



# Filinvest Development Corporation

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25 August 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 letter dated 24 August 2011 requesting additional information on the acquisition by East West Banking Corporation ("EastWest Bank"), a wholly-owned subsidiary of Filinvest Development Corporation ("FDC"), of Green Bank, Inc. (formerly Rural Green Bank of Caraga, Inc.) which we previously disclosed on 23 August 2011.

At the outset, we invite your attention to the fact that the purchase consideration in the context of FDC's total market capitalization of more than Php30 billion and EastWest Bank's total equity of around Php10 billion is not a material transaction.

**a. Terms and condition of the transaction**

**a.1. Number of shares to be acquired, price per share and the total acquisition price**

Total acquisition price	P175,000,000
Number of shares to be acquired	23,270,769
Price per share	P7.52

EastWest Bank offered P175,000,000 to acquire 100% of the total subscribed capital of the Bank. As of this date, the Bank has paid and acquired around 85% of the total subscribed capital of the Green Bank (Rural Bank), Inc., amounting to P148,367,339.59 (or a price per share amounting to P7.52). EastWest Bank will do a tender offer at the same price for the remaining shares of stock it does not own yet.

**a.2. The basis upon which the amount of consideration or the value of the transaction was determined**

The basis for valuing the transaction is GBI's net asset value as well as its network of distribution channels, i.e. 46 branches and 94 MBOs.

**a.3. Terms of payment; and**

The terms of payment was "Cash purchase".

**a.4. Any other conditions precedent to closing of the transaction.** Other than the approval of the Bangko Sentral ng Pilipinas which has already been secured, there are no other material conditions precedent to close the transaction.

**b. Timetable for the completion of the transaction;**

The transaction has closed and payment for the 84.8% of the outstanding capital stock of GBI has already been made.

**c. Corporate background of Green Bank;**

**Date of incorporation, discussion of major investments;**

Green Bank Inc.(GBI), was formerly the Rural Green Bank of Caraga, Inc. until its Articles of Incorporation was amended on June 24, 2006. GBI was incorporated as Rural Bank of Nasipit (Agusan Del Norte), Inc. on June 20, 1974, primarily to carry and engage in business of extending credit to small farmers and tenants and to deserving rural industries or enterprises and to transact business which may be legally done by rural banks organized in accordance with R.A. No. 7353, *Rural Bank Act of 1992*.

**Capital Structure:**

	<b>Common</b>	<b>Preferred</b>
Authorized capital stock	49,000,000 sh	10,000,000 sh
Issued shares	23,270,769 sh	30,000 sh
Outstanding shares	23,270,769 sh	30,000 sh
Subscribed shares	25,573,429 sh	30,000 sh
Paid-up capital	23,270,769 sh	30,000 sh
Par Value	P10.00	P10.00

- d. Identity of the sellers and the nature and extent of any material relationship among the Corporation, East West Bank, Green Bank, their directors/officers, or any of their affiliates;

Name	Relationship to		
	GBI	FDC	EastWest Bank
Andaya, Ismael	Shareholder	None	None
Andaya, Miriam	Director	None	None
Andaya, Joseph Omar	Director/Officer	None	None
Andaya, Roque Ismael	Shareholder	None	None
Andaya, Lily Grace	Director/Officer	None	None
Andaya, Rosa Bernadette	Director	None	None
Andaya, Robert Douglas	Shareholder	None	None
Andaya-Martin, Miriam May	Director	None	None
Andaya, Cecilia Fe	Shareholder	None	None
Andaya, Agnes	Director/Officer	None	None
Andaya, Noechita	Shareholder	None	None
Bertelle Corporation	Shareholder	None	None
Butuan Gem Equity Corp.	Shareholder	None	None
Unitas Holdings Incorporated	Shareholder	None	None
Ong Oh, Arthur	Director	None	None
Dompur, Refugio	Director	None	None
Dompur, Ronald Francis	Shareholder	None	None
Dompur, Josefina	Shareholder	None	None
Alaba, Alfredo	Shareholder	None	None
Apolinar, Reynaldo	Shareholder	None	None
Foz, Melanie/Edwin	Shareholder	None	None
Cuaresma, Isidro	Director	None	None
Taeza, Victor	Shareholder	None	None
Nazareth, Patrick	Shareholder	None	None
Candido, Rowena ITF Andaya, Miriam	Shareholder	None	None

**e. Any other information necessary to enable an investor to make an informed investment decision**

The acquisition of GBI shall provide EastWest Bank with the following benefits:

1. Rural bank operations
2. Total assets of around P3 billion
3. Entry to the micro finance lending and access to the Visayas and Mindanao areas, through 46 GBI branches nationwide

We trust that you find the foregoing sufficient to comply with your request. Thank you.

Very truly yours,



**ATTY. ADRIAN BANCORO**  
Corporate Information Officer