



Via ODiSy

11 January 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

Gentlemen:

We reply to your request for clarification on a news article entitled "BDO to earn up to Php800 million a year if it rescues Exportbank" published in today's edition of the *Manila Bulletin (Internet Edition)*, the pertinent portion of which reads:

"..... Sources familiar with the situation said PDIC is currently reviewing the BDO proposal of extending the maturity of Exportbank's loan by another 20 years. The P9-billion loan will expire on 2013 and the Sy-controlled bank was asking to pay back the loan it will assume by 2029 instead. BDO has a pending proposal for its own loan with the PDIC amounting to P11 billion as assistance funds to buy Exportbank. The plan was to give the loan a maturity of 25 years or until 2035. Sources explained that there will be no cash out for BDO. What will happen is that PDIC will buy government securities and they will give BDO the interests on the debt papers. At the end of the loan period, BDO will sell the government securities to unload and re-pay PDIC.... Sources said BDO initially offered P450 million for the select assets of



the smaller bank but the offer price has gone down to just P300 million...."

Following our clarification dated 08 January 2009 on a similar article in another newspaper, we reiterate that although Banco De Oro Unibank, Inc. and Export & Industry Bank were in discussions on potential areas of cooperation, to date, no final terms have been agreed. The statements in today's article in the Manila Bulletin are not true and we are thus unable to comment beyond that.

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'.

ELMER B. SERRANO
Corporate Information Officer