

Report of Factual Findings

The Stockholders and the Board of Directors Asia United Bank Corporation

Joy-Nostalq Center
17 ADB Avenue, Ortigas Center, Pasig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Annual Progress Report for the period May 18, 2013 to December 31, 2013 on the application of proceeds from the Initial Public Offering (IPO) of Asia United Bank Corporation (the Bank) on May 17, 2013. The procedures were performed solely to comply with the Philippine Stock Exchange Inc.'s (PSE) requirement to submit an external auditor's certification on the accuracy of the information being represented by the Bank relating to the application of proceeds whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with the Philippine Standards on Related Services 4400, "*Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*" applicable to agreed-upon procedures engagements. These agreed-upon procedures and results thereof are summarized as follows:

1. Checked the mathematical accuracy of the Annual Progress Report on the Application of Proceeds from IPO (the Report) for the period May 18, 2013 to December 31, 2013, and agreed the amounts for branch expansion and information technology infrastructure to the related schedules.
2. Obtained the schedules of capitalized costs of newly-opened branches during the period May 18, 2013 to December 31, 2013 amounting to ₱195.82 million and checked the mathematical accuracy of the schedules. On a test basis, we traced certain items of the capitalized costs to the accounting records and supporting documents.
3. Obtained the schedule of capitalized costs related to information technology infrastructure during the period May 18, 2013 to December 31, 2013 totalling ₱55.11 million, and checked the mathematical accuracy of the schedule. On a test basis, we traced certain items of the capitalized costs to the accounting records and supporting documents.
4. Obtained the schedule of loan releases during the period May 18, 2013 to December 31, 2013 and agreed the related total to the amount for general corporate purposes in the Report and obtained explanation from the Bank for the reasons of the differences, if any.

We report our findings below:

1. With respect to item 1, we found it to be mathematically correct and the amounts agreed to the respective schedules.
2. With respect to item 2, we found the schedule to be in order and mathematically correct. The capitalized items tested, on a sample basis, agreed with the accounting records and supporting documents.
3. With respect to item 3, we found the schedule to be in order and mathematically correct. The capitalized items tested, on a sample basis, agreed with the accounting records and supporting documents.
4. With respect to item 4, we obtained the schedule of loan releases during the period May 18, 2013 to December 31, 2013 and noted higher amount than the amount for general corporate purposes in the Report. As represented by the management of the Bank, part of the loan releases for the period May 18, 2013 to December 31, 2013 included the proceeds invested in loans to customers amounting to ₱5,077.48 million.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), we do not express any assurance on the use of proceeds from the IPO based on the said standards.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the updated report on the Bank's application of proceeds from the offering and items specified above do not extend to any financial statements of the Bank, taken as a whole.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso
Partner

January 15, 2014