

October 4, 2013

Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Dear Ms. Encarnacion,

Please find below additional details on the proposed acquisition by Asia United Bank's ("AUB") rural bank subsidiary, the Rural Bank of Angeles ("RBA") of the banking business of the Cooperative Bank of Pampanga ("CBP"):

a) Terms and conditions of the transaction:

The proposed transaction involves the purchase by RBA of all the assets, including the seven existing banking units (i.e. six branches and the head office), and assumption of all liabilities of CBP ("P&A Transaction").

Given that the liabilities of CBP are in excess of the recoverable value of its assets, no cash consideration will be paid to CBP or to any shareholder of CBP as part of the transaction. Following the transfer of all assets and liabilities of CBP to RBA, the CBP will be surrendering its banking license to the BSP and cease to operate as a cooperative bank. To facilitate the P&A Transaction, AUB will receive certain incentives and reliefs from the BSP, including the award of 20 branch licenses in restricted areas; provided that, AUB infuses a minimum of Php. 400m into RBA upon closing of the P&A Transaction, undertake to maintain RBA's net worth to be at least Php.100m and maintain RBA's Capital Adequacy Ratio at a minimum rate of 15% post-transaction.

The completion of the transaction is conditioned on, such matters including: the submission by CBP and RBA of their respective members and shareholders' approvals for the transaction, submission of certain documentary requirements applicable for the P&A Transaction to the PDIC, the PDIC's approval to the transfer of the CBP assets and assumption of CBP liabilities by RBA, compliance with applicable laws and regulations including those pertaining to bulk sales, taxation and labor.

b) The identity of the person(s) from whom the shares will be acquired

There will be no purchase of CBP shares and all CBP shares will remain with the 204 primary cooperatives based in Pampanga who are presently the existing shareholders of CBP.

- c) The nature and extent of material relationship between AUB, RBA and CBP, their directors, officers or any of their affiliates, if any.

AUB and its subsidiary RBA, and its respective directors and officers do not have any material relationship with CBP and its directors and officers.

- d) Corporate Background of CBP

CBP was registered with the Securities and Exchange Commission (SEC) on November 4, 1977. It was authorized by the Cooperative Development Authority to operate as a cooperative on February 10, 1978. The CBPI initially started its operations at Capitol Grounds, San Fernando, Pampanga and later moved to its current location at Dolores, San Fernando on August 8, 1997.

CBP offers peso savings accounts, peso time deposit accounts and peso demand deposits. It also offers loan and credit facilities and money transfer services. At present, CBP operates out of 7 locations, all in Pampanga: Angeles, Mabalacat, San Fernando, Sta. Ana, Apalit, Lubao, Floridablanca.

As of August 2013, CBP had total assets of Php. 152.6 million, total liabilities of Php. 342.7 million, and net capital deficit of Php. 190.1 million. As of the same date, it also employed about 65 employees.

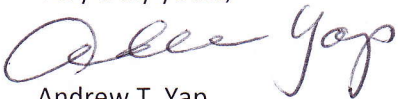
- e) Effects on the business, financial condition and operations of the Bank

For RBA, the prospective acquisition of CBP's banking business is expected to further facilitate the expansion of RBA's microfinance / countryside lending activity in Pampanga.

For AUB, the prospective addition of 20 branch licenses in restricted areas as a result of the P&A Transaction supports AUB's branch network expansion thrust. The P&A Transaction is in line with AUB's social responsibility initiative of helping foster financial inclusion.

We trust the foregoing disclosure provides sufficient detail on the transaction for the Trading Participants and the investing public.

Very truly yours,



Andrew T. Yap
Corporate Information Officer