

November 12, 2007

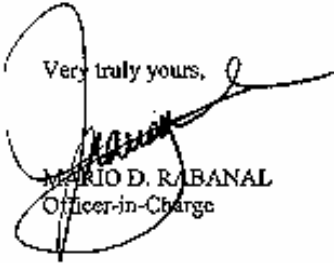
Atty. Pete M. Malabanan
Head, Disclosure Department
The Philippine Stock Exchange, Inc.
4th Flr., PSE Centre, Exchange Road
Ortigas Center, Pasig City

Dear Atty. Malabanan:

Attached is a press release on Banco de Oro - EPCI, Inc.'s Profits Rise to ₱4.9B which will be coming out in the newspapers tomorrow.

Thank you.

Very truly yours,


MARIO D. RABANAL
Officer-in-Charge

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Enc. as stated.

:disclosure-pressrelease

BDO – EPCI profits rise to ₱4.9B

Banco de Oro – EPCI, Inc. posted a 4% year-on-year gain in consolidated net profits to ₱4.9 billion in 9M07 from the ₱4.7 billion pro-forma income registered in 9M06. The growth in Net Interest Income and Non-Interest Income buttressed the bottom line despite challenging operating conditions and ongoing integration efforts.

Net Interest Income grew 17% to ₱16.4 billion with net interest margin widening to 4.15% from 3.97%. This was a result of continued strong loan growth and improvements in the funding mix. The Bank rebalanced its earning assets by capitalizing on robust demand for higher-margin consumer loans even as overall industry-wide loan growth remained weak. Net Loans and Other Receivables increased 6% year-on-year to ₱295.4 billion while underlying loan growth remained robust at 15%. As a result, Investment Securities contracted 17% to ₱168 billion. The Bank likewise improved its funding mix by focusing on low-cost deposits while reducing its reliance on high-cost funding sources. Thus, Total Deposits remained flat at ₱438.7 billion while Bills Payable declined 14% to ₱69.1 billion.

Non-Interest Income rose 14% to ₱12.3 billion as higher fee-based and other income compensated for lower trading and foreign exchange gains. Service Charges and Fees climbed 26% to ₱6.3 billion given larger contributions from branch banking, remittances, credit cards, cash management and bancassurance. Miscellaneous Income jumped 127% to ₱1.8 billion stemming from investment banking activities and various income sources. Trading and foreign exchange gains dipped 10% to ₱3.7 billion amid rising emerging market risk premium and a stronger Peso.

Operating expenses expanded 17% to ₱19.2 billion due to increased business volumes, redeployment of the ex-UOBP branches and ongoing integration efforts. Pre-Provision Profits settled at ₱9.5 billion, up 13% year-on-year. In line with the Bank's conservative provisioning policy, Allowance for Impairment was higher by 81% at ₱3.6 billion.

BDO is presently the country's second largest banking group with Assets of ₱608.1 billion and Capital Funds of ₱58.8 billion. The Bank is among the market leaders in its core business lines, and has an extensive network of over 680 branches and more than 1,200 ATMs nationwide.