

January 10, 2013

MS. JANET A. ENCARNACION
Head, Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
3F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Dear Ms. Encarnacion:

This refers to the Bank's disclosure on January 4 and January 7, 2013 regarding the appointment of Credit Suisse as Financial Advisor.

The parties are in the process of negotiating the terms and conditions for the proposed issuance of new common shares and such terms and conditions are still subject to BSP approval and corporate approvals of the IFC Board of Directors and the Executive Committee of the IFC Bank Recapitalization Fund.

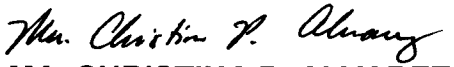
From the proposed issuance of US\$100 million, CVC Capital was given an option to purchase up to US\$15 million new common shares from such issuance. The option was given to CVC Capital to allow it to maintain its 15% shareholding in the Bank. However, please note that CVC Capital has declined to exercise such option and the entire US\$100 million issuance will be subscribed to by the IFC through the IFC Bank Recapitalization Fund.

As and when there are material developments with respect to this transaction, we will make the necessary disclosures

We trust we have sufficiently clarified the matter.

Thank you.

Sincerely yours,


MA. CHRISTINA P. ALVAREZ
First Vice President and
Corporate Information Officer

Cc: Ma. Concepcion M. Magdaraog
Market Regulatory Services Group
Philippine Dealing & Exchange Corp.