



Filinvest Development Corporation

23 January 2009

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

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

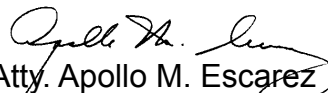
Gentlemen,

We reply to your request in connection with the news article "*East West wins Philam Savings*" published in the January 23, 2009 issue of the *BusinessWorld Online*.

Please refer to the attached joint statement of the parties on the transaction.

We trust the foregoing information is sufficient.

Very Truly Yours,


Atty. Apollo M. Escarez
Corporate Information Officer

EASTWEST BANK TO ACQUIRE AIG PHILAM BANK

Makati City, January 23, 2009. East West Banking Corporation (EastWest Bank) and American International Group, Inc.(AIG) announce that they and certain of AIG's subsidiaries, including Philippine American Life and General Insurance Company (Philamlife) and AIG Consumer Finance Group, Inc., have entered into a Share Sale Agreement for EastWest Bank to acquire all of the shares of AIG PhilAm Savings Bank, Inc. (AIGPASB), PhilAm Auto Finance & Leasing, Inc. and PFL Holdings, Inc.

"The acquisition of AIG PhilAm Savings Bank and the two related companies will lead to the expansion of EastWest Bank's retail banking business and support EastWest Bank's intention to become a more significant player in the industry. AIGPASB will expand our retail footprint, give us better economies of scale and strengthen our service delivery capabilities to the broad middle market segments that include business enterprises and companies," said Tony Moncupa, Jr., EastWest Bank's President & CEO.

The share sale transaction, which is conditioned upon receipt of regulatory approval, is expected to close in the second quarter of 2009.

The combined assets of the two companies are expected to total approximately P 63 billion and to result in EastWest Bank becoming the sixth largest credit card issuer in the Philippines in terms of cards-in-force (CIF), and the 6th largest in terms of card receivables. The acquisition is expected to nearly double EastWest's auto loan receivables to approximately P8 billion and moved it as 6th largest. The combined banks will have a total of 89 branches, 54 in Metro Manila and 35 in other key cities and provinces, as AIGPASB adds nine (9) branches to the 80 of East West.

EastWest Bank is a subsidiary of the Filinvest Development Corporation (FDC), one of the country's premier conglomerates, with business interests in real estate development and leasing, financial and banking services and the sugar business.

Philamlife President/CEO & AIGPASB Board Director Jose L. Cuisia said, "We are pleased with the bid process and believe the outcome serves the best interests of all parties. We look forward to a smooth transition and integration process."

"Our customers and our credit card, auto loan, deposit and trust businesses will benefit from EastWest Bank's broad, nationwide distribution network, comprehensive product offering and affiliated businesses. Equally important, EastWest Bank's acquisition of AIGPASB presents an opportunity for our employees to build a career with an institution that has much potential for growth and success." said AIGPASB President & CEO Joven Reyes.

Blackstone Advisory Services provided financial advice to AIG in connection with AIG's global restructuring program. Deutsche Bank acted as financial advisor and Linklaters served as legal counsel to AIG on this transaction."

ABOUT AIG PHILAM BANK

AIG PhilAm Savings Bank, Inc. (AIGPASB) is an indirect subsidiary of American International Group, Inc. (AIG), a world leader in insurance with operations in more than 130 countries and jurisdictions. It is also a subsidiary of the Philippine American Life and General Insurance Company, the largest and most diversified insurance company in the Philippines and the undisputed market leader for over half a century.

AIGPASB offers credit cards, auto loans, deposits, priority banking and trust. In July 2007, AIG PhilAm Bank became the first thrift bank locally to issue long-term negotiable certificates of deposit. In December 2007, the Bank entered into an agreement with Ford Credit International, Inc. (FCI) to acquire all of FCI's shares in Primus Finance & Leasing, Inc. and PFL Holdings, Inc.

AIGPASB has nine (9) branches nationwide – six (6) in Metro Manila and three (3) in the provincial areas. As of December 31, 2008, the Bank's total deposits level is P9.7 billion. Its auto loan receivables and credit card receivables reached P4 billion and P4.7 billion, respectively.

ABOUT EASTWEST BANK

East West Banking Corporation (EastWest Bank) is a subsidiary of the Filinvest Development Corporation (FDC), one of the country's premier conglomerates, with business interests in real estate development and leasing and in financial and banking services and the sugar business. Through the years, the Bank has successfully capitalized on the financial strength of and synergy from the business organizations under the Filinvest Group.

The Bank has a network of 80 branches, 48 of which are located in Metro Manila and 32 in the provincial areas. It offers a wide range of financial services designed to meet the banking needs and requirements of consumers and its growing corporate clientele. As of December 2008, the Bank's Total Assets is P49.9 billion, while Total Deposits is P39.4 billion. Auto Loans receivables reached P4 billion while credit cards receivables was recorded at P3.6 billion.



ODiSy

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Company : **FILINVEST DEVELOPMENT CORPORATION**

Attention : **Atty. Apollo M. Escarez**
Assistant Vice President

Subject : **"East West wins Philam Savings"**

Sent : **Friday, January 23, 2009**

Gentlemen:

We write with respect to the attached news article entitled "East West wins Philam Savings" published in the January 23, 2009 issue of the *BusinessWorld Online*. The article reported, in part, that:

MID-SIZED commercial bank East West Banking Corp. has bagged the local consumer banking arm of American International Group, Inc. (AIG) in a tough race that involved some of the country's biggest tycoons. East West Banking Corp. which is backed by real estate industry stalwart Filinvest Group of the Gotianun family, was chosen as the winning bidder for AIG Philam Savings Bank, a senior official said.... Reuters reported that a source put the price at about P2 billion....

Please confirm, deny and/or clarify the above-quoted news article. Likewise, if in the affirmative, kindly provide initially the basic information on the transaction such as total acquisition price, price per share and the valuation method used.

We shall appreciate receiving your response on the foregoing matter **via ODiSy before 4:00 p.m. today, January 23, 2009**, so that we may properly apprise the Trading Participants and the investing public of the same.

Very truly yours,

DIANNE EILEEN A. CEÑIDOZA
Analyst, Disclosure Department

Noted by:

ATTY. PETE M. MALABANAN
Head, Disclosure Department

Today's Headlines

East West wins Philam Savings

MID-SIZED commercial bank East West Banking Corp. has bagged the local consumer banking arm of American International Group, Inc. (AIG) in a tough race that involved some of the country's biggest tycoons.

East West Banking Corp. which is backed by real estate industry stalwart Filinvest Group of the Gotianun family, was chosen as the winning bidder for AIG Philam Savings Bank, a senior official said.

AIG is scheduled to announce the sale today in a press briefing, according to invitations sent out to the Philippine media. East West Bank will join the press conference, the official, who requested anonymity, said.

"Yes. We will announce tomorrow that we've signed," he told *BusinessWorld* when asked whether the bank had cornered the deal.

The other suitors were Banco de Oro Unibank, Inc. and China Banking Corp., both controlled by retail magnate Henry Sy. Sources said Robinsons Savings Bank of John Gokongwei was also one of the four in a shortlist.

The East West official did not divulge the amount of the deal, citing a nondisclosure agreement with AIG and its Philippine unit Philippine American Life and General Insurance, Inc. (Philamlife), only saying that the pricing was based on what its value is to us, the potential of the business".

"Whatever we offered, that's it," he said.

Philamlife officials were not immediately available for comment. Reuters reported that a source put the price at about P2 billion.

Philam Savings is 45% owned by AIG Consumer Finance Group and 45% by Philamlife, the country's largest insurer. AIG's local savings bank had a book value of P1.3 billion and assets worth P14.78 billion as of end-September 2008, according to published financial statements.

East West Bank, meanwhile, has P41.6 billion in total assets based on its statement of financial condition as of June last year. — **Maria Eloisa I. Calderon**