HSBC, ING and Standard Chartered Bank acted as the Lead Arrangers and Selling Agents for the offering and will also act as the Notes’ Market Makers. HSBC is the Public Trustee for the Notes.

BDO is presently among the country's top three banks with assets of ₱627 billion and capital funds of ₱57 billion. BDO is among the market leaders in each of its core business lines, and has an extensive network of 658 domestic branches and more than 1,200 automatic teller machines nationwide.