



30 July 2007

Atty. Pete M. Malabanan
Head, Disclosure Department
PHILIPPINE STOCK EXCHANGE
4/F PSE Centre, Exchange Road
Ortigas Centre, Pasig City

Ref. No. _____

Date: _____

Dear Atty. Malabanan:

We reply to your request for clarification of a news article entitled: **“BDO, EPCIB Integration to cost P2 billion”** published in today’s issue of the Business Mirror, which, in part reads:

“BANCO de ORO Unibank Inc., the name of the merged Banco de Oro and Equitable PCI Bank, will spend P2 billion to complete the integration process of the two banks. ‘The cost of integrating the branches and all things needed for the integration will amount to roughly P2 billion. It will be P1 billion for this year and another billion pesos next year, conservatively, to complete the integration process,’ said BDO president Nestor Tan.... BDO, said Tan, is looking at raising as much as \$200 million to boost its capital following its takeover of Equitable PCI-Bank. “On a combined basis, we have an equity base of P56billion..... We plan to have a capital exercise by the end of this year or early next year. We are looking at initially raising \$150 million to \$200 million. Our capital now is adequate, but we want to make changes to make it sufficient.”

We confirm that Banco de Oro – EPCI, Inc. (the “Bank”) initially *estimates* the expenses it will incur for its integration with the former Equitable PCI Bank, Inc. for 2007 and 2008 to be about Php2.0 billion.

Likewise, the Bank is undertaking initiatives to make its use of capital more efficient and *raising capital* is an option available to it. However, the Bank wishes to stress that it has, as of yet, **no** definite plans on whether to raise capital. Its decision to so proceed will depend on a number of factors, including the success of its other efforts towards the efficient use of its capital.

We trust we have clarified the subject article.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', with a long horizontal stroke extending to the right.

ELMER B. SERRANO
Corporate Information Officer