



Via ODiSy

19 July 2010

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Ms. Janet A. Encarnacion
Head

Ms. Sheena Paula H. Pedrieta
Analyst
Disclosure Department

Ladies:

We reply to your request for clarification on a news article entitled "BSP okays BDO takeover of Export Bank" published in today's edition of the *The Philippine Star (Internet Edition)*, the pertinent portion of which reads:

"MANILA, Philippines - The Bangko Sentral ng Pilipinas (BSP) has given Banco de Oro Unibank, Inc. (BDO) of Henry Sy the greenlight to take over the ailing Export and Industry Bank, Inc. (EIB). BSP Governor Amando M. Tetangco, Jr. said the approval of the acquisition was in line with banking consolidation and was consistent with the preservation of the stability of the financial sector.... Under the approval, the BSP chief said BDO would acquire all the assets of EIB but at the same time assume all the liabilities including deposits of EIB. "The transaction involves the acquisition by BDO of all the assets and its assumption of all liabilities including all deposits of EIB," he added. The transaction would also have to be approved by the state-run Philippine Deposit Insurance Corp. (PDIC). Aside from acquiring the assets of the ailing bank including its 50-branch network, BDO would



also buy selected assets and assume about P30 billion in liabilities including P20 billion in deposits as well as the P9 billion in outstanding loans to PDIC.

We confirm that *Banco De Oro Unibank, Inc.* (BDO) and *Export & Industry Bank* (EIB) continue to be in discussions on areas of cooperation and consolidation. However, since BDO has not received any notice from the BSP, BDO is presently not in a position to comment on the reported approval by the *Bangko Sentral ng Pilipinas* (BSP) of BDO's takeover of EIB's assets and liabilities, including its deposits. BDO is keen to complete its transaction with EIB and will promptly inform the Exchange and the investing public when it receives BSP approval.

We trust we have adequately addressed your request for clarification.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a light blue horizontal line.

ELMER B. SERRANO
Corporate Information Officer