



# **EXPORT AND INDUSTRY BANK**

30 October 2009

**The Philippine Stock Exchange**  
Philippine Stock Exchange Centre  
Exchange Road, Ortigas Center  
Pasig City

**Attention: Ms. Janet A. Encarnacion**  
**Head, Disclosure Department**

Gentlemen:

This refers to your letter of even date requiring the Bank to confirm, deny and/or clarify the article entitled "Export(b)ank board OKs BDO takeover proposal" published in the 30 October 2009 issue of the Philippine Daily Inquirer which reads in part, as follows:

"The BOARD OF EXPORT AND INDUSTRY BANK has agreed to execute a deal allowing tycoon Henry Sy's Banco de Oro Unibank to take over selected assets and liabilities of the bank. The Export(b)ank board approved in a meeting Thursday afternoon a resolution authorizing bank chair Jaime Gonzale(z) and president Juan Victor Tanjuatco 'to finalize and execute the sale ... subject to regulatory approvals ...' Industry sources said the terms of the BDO takeover had been drawn up but would still be subject to approval by the board of the country's largest bank. But the structure of the deal will no longer be through the sale of shares as considered during the earlier stages of the BDO-Export(b)ank negotiations. Instead, BDO will buy selected assets and assume about ₱30 billion in liabilities, including about ₱20 billion in deposits and about ₱9 billion in outstanding loans to the state owned Philippine Deposit Insurance Corp. A banking source privy to the negotiations said the method of acquisition would be easier to execute given that Export(b)ank would carve out certain assets that it could sell to other parties in the future. As of end-June, the bank had about ₱32 billion in total assets but some of these will not be included in the deal with BDO...Among the assets not included in the BDO takeover are the bank's stake in 43-story Fort Bonifacio residential condominium One McKinley Place, securities brokerage EIB Securities, Inc., insurance brokerage Urbancorp Insurance Brokers, Inc., non-life insurer Valuegen Financial Insurance Co., Inc., and thrift banking unit EIB Savings Bank."

We reiterate our disclosure yesterday which states that

“...the Board of Directors authorized Chairman Jaime C. Gonzalez and President Juan Victor S. Tanjuatco, Jr. to finalize and execute the sale of select assets and liabilities of the Bank, subject to final regulatory approvals. The sale will include the assumption of all of the Bank’s deposit liabilities.”

We confirm that the Bank’s total resources as of June 2008 as earlier disclosed is ₱32.7 billion. We cannot provide additional information at this time since the entire transaction is still subject to the approval of the Bank’s regulatory agencies.

We trust we have clarified you on this matter.

Very truly yours,



**Riva Khristine V. Maala**  
*Assistant Corporate Secretary*

PSE-Results of BOD (10.30.09)/corpsec/rvm