



EXPORT AND INDUSTRY BANK

23 February 2009

Philippine Stock Exchange, Inc.
4/F Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

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

Gentlemen:

This refers to your letter dated 23 February 2009 (copy received on even date) requiring the Bank to confirm or deny, among others, the veracity of the news article published in today's internet edition of the Philippine Daily Inquirer which partly states as follows:

“MANILA, Philippines – The Yuchengco’s Rizal Commercial Banking Corporation is in talks to acquire a controlling stake in Export and Industry Bank to expand its branch network despite a turbulent global financial environment. After more than a year of on-and-off negotiations, RCBC may soon finally strike a deal with the owners of Exportbank, a small commercial bank that swallowed the defunct Urban Bank in 2001, two banking sources privy to the talks confirmed to the Inquirer. ‘It won’t be long [sic],’ one source said, noting that the marriage between the two banks have yet to obtain respective board approvals for the transaction but others noted that the talks have reached an ‘advanced’ stage after a year of negotiations on valuation. Getting board approvals would likely be resolved soon, the sources said...”

It has been the Bank’s intention from the onset to increase its Tier 1 Capital. For this purpose, the Bank has strengthened its organization including revamping its management team, made substantial improvements to its branch operations, and focused on its core competencies.

Indeed the Bank has been talking to several investors since last year, but at this stage, it is still evaluating which of these options will best benefit its customers, employees and stakeholders.

We trust that we have clarified you on the foregoing.

Very truly yours,

Riva Khristine V. Maala
Assistant Corporate Secretary

PSE-PDI Article (2.21.09)/cor/sec/mydocs/rvm