



EXPORT AND INDUSTRY BANK

19 September 2007

THE DIRECTOR
Corporation Finance Department
Securities and Exchange Commission
EDSA, Mandaluyong City



Dear Sir:

Re: *Reference and source documents.*

The web-page reference of our source documents for the CG Scorecard Response Form as per the directive of Institute of Corporate Directors (Bulletin No. 1 dated 14 September 2007) is located at <http://odisy.pse.ph>.

The reference and source documents (i.e. IS, GIS, AR, Corporate Governance Code, etc.) we supplied in the attached CG Scorecard were already uploaded in the said web site.

Hope you find everything in order.

For Export and Industry Bank:


RICARTE Q. PINLAC
Corporate Governance Committee Secretary

EXPORT & INDUSTRY BANK



1. How would you evaluate your overall experience with the 2007 scorecard project?

Positive Neutral Negative

2. Do you think that participation in a self-scored scorecard project serves to encourage greater consideration of corporate governance issues in companies?

Yes No

3. What are the areas covered by the 2007 scorecard where you think that your company needs to work on most. Please rank from 1 to 6 in order of most to least important:

 1 Upholding shareholder rights

 2 Disclosure and transparency

 Board practices

 Independence of board members

 Ethics

 Other (please fill in) _____

4. ICD has organized scorecard efforts in the past. Was your company included in one of the past scorecard efforts prior to the 2007 scorecard?

Yes No

5. Answer the following question only if you answered "yes" to question number 4 above:

5.1 If "yes" to question 4 above (i.e. your company was included in a ICD scorecard project prior to 2007), did participation have any impact on the company's corporate governance practices?

Yes No

5.2 If "yes" to question 5.1 above (inclusion did have an impact) can you say how it had an impact and in what area?

Response:

5.3 If "no", to question 5.1 above (there was no impact on your company's governance) why was there no impact?

Response:

6. What suggestions would you have to make the corporate governance scorecard project of greater value to your company in the future?

Response:

The CG scorecard should serve as checklist for good corporate governance and industry best practices.

7. What suggestions would you make to the ICD to help improve the corporate governance of Philippine companies?

Response:

If there is none, there should be an Association of Corporate Governance Officers/ Practitioners in the Philippines (similar to ABCOMP – Association of Bank Compliance Officers in the Philippines) that will regularly meet to discuss corporate governance issues/updates.

8. Do you think that your company is interested in receiving additional training on corporate governance issues?

Yes

No

9. If so, in what areas would you want additional training to help you develop your corporate governance?

Response:

Updates and best industry practices (on good corporate governance).

10. Do you think your company would be interested in advisory services (board evaluations, in-company training, one-to-one briefings, etc.) on how to improve its corporate governance?

Yes

No

11. Should you have further comments, please indicate them below.

PLEASE EMAIL DIRECTLY TO: w.richard.frederick@gmail.com

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The 2007 Corporate Governance Scorecard for Publicly-listed Companies

A PROJECT OF THE



**INSTITUTE OF
CORPORATE
DIRECTORS**

IN COLLABORATION WITH



School of Law

SUPPORTED BY



The 2007 Corporate Governance Scorecard for Publicly-listed Companies



19 September 2007

THE DIRECTOR
Corporation Finance Department
Securities and Exchange Commission
EDSA
Mandaluyong City

We are pleased to submit the accomplished Corporate Governance (CG) Survey for publicly-listed companies pursuant to SEC Memorandum Circular No. 2 dated 09 August 2007.

Please find the necessary information in relation to this submission:

COMPANY INFORMATION

Organization Name: **EXPORT AND INDUSTRY BANK, INC.**

Address: **Exportbank Plaza, Exportbank Drive corner Chino Roces Avenue, Makati City**

Contact Person: **Atty. Riva Kristine V. Maala**

Designation: **Asst. Corporate Secretary**

Telephone number: **887-9000/878-0390**

Fax number: **878-0391**

Email address: **rvmaala@exportbank.com.ph**

ATTESTATION:

I attest that, to the best of my knowledge, all information in this assessment is accurate and truthful, and that all supporting documents are adequately provided.

ATTY. RIVA KHRISTINE V. MAALA
Name & Signature of Authorized Company Representative

Date: 19 September 2007

2007 Corporate Governance Scorecard for Publicly-listed Companies
FORM

RESPONSE

Sample:

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
1	Does the company offer other ownership rights beyond voting?		✓		Paragraph 2, Page 25, 2006 Annual Report	

IMPORTANT NOTE: For validation purposes, please submit a copy of all documents used in the Self Assessment.

Part I. THE RIGHT OF SHAREHOLDERS

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
1	Does the company offer other ownership rights beyond voting?			✓	Articles of Incorporation (AOI), Corporation Code	Stockholders are entitled to all rights granted under the Corporation Code.
2	Is the decision on the director per diems approved by the shareholders annually?			✓	By-Laws (B/L), Information Statement (IS)	This right has been delegated to the Board.
3	How is the director per diem presented to the shareholders?			✓	IS	

4	Does the company allow shareholders to elect board members individually?			✓	IS	
5	Quality of Notice to call Shareholders Meeting in the past year.					
5.1	Nomination of directors providing their names and background.			✓	IS, BSP's Manual of Regulations for Banks (MORB)	The Bank abides by the requirements of the Securities Regulations Code – Implementing Rules & Regulation (SRC IRR).
5.2	Is there adequate information on the external auditor? Are their name(s), profile, detail of fees and other engagements with the company (tax, consulting, etc.) provided?			✓	IS	
5.3	Dividend policy, in providing the amount and explanation.			✓	AOI, B/L, IS, Corporate Governance Code of the Bank	
5.4	Does the information statement have an executive summary?	✓				
6	Quality of Minutes of Shareholders' Meeting					
6.1	Voting method and vote counting system			✓	IS, B/L	
7	Did the Chairman of the Board attend the last two AGMs?			✓	Minutes of the last two AGM	
8	Did the CEO/Managing Director attend at least one of the last two AGMs?			✓	Minutes of the last two AGM	

9	Is a name list of board members attending the AGM available?			✓	Minutes of the AGM	
10	Do AGM minutes record that there was an opportunity allowing for shareholders to ask questions/raise issues in the past year?			✓		
10.1	Is there a record of answers and questions?			✓	Minutes of the AGM	
10.2	Is there a record of resolutions in the minutes?	✓				
11	Attendance of the Board Committee Chairs					
11.1	Did the Chairman of the Audit Committee attend the last two AGMs?			✓	Minutes of the last two (2) AGM	
11.2	Did the Chairman of the Compensation / Remuneration / Governance Committee attend the last two AGMs?			✓	Minutes of the last two (2) AGM	
11.3	Did the Chairman of the Nomination Committee attend the last two AGMs?			✓	Minutes of the last two (2) AGM	
12	Does the company have anti-takeover defenses?			✓		
12.1	Do Board members collectively own more than 25% of outstanding shares?				General Information Sheet.	No.

12.2	What is the proportion of outstanding shares that are considered "free float"?		✓			To date, only Common A shares are listed in the PSE.
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Part II. EQUITABLE TREATMENT OF SHAREHOLDERS

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
13	Does the company offer one-share-one-vote?			✓	B/L	
14	Does the company have any mechanism that allows minority shareholders to influence board composition?	✓				
15	Has there been any case of insider trading involving company directors and management in the past two years?			✓		There is none. Should it be the case, PSE would have imposed a penalty against the Bank.
16	Has the company established a system to prevent the use of material inside information and inform all employees, management, and board members of this system?			✓	Corporate Governance Code of the Bank	
17	Has there been any complaint/dispute/problem regarding related-party transaction in the past two years?			✓		There is none.
18	Does the company have a policy that requires management to disclose related-party transaction?			✓		Upon their election, all directors acknowledge receipt of the duties of a director and of the Board, which include disclosure of this type of

						information/transaction, among others.
19	Are the nature and extent of transactions with affiliated and related parties communicated to shareholders annually?			✓	IS	These transactions are reported to regulatory agencies as transactions are executed pursuant to the MORB and the SRC-IRR.
20	Is the company a part of an economic group where the parent / controlling shareholder also controls key suppliers, customers, and/or similar businesses?				No.	The Bank is subject to DOSRI Rules of the BSP (arm's length transaction at all times).
21	Does the company facilitate voting by proxy?			✓	Notice of annual meeting, B/L	
22	Does the notice to shareholders specify the documents required to give proxy?			✓	Notice of annual meeting	
23	Is there any requirement for a proxy appointment to be notarized?				No.	Only documentary stamps should have been paid.
24	How many days in advance does the company send out notice of general shareholder meetings?				Fifteen (15) trading days before the date of the annual meeting per B/L.	
24.1	Date of Notice	(dd/mm/yy) <u>01/08/07</u>				
24.2	Date of Actual Meeting	(dd/mm/yy) <u>23/08/07</u>				

Part III. THE ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
25	Does the company explicitly mention the safety and welfare of its employees?			✓	HR Manual	
26	Does the company provide an ESOP (Employee Share Option Program), or other long-term employee incentive plan linked to shareholder value creation, to employees?					B/L has a provision on Management Incentive Plan but no such plan is currently in place.
27	Does the company provide a retirement plan/fund or its equivalent for its employees?			✓	HR Manual	
28	Does the company provide a continuing training program for its employees?			✓	HR Manual	
29	Does the company explicitly mention the role of customers?		✓		Risk Management Policies & Procedures Manual	The Bank abides by the provisions of the MORB and various BSP Circulars.
30	Does the company explicitly mention the role of suppliers/business partners?			✓	Purchasing and Warehousing Manual	
31	Does the company explicitly mention its obligations to shareholders?			✓	Corporate Governance Code of the Bank	
32	Does the company explicitly mention its obligations to creditors?					As a rule the Bank does, but subject to confidentiality clauses.

33	Does the company explicitly mention environmental issues in its public communication?	✓				
34	Does the company explicitly mention its broader obligations to society and / or the community?			✓	Mission & Vision	
35	Does the company inform shareholders of material income tax consequences of owning shares of company common shares, ADS, etc.?			✓	Annual/Quarterly Report to SEC	
36	Does the company disclose pending legal and tax proceedings, tax assessment notices and voluntary assessment program availments that it considers to be potentially material to its business?			✓	IS	

Part IV. DISCLOSURE AND TRANSPARENCY

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
37	Does the company have a transparent ownership structure					
37.1	Breakdown of shareholdings			✓	GIS	
37.2	Is it easy to identify beneficial ownership?			✓	IS	

37.3	Are directors' shareholdings disclosed?			✓	GIS, IS	
37.4	Are management's shareholdings disclosed?			✓	GIS, IS	
38	Does the company have a dispersed ownership structure?			✓	IS	
39	Assess the quality of the Annual Report. In particular, the following:					
39.1	Financial performance			✓	AR	ARs are always accompanied by AFS.
39.2	Business operations, competitive position, and other non-financial matters			✓	AR	
39.3	Board member background			✓	IS & Management Report	
39.4	Basis of the Board per diems			✓	B/L	
39.5	Operating risks			✓	Risk Management Policies & Procedures Manual	
39.6	Identification of Independent Directors			✓	IS	
39.7	Board meeting attendance of individual directors			✓	Corporate Governance Code of the Bank	
39.8	Does the company have a policy requiring full disclosure of details of related-party transactions in public communications?		✓			Unless required by regulatory agencies, no such disclosure is made in public communications.

40	Is there any statement requesting directors to report their transactions of the company shares?			✓		Upon their election, all directors acknowledge receipt of the duties of a director and of the Board, which include disclosure of this type of information/transaction, among others.
41	Does the Audit Committee have a Charter?			✓	Audit Committee Charter	
42	Does the company have an internal audit operation established as a separate unit in the company?			✓	Internal Audit Charter	
43	To whom does the internal audit function report, please identify?					Board through the Audit Committee.
44	Does the company perform an annual audit using SEC accredited external auditors?			✓	IS	
45	Is the financial report disclosed in a timely manner during the past year?			✓		Yes.
46	Are there any accounting qualifications in the audited financial statements apart from the Qualification on Uncertainty of Situation?			✓	Audited Financial Statement	
47	Does the company website disclose up-to-date information on:	Date when website was examined (dd/mm/yy) _____			Website is under construction.	
47.1	Business operation	✓				

47.2	Financial statement	✓				
47.3	Press release	✓				
47.4	Shareholding structure	✓				Only as disclosed to the PSE.
47.5	Organization structure			✓		
47.6	Corporate group structure (N/A for a company that does not belong to corporate grouping)				N/A.	
47.7	Downloadable annual report	✓				
47.8	Notice to call shareholders' meeting	✓				It is published in a newspaper of general circulation and sent to all SH of record as of closing date via registered mail, pursuant to its B/L.
48	Does the company provide contact details for a specific Investor Relations person or unit that is easily accessible to outside investors?			✓		Centralized with IT and forwarded to units involved.
49	Does the company offer multiple channels of access to information? Multiple channels include:					
49.1	Annual report			✓		
49.2	Company website			✓		
49.3	Analyst briefing(s)	✓				
49.4	Press conference(s) / press briefing(s)	✓				

Part V. BOARD RESPONSIBILITY

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
50	Does the company have its own written Corporate Governance Manual that clearly describes its value system and board responsibilities?			✓	Corporate Governance Code of the Bank	
51	Does the Board of Directors provide code of ethics or statement of business conduct for all directors and employees?			✓	Code of Discipline of the Bank	Code of Ethics is under construction.
52	Does the company have a corporate vision/mission/values?			✓		
53	Does the PSE have any evidence of non-compliance of the company with PSE rules and regulations over the two years?			✓		If any, monetary penalties are imposed.
54	Assess the quality of the Audit Committee Report in the Annual Report:					
54.1	Attendance			✓		
54.2	Internal control			✓		
54.3	Proposed auditors			✓		

54.4	Financial report review			✓			
54.5	Legal compliance			✓			
54.6	Over-all concluding opinion			✓			
55	Have board members participated in the training on Corporate Governance (i.e. PDP, CGOP, Corporate Retreat, etc.)?			✓			
56	Have senior management executives attended training on Corporate Governance?		✓			Most have complied, but it is not a requirement.	
57	What is the attendance performance of the board members during the past 12 months?			✓	All Board members are compliant with the attendance requirement		
58	Does the company provide a risk management policy?			✓	Risk Management Policies and Procedures Manual		
59	Does the company clearly distinguish the roles and responsibilities of the board and management?			✓	Corporate Governance Code of the Bank		
60	Does the board conduct an annual self-assessment?			✓	Corporate Governance Code of the Bank		
61	Does the company conduct an annual performance assessment of the CEO/President?			✓	Corporate Governance Code of the Bank		
62	How many board meetings are held per year?	No. of Board Meetings: <u>12</u>				Exclusive of special Board meetings.	

62.1	Does the firm report board meeting attendance of individual directors?			✓	Corporate Governance Code of the Bank	
63	Is the Chairman a non-executive director?	✓				The President has just recently assumed office and is not yet familiar with the Bank's history.
64	Does the board appoint committees with independent members to carry out various critical responsibilities such as:					
64.1	<i>Audit.</i> If yes, are the following items disclosed?					
64.1.1	Charter/ Role and responsibilities			✓	Audit Committee Charter	
64.1.2	Profile / Qualifications			✓	Audit Committee Charter	
64.1.3	Independence			✓	Audit Committee Charter	
64.1.4	Performance / Meeting Attendance			✓	Audit Committee Charter	
64.2	<i>Compensation / Remuneration.</i> (Compensation/ Remuneration Committee) If yes, are the following items disclosed?					
64.2.1	Charter/Role and Responsibilities			✓	c/o the Bank's Corporate Governance Code	
64.2.2	Is the Committee composed of a majority of independent directors?			✓	Corporate Governance Code of the Bank	Compliant as per Corporate Governance Code of the Bank (i.e. at least one independent director).
64.2.3	Is the Chairman of the Committee an independent director?			✓		Not required under the B/L or the Corporate Governance Code of the

						Bank.
64.2.4	Performance / Meeting Attendance			✓		Through the Corporate Governance Committee.
64.3	<i>Nomination Committee</i> . If yes, are the following items disclosed?"					
64.3.1	Charter/Role and Responsibilities	✓				Rules are being evaluated at present.
64.3.2	Is the Committee composed of a majority of independent directors?	✓				Compliant as per Corporate Governance Code of the Bank (i.e. at least one independent director).
64.3.3	Is the Chairman of the Committee an independent director?	✓				Not required under the Corporate Governance Code of the Bank.
64.3.4	Performance / Meeting Attendance			✓		Through the Corporate Governance Committee.
65	How many board members are independent directors?		✓		At least one (1) as per Corporate Governance Code of the Bank.	
66	Does company state in its Annual Report the definition of "independence" for identifying independent directors in public communications?		✓			The Bank follows SRC-IRR, SEC Circulars and MORB.
67	Does the company have a separate Board of Director's Report describing their responsibilities in reviewing the firm's financial statements?	✓				

**SURVEY ON CURRENT ETHICAL STANDARDS
IN PHILIPPINE CORPORATIONS**

1. We have a formal code of ethics in our company.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2. Our code of ethics includes a statement on obligation to: <ul style="list-style-type: none"> • Employees • Shareholders • Suppliers • Customers • The general community 	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No
3. We have an ethics officer in our company.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4. We allocate resources for ethical activities such as: <ul style="list-style-type: none"> • Training • Internal Communications • Ethics Audit 	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No <input checked="" type="checkbox"/> No
5. Ethics expectations are communicated to our: <ul style="list-style-type: none"> • Suppliers/Vendors • Business Partners • Consultants • Contractors 	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No
6. We have a reporting mechanism in place in the company to allow all employees to report or express ethical concerns/violations.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
7. Ethical conduct has an impact on an employee's performance evaluation in our company.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
8. We have mechanisms in place in the company that ensure our suppliers and partners adhere to highest standards of business ethics.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

The Institute of Corporate Directors is currently conducting a survey on ethical standards in Philippine Corporations. We would highly appreciate your participation in this survey.

Thank you.