



Via ODiSy

May 23, 2011

**PHILIPPINE STOCK EXCHANGE, INC.**

Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **Ms. Janet A. Encarnacion**  
*Head*

**Christina Marie C. Fortes**  
*Analyst*  
Disclosure Department

Ladies:

We reply to your request for clarification regarding the news article entitled "BDO to issue P15-B capital" published in today's issue of The Manila Bulletin Newspaper Online, the pertinent portion of which reads:

"Manila, Philippines - Banco de Oro Unibank Inc. (BDO), the country's largest bank in asset size, will issue P15 billion 10-year unsecured subordinated debt as lower Tier 2 capital to fund its expansion plans in the next month as well as improve the bank's capital position.

BDO has submitted its proposal to the Bangko Sentral ng Pilipinas (BSP) for the planned Tier 2 issue, which is 10 years with a call option after five years from date of issue with no incentive for early redemption.

A source said that documents would show that the bank's capital adequacy ratio (CAR) of 12.3

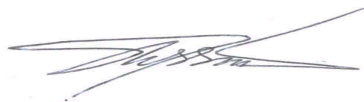
percent on solo and 13.97 percent consolidated as of end-2010 will improve to about 14 percent solo and 16 percent consolidated after raising the debt notes.....”

We confirm that the BSP has authorized BDO to issue up to Php15.0 Billion in unsecured subordinated notes qualifying as lower Tier 2 capital. Issuance will be programmed over a 1-year period subject to final terms and the requirements of BDO. Appropriate disclosures will be made when these final terms and issue dates are fixed.

We trust we have adequately replied to your request.

Thank you.

Very truly yours,

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

**ELMER B. SERRANO**  
Corporate Information Officer