



EXPORT AND INDUSTRY BANK

18 January 2008

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

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Gentlemen:

This refers to your letter of even date requiring the Bank to confirm and/or deny the veracity of the article published in the Philippine Daily Inquirer on 18 January 2008 which reads in part, as follows:

“EXPORT AND INDUSTRY BANK plans to beef up its capital by ₱3.8 billion this year. In a briefing, Export(b)ank president Nilo Pacheco (Jr.) and chair Jaime Gonzale(z) said the bank had yet to decide on the form of capital-raising it would undertake...”We prefer an increase in tier 1 (core) capital,” Gonzale(z) said...Export(b)ank vice chair Alfredo Yao said the bank aimed to raise ₱3.8 billion before end of this year...”

We confirm that during the press conference¹ held on 16 January 2008 after the listing of the Bank's Common “B” shares, Chairman Gonzalez and President Pacheco, Jr. stated that the Bank is contemplating on increasing its capital. No details were given on the amount or the kind of capital to be increased and on the manner in which the same will be done, as the matter is still under discussion.

We trust we have clarified you on the foregoing.

Very truly yours,


Riva Khristine V. Maala
Assistant Corporate Secretary

PSE-PDI article (1.18.08)/corpsec/rvm

¹ Vice Chairman Yao was not present.