



Filinvest Development Corporation

06 September 2011

Philippine Stock Exchange

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

We refer to your request for clarification/confirmation of the article published in the 03 September 2011 issue of The Philippine Star, to wit:

“East West Banking Corp. is looking to grow its branch network to 300 within three years, from 117 at the end of June this year...”

“We hope to hit 140 by the end of the year,” Antonio C. Moncupa Jr., EastWest Bank president and chief executive officer, said during a press briefing yesterday...

“What we are looking at, likewise, is acquiring assets,” the bank executive said.

“Meanwhile, the bank will open its ownership structure or go public by the first semester of 2012....”

EastWest Bank is optimistic it would still hit its minimum net income target of P1.8 billion for the whole of 2011...

Last Friday, September 2, 2011, East West Banking Corporation (“Eastwest”) had a press conference with Mr. Tony Moncupa, President and CEO of Eastwest Bank, and its celebrity endorser, Mr. Derek Ramsey on its Auto Loans Free Gas Promo. A one-on-one interview with Mr. Ramsey and Mr. Moncupa followed the press conference.

The Philippine Star article mentioned that “the bank must sell at least 60 percent of its common shares within 2011 or list its common shares in the country’s bourse by 2013”. We would like to clarify that there was no mention of the sale of 60% of EastWest Bank's share in 2011. This is not a requirement of the BSP for a universal bank license. Furthermore, Filinvest Development Corporation (“FDC”) has no plan to list 60% of Eastwest’s common shares and intends to keep majority control of the bank.

The following are the best recollection on the interview with Mr. Moncupa:

Question: How many branches does Eastwest have now and how many does it plan to have by year-end. What are your broad plans on branching?

Response: Eastwest currently has 117 branches. With the acquisition of Green Bank, which has 46 branches, and the liberalized branching rules, Eastwest is set to achieve its target to put up 30 branches by the end of this year. From the 113 branches it had in end 2010, 'Eastwest hopes to end the year with 140 branches'. We plan to expand further to reach up to 300 branches by end 2014.

Question: With your plan to put up 300 branches in 3 years, you must be looking to acquire another bank. Is there anything on the pipeline?

Response: We are always open to opportunities to acquire. We would prefer though to look for opportunities for asset expansion. Green Bank and the liberalized branching rules will already give us the platform to have our target number of branches. The Ecology acquisition in 2003 and Green Bank were more to expand our branches. We will be interested to have an acquisition similar to AIG PhilAm Savings Bank, which was more on expanding our assets. But of course, we are always willing to look at any kind of opportunity.

Question: Are you going public? When?

Response: We are committed to go public since that is a condition set by the BSP when it approved our universal bank license. That amounts to around ₱500 million. We understand that to mean that we need at least 200 new stockholders with not one single investor owning more than 10 percent or ₱50 million. The deadline for that is end of this year. Then within 3 years after that, we are required to do a public listing at the stock exchange to keep our universal bank license.

Listing is a question of market condition, timing and a good story to tell on a company's track record. We believe that we have the track record with the growth and profitability record of the Bank the last few years. If the market improves a lot, when the uncertainties coming from the US and Europe will settle down, we could consider listing sooner than later.

Question: When do you expect that to be?

Response: It really depends on market conditions. If market improves in two years, we list in two years, or three years. If that happens soon, like in the next couple of months, we may list as early as the first quarter of 2012. The thing is we wait for the right timing, for the market conditions

to improve. FDC, our parent, could support our growth capital requirements if we don't list sooner.

Question: So you would list in the first quarter of 2012?

Response: As I said earlier, it depends. If the market cooperates and the conditions are good, we will consider listing in the first quarter. Otherwise, there is no rush and we will wait for the right timing even if that takes 2 years or 3 years.

With the exception of the error noted above, the other items in the press reports are accurate taken within its context.

We hope the above clarify matters.

Very truly yours,


ATTY. ADRIAN BANCORO
Corporate Information Officer