



26 October 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:

Banco de Oro-EPCI, Inc. (BDO) adopts the following disclosure of PCI Leasing & Finance Corporation (PCILF):

“In the course of the integration of Banco de Oro – EPCI, Inc. (the “Bank”) and its subsidiaries, it has been determined based on a review as of October 2007, that there is a need to restate the retained earnings of PCI Leasing & Finance, Inc. (PCILF) for 2007 and prior years 2005 and 2006. The need arose from overstatement of income in terms of the timing of recognition of revenues.

The restatement resulted to a reduction in income recognition for prior years 2005 and 2006 of P37M and P100M, respectively. However, it resulted to an increase in income of P132M for year to date September 2007. Corresponding adjustments to Retained Earnings of prior years and 2007 will likewise be made.

The restatement of Income, Retained Earnings and related accounts in the financial statements of PCILF is being undertaken in line with the thrust of the Bank and its subsidiaries to enhance transparency and corporate governance.”



PCILF is a majority-owned subsidiary of BDO. Although this restatement in PCILF's financial statements may not, under existing securities' reportorial regulations, be considered material, particularly, in relation to BDO, this corporate disclosure is filed pursuant to BDO's continuing policy of group-wide transparency.

Thank you.

Very truly yours,

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

**ELMER B. SERRANO**  
Corporate Information Officer