



## **NOTICE OF SPECIAL STOCKHOLDERS' MEETING**

### **TO: ALL STOCKHOLDERS**

NOTICE is hereby given that there will be a special meeting of the stockholders of **ASIA UNITED BANK CORPORATION** (the "Corporation") on **03 September 2020 (Thursday)** at **9:00 am**.

In light of the COVID-19 global pandemic resulting in the imposition by the government of regulations limiting mobility and mass gatherings, the meeting will be conducted virtually, and can be accessed at the link which will be provided to stockholders after successful registration.

The meeting shall have the following agenda:

### **AGENDA**

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Previous Meeting of Stockholders
4. Election of Independent Director
5. Other Matters
6. Adjournment

Attached are the rationale for the above agenda items for reference.

The Board has set 10 August 2020 (Monday) as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote *in absentia* by registering via e-mail at [investorrelationsoffice@aub.com.ph](mailto:investorrelationsoffice@aub.com.ph) on or before 5:30 p.m. on 28 August 2020.


Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may access and watch the livestream of the annual stockholders' meeting and/or cast their votes on matters to be taken up during the meeting using the e-voting platform to be set up for the purpose.

The e-voting platform will be accessible until 10:00 a.m. of 03 September 2020. Participants may send in questions or remarks via the livestream portal.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to [investorrelationsoffice@aub.com.ph](mailto:investorrelationsoffice@aub.com.ph) on or before 5:30 p.m. on 28 August 2020.

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory. Validation of proxies is set on 31 August 2020 at 5:30 p.m. The votes already cast using the e-voting platform by that time will also be tallied on said date.

City of Pasig, Metro Manila, 10 August 2020.

  
**JASON C. NALUPTA**  
Corporate Secretary

## **RATIONALE FOR AGENDA ITEMS**

### **Agenda Item No. 3. Approval of the Minutes of the Previous Meeting of Stockholders held last 30 June 2020**

Copies of the Minutes of the 2020 Annual Stockholders' Meeting held last 30 June 2020 will be made available in the Corporation's website

<https://www.aub.com.ph/investorRelationsServlet?fileDir=/aubph/InvestorRelations/stockholdermeetings/&fileName=2020%20AUB%20ASM%20Minutes.pdf>. Stockholders will be asked to approve the Minutes of the 2020 Annual Stockholders' Meeting, as recommended by the Board of Directors.

### **Agenda Item No. 4. Election of Independent Director**

The candidate named in this Information Statement, Atty. Romero Frederico S. Quimbo, has been nominated for election as an independent member of the Corporation's Board of Directors. His proven expertise and qualifications based on current regulatory standards and the Corporation's own norms, will help sustain the Company's solid performance that will result to its stockholders' benefit. The profile of the nominated candidate is further detailed in the Corporation's Information Statement. If elected, he shall serve as such for one (1) year or until his successor shall have been duly elected and qualified.



## ASIA UNITED BANK CORPORATION 2020 SPECIAL STOCKHOLDERS' MEETING

### **Guidelines for Participating via Remote Communication and Voting *in Absentia***

The Board of Directors of Asia United Bank Corporation (the “Corporation”) has set a **Special Stockholders’ Meeting (SSM)** on **03 September 2020 at 9:00 A.M.** to elect a ninth director, to fill the last seat of the Board of Directors reserved for an independent director. The end of trading hours of the Philippine Stock Exchange, Inc. on **10 August 2020 (“Record Date”)** has been set as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at such meeting and any adjournment thereof.

In light of the COVID-19 global pandemic resulting in the imposition by the government of regulations limiting mobility and mass gatherings, the Board of Directors of the Corporation has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote *in absentia* or by proxy.

### **REGISTRATION**

The conduct of the meeting will be streamed live, and stockholders may attend the meeting and/or cast their votes *in absentia* by registering until 28 August 2020, 5:30 P.M.

To register, the stockholders must send an e-mail to [investorrelationsoffice@aub.com.ph](mailto:investorrelationsoffice@aub.com.ph) and submit the following requirements and documents, subject to verification and validation:

1. Individual Stockholders
  - 1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others, in order to validate the registration of the shareholder.
  - 1.2. Stock certificate number
  - 1.3. Active e-mail address/es
  - 1.4. Active contact number/s, with area and country codes
2. Multiple Stockholders or with joint accounts
  - 2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders
  - 2.2. Stock certificate number/s
  - 2.3. Active e-mail addresses of the stockholders
  - 2.4. Active contact numbers, with area and country codes

- 2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account
3. Corporate Stockholders
  - 3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to participate and vote for and on behalf of the corporation
  - 3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others, to validate the registration of the authorized representative
  - 3.3. Active e-mail address/es of the authorized representative
  - 3.4. Active contact number of an authorized representative, with area and country codes
4. PCD Participants/Brokers
  - 4.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to participate and vote for and on behalf of the PCD participant/broker
  - 4.2. Digital copy of the certificate of shareholdings issued by the PCD/broker
  - 4.3. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative
  - 4.4. Active e-mail address/es of the authorized representative
  - 4.5. Active contact number of the authorized representative, with area and country codes

By providing the Corporation with the foregoing documents for the purpose of validating credentials and registration to participate and vote at the Corporation's special stockholders' meeting, **the registering stockholder is deemed to have consented to the Corporation's processing of his personal data in accordance with the Data Privacy Act.**

For ease of validation, please be reminded that the ID submitted must clearly show his/her (the stockholder/representative) photo, full name, signature, residential address, and other personal details.

#### **ONLINE VOTING**

1. After registration and upon verification of registration credentials, a link to the voting portal, with instructions, will be sent by the Corporation to the qualified stockholder's registered e-mail address.
2. Log-in to the voting portal by clicking the link.
3. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval are appended to the Notice of Meeting.

A stockholder has the option to vote “Yes”, “No”, or “Abstain” on each agenda item for approval.

4. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the “Submit” button.
5. After the electronic ballot has been submitted, the registered Stockholder may no longer make any changes.

Please be advised that the voting platform will be made available from 31 August 2020 (Monday) until 10:00 AM of 03 September 2020 (Thursday).

### **ASM LIVESTREAM**

The ASM will be broadcasted live. Upon verification of registration credentials, the registered stockholder shall receive from the Corporation an email confirmation containing the link and password to the livestream, and instructions on how to access the livestream.

***For any questions or concerns, please email us at [investorrelationsoffice@aub.com.ph](mailto:investorrelationsoffice@aub.com.ph).***

### **PROXY FORM**

The undersigned stockholder of Asia United Bank Corporation (the "Corporation") hereby appoints or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Special Meeting of Stockholders of the Corporation on 03 September 2020 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of minutes of previous Annual Stockholders' Meeting (30 June 2020)

\_\_\_Yes\_\_\_No\_\_\_Abstain

2. Election of Director.

\_\_\_1.1. Vote for nominee Romero Federico S. Quimbo (Independent Director)

\_\_\_1.2. Withhold authority for nominee Romero Federico S. Quimbo

3. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

\_\_\_Yes\_\_\_No\_\_\_Abstain

\_\_\_\_\_  
Printed Name of Stockholder

\_\_\_\_\_  
Signature of Stockholder /  
Authorized Signatory

\_\_\_\_\_  
Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 28 AUGUST 2020 (FRIDAY).

### SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, Filipino, of legal age and with office address at \_\_\_\_\_, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of \_\_\_\_\_ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at \_\_\_\_\_;
2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on \_\_\_\_\_, the following resolution was passed and approved:

"RESOLVED, that \_\_\_\_\_ be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of Asia United Bank Corporation ("AUB") whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in AUB and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

"RESOLVED, FINALLY, that AUB be furnished with a certified copy of this resolution and AUB may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument on \_\_\_\_\_.

\_\_\_\_\_  
Printed Name and Signature of the  
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on \_\_\_\_\_ in \_\_\_\_\_.  
Affiant exhibited to me his Competent Evidence of Identity by way of \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

Doc. No. \_\_\_\_\_;

Page No. \_\_\_\_\_;

Book No. \_\_\_\_\_;

Series of 2020.

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM 20-IS**  
**Information Statement Pursuant to Section 20**  
**of the Securities Regulation Code**

1. Check the appropriate box  
☐ Preliminary Information Statement  
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter: **ASIA UNITED BANK CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
4. SEC Identification Number: **A-1997-18963**
5. BIR Tax Identification Number: **005-011-651-000**
6. Address of principal office: **Joy~Nostalg Center No. 17 ADB Avenue, Ortigas Center, Pasig City 1600**
7. Registrant's telephone number, including area code: **(632) 8631-3333 / (632) 8638-6888**
8. Date, time, and place of the meeting of security holders:

**Date : 03 September 2020 (Thursday)**  
**Time : 9:00 AM**  
**Venue : Videoconferencing via Zoom Webinar**

9. Approximate date on which the Information Statement is to be sent or given to security holders:  
**11 August 2020 (Tuesday)**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class <b>Common Stock, ₱10.00 par value</b>	Number of Shares of Common Stock Outstanding <b><u>485,310,538</u></b> <b>(as of 30 June 2020)</b>  Amount of Debt Outstanding (in ₱ 000s) <b>Consolidated – ₱232,835,080</b> <b>Parent - ₱228,435,323</b> <b>(as of December 31, 2019)</b>
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11. Are any or all of Registrant's securities listed on a Stock Exchange?  
 Yes ☒ No ☐

If so disclose name of the Exchange : **The Philippine Stock Exchange, Inc.**  
 Class of securities listed : **Common Shares**

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED TO SEND US A PROXY.**



## PART 1.

### A. General Information

#### Item 1. Date, Time, and Place of Meeting of Security Holders

- (a) Date - 03 September 2020 (Thursday)  
Time - 9:00 A.M.  
Place - Video Conferencing via Zoom Webinar
- (b) The approximate date on which the Information Statement will be sent or given to security holders is on **11 August 2020 (Tuesday)**.
- (c) The complete mailing address of the principal office of ASIA UNITED BANK CORPORATION (the "Corporation") is: **Joy~Nostalg Center 17 ADB Avenue, Ortigas Center Pasig City, Metro Manila, 1600, Philippines**

#### Item 2. Dissenters' Right of Appraisal

The matters to be voted upon in the Special Stockholders' Meeting on 03 September 2020 are not among the instances enumerated in Sections 41 and 80 of the Revised Corporation Code whereby the right of appraisal, defined to be the right of any stockholder to dissent and demand payment of the fair value of his shares, may be exercised. The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
3. In case the Corporation decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

In case the right of appraisal may be exercised, Section 81 of the Revised Corporation Code provides for the appropriate procedure, viz:

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares; Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to

the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; Provided further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) No person who has been a director or officer or any nominee for election as director of the Corporation or associate of such persons, have substantial interest, direct or indirect, in any matter to be acted upon other than the election of the candidate for independent director, Atty. Romero Frederico S. Quimbo.
- (b) The Corporation is not aware of any director or security holder who intends to oppose any action to be taken by the registrant during the stockholders' meeting.

**B. Control and Compensation**

**Item 4. Voting Securities and Principal Holders Thereof**

- (a) As of 30 June 2020, the Corporation has 485,310,538 common shares outstanding and entitled to one vote. Out of the said outstanding shares, 104,100,279 or 21.45% is owned by foreigners.
- (b) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Special Stockholders' Meeting is **10 August 2020**.
- (c) In the forthcoming special stockholders' meeting, stockholders shall be entitled to elect one (1) member to the Board of Directors, the last vacant seat reserved for an independent director.
- (d) Security ownership of certain record and beneficial owners and management
  - (1) Security Ownership of Certain Record and Beneficial Owners

The following persons or groups are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 30 June 2020:

<b>Title of Class</b>	<b>Name and Address of Record Owner and Relationship with issuer</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percent</b>
Common	Republic Biscuit Corporation <sup>1</sup>  58 Gen. Luis St.  Novaliches, Quezon City	Ng Family (see footnote)	Filipino	158,399,535	32.64%
Common	Kuo Yu Philippines Holdings Corporation <sup>2</sup>  Joy~Nostalg Center  17 ADB Avenue, Ortigas Center, Pasig City	Lin Hong Dow, George Chua, Hung An Hotel Consultant & Management Co. Ltd (see footnote)	Filipino	90,000,000	18.54%
Common	Lambda Holdings Corporation <sup>3</sup>  G/F Cedar Mansion II  J. Escriva Drive, Ortigas Center,	Asia United Worldwide Holdings LTD, Jan God Investment Corp., Ng family , George Chua (see footnote)	Filipino	71,999,850	14.84%

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<sup>1</sup>Republic Biscuit Corporation (Rebisco) is owned by Mr. Jacinto L. Ng., Sr. (40.00%), Mr. Jacinto C. Ng, Jr. (20.00%), Mr. Jonathan C. Ng (20.00%), Ciudad Kuvera Investments Corp. (10.00%) and Mr. Jacob C. Ng (10.00%). Mr. Jacob C. Ng is a Director of the Bank and also serves as the Executive Vice President, Chief Transformation Officer & Branch Banking Group Head. Mr. Jacob C. Ng is the son of Mr. Jacinto L. Ng, Sr. and the siblings of Messrs. Jonathan C. Ng and Jacinto C. Ng, Jr.

<sup>2</sup>Mr. Lin Hong Dow owns 1.54% of the total shares of Kuo Yu Philippines Holdings Corporation while Hung An Hotel Consultant & Management Co. Ltd owns 38.46%. Meanwhile, Mr. George Chua owns 60% of the shares. Mr. George T. Chua is also a Director of the Bank.

<sup>3</sup>Lambda Holdings Corporation is owned by Asia United Worldwide Holdings, Ltd. (40%), Jonathan C. Ng (20%), Jacinto Co Ng, Jr. (15%), George T. Chua (15%) and Jan Gold Investments Corp. (10%). Mr. George T. Chua is a member of the Board of Directors of the Bank. Messrs. Jonathan C. Ng and Jacinto C. Ng, Jr. are siblings of Mr. Jacob C. Ng, a director and officer of the Bank.

<sup>4</sup>PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares. Instead, the participants have the power to decide how the PCD shares in AUB are to be voted.

	Pasig City				
Common	PCD Nominee Corporation <sup>4</sup>  G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City	Various Stockholders/Clients (see footnote)	Filipino	38,757,070	7.99%
Common	PCD Nominee Corporation <sup>4</sup>  G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City	Various Stockholders/Clients (see footnote)	Foreign	27,548,170	5.68%

The shares held by Republic Biscuit Corporation, Kuo Yu Philippines Holdings Corporation and Lambda Holdings Corporation shall be voted or disposed by the persons who shall be duly authorized by these record or beneficial shareholders for the purpose. The natural person/s that has/have the power to vote on the shares of the foregoing companies shall be determined upon the submission of its proxy form to the Company, which is not later than 28 August 2020 (Friday). Apart from the foregoing, there are no other persons holding more than 5% of the Company's outstanding capital stock.

## (2) Security Ownership of Management

The table below shows the shares beneficially owned by the directors and executive officers of the Company as of 30 June 2020:

Title of Class	Name of Beneficial Owner	Shares	Nature of beneficial ownership	Citizenship	Percent of class
Common Stock	Abraham T. Co	150	Direct	Filipino	0.00%
Common Stock	Ramon Y. Sy	31,515	Direct	Filipino	0.01%
Common Stock	Manuel A. Gomez	9,840	Direct	Filipino	0.00%
Common Stock	Atty. Lily K. Gruba	120	Direct	Filipino	0.00%
Common Stock	George T. Chua	47,460	Direct	Filipino	0.01%

		55,602,716.66	Indirect	Filipino	13.35%
Common Stock	Jacob C. Ng	9,450	Direct	Filipino	0.00%
		15,839,953.50	Indirect	Filipino	3.26%
Common Stock	Justice Adolfo S. Azcuna	15	Direct	Filipino	0.00%
Common Stock	Atty. Maria Gracia M. Pulido Tan	100	Direct	Filipino	0.00%
Common Stock	Antonio V. Agcaoili	78,000	Direct	Filipino	0.02%
Common Stock	Andrew C. Chua	36,000	Direct	Filipino	0.01%
Common Stock	Rosario M. Dayrit	7,095	Direct	Filipino	0.00%
Common Stock	Florante C. Del Mundo	135	Direct	Filipino	0.00%
Common Stock	Willy G. Ng	32,670	Direct	Filipino	0.01%
Common Stock	Wilfredo E. Rodriguez Jr.	73,455	Direct	Filipino	0.02%
Common Stock	Lela S. Quijano	0	Direct	Filipino	0.00%
Common Stock	Amelia S. Sison	1,815	Direct	Filipino	0.00%
Common Stock	Catherine C. Uy	0	Direct	Filipino	0.00%
Common Stock	Victorio C. Sison	0	Direct	Filipino	0.00%
Common Stock	Cynthia P. Santos	0	Direct	Filipino	0.00%
Common Stock	Herminia C. Musico	16,200	Direct	Filipino	0.00%
Common Stock	Maria Teresa Ogbinar	0	Direct	Filipino	0.00%
Common Stock	Ernesto T. Uy	10,000	Direct	Filipino	0.00%
Common Stock	Atty. Rainer T. Defante	0	Direct	Filipino	0.00%
Common Stock	Leonides Intalan	750	Direct	Filipino	0.00%
Common Stock	Joselito Jacob	0	Direct	Filipino	0.00%
Common Stock	John P. Go	0	Direct	Filipino	0.00%
Common Stock	Amelin Yao	0	Direct	Filipino	0.00%

Common Stock	Soledad Reyes	1,500	Direct	Filipino	0.00%
Common Stock	Eddie Dorotan	2,250	Direct	Filipino	0.00%
Common Stock	Atty. Jason C. Nalupta	0	Direct	Filipino	0.00%
Common Stock	Atty. Ann Margaret K. Lorenzo	0	Direct	Filipino	0.00%
TOTAL	Aggregate Ownership of All Directors and Officers	71,801,190.16			16.69%
	Aggregate Ownership of All Directors	71,541,320.16			
	Aggregate Ownership of All Officers	259,870			

**1. Voting Trust Holders of Five Percent (5%) or More**

There is no party known to the Corporation as holding any voting trust or any similar arrangement for five percent (5%) or more of the Company's voting securities.

**2. Changes in Control**

There is no arrangement that may result in a change in control of the company.

**3. Voting Trust Holders of Five Percent (5%) or More**

There is no party known to the Corporation as holding any voting trust or any similar arrangement for five percent (5%) or more of the Company's voting securities.

**4. Changes in Control**

There is no arrangement that may result in a change in control of the company.

**Item 5. Directors and Executive Officers**

The Articles of Incorporation of the Bank provides that the Bank shall have nine (9) directors, with such number of independent directors as provided in all applicable laws and regulations. In the recently concluded Annual Stockholders' Meeting of the Bank (30 June 2020), only eight directors were elected. The last seat was left vacant, reserved for the election of a third independent director. Through this special stockholders' meeting, the ninth seat is sought to be filled, with the election of a third independent director.

The names, ages, and citizenship of all incumbent Directors and Executive Officers of the Company as of 30 June 2020 are as follows:

**Directors:**

No.	Name	Age	Citizenship	Position
1	Abraham T. Co	71	Filipino	Chairman of the Board
2	Ramon Y. Sy	89	Filipino	Vice-Chairman of the Board

3	Manuel Gomez	66	Filipino	President and Director
4	Atty. Lily K. Gruba	70	Filipino	Director
5	George T. Chua	65	Filipino	Director
6	Jacob C. Ng	43	Filipino	Executive Vice President, Chief Transformation Officer, Branch Banking Group Head, and Director
7	Justice Adolfo S. Azcuna	81	Filipino	Lead Independent Director
8	Atty. Maria Gracia M. Pulido Tan	64	Filipino	Independent Director

**Executive Officers:**

No.	Name	Age	Citizenship	Position
1	Abraham T. Co	71	Filipino	Chairman and Chief Executive Officer
2	Manuel A. Gomez	66	Filipino	President/ Director
3	Antonio V. Agcaoili, Jr.	57	Filipino	Executive Vice President
4	Jacob C. Ng	43	Filipino	Executive Vice President, Chief Transformation Officer, Branch Banking Group Head, and Director
5	Wilfredo E. Rodriguez, Jr.	50	Filipino	Executive Vice President
6	Florante C. Del Mundo	62	Filipino	Senior Vice President
7	Rosario M. Dayrit	56	Filipino	Senior Vice President
8	Andrew A. Chua	54	Filipino	Senior Vice President
9	Catherine C. Uy	50	Filipino	Senior Vice President
10	Victorio C. Sison	75	Filipino	Senior Vice President
11	Lela S. Quijano	51	Filipino	Senior Vice President
12	Amelia S. Sison	53	Filipino	Senior Vice President
13	Maria Teresa C. Ogbinar	60	Filipino	Senior Vice President

14	Ernesto T. Uy	60	Filipino	Senior Vice President
15	Atty. Reiner Defante	47	Filipino	Senior Vice President
16	Willy G. Ng	66	Filipino	Senior Vice President
17	Cynthia P. Santos	66	Filipino	Senior Vice President/ Chief Compliance Officer
18	Herminia C. Musico	66	Filipino	Treasurer
19	Leonides F. Intalan	48	Filipino	Senior Vice President
20	Soledad O. Reyes	48	Filipino	Senior Vice President/ Chief Finance Officer
21	Eddie Abel C. Dorotan	36	Filipino	Senior Vice President
22	Joselito Jacob	56	Filipino	Senior Vice President
23	Amelin Yao	66	Filipino	Senior Vice President
25	John P. Go	52	Filipino	Senior Vice President
25	Atty. Jason C. Nalupta	48	Filipino	Corporate Secretary
26	Atty. Ann Margaret K. Lorenzo	31	Filipino	Assistant Corporate Secretary

### ***Board of Directors***

The information on the business affiliations and experiences of the following directors and officers are current and/or within the past five (5) years.

The following are the incumbent members of the Board of Directors.

#### **1. Abraham T. Co**

Mr. Abraham T. Co, 71, Filipino, is the Chairman and Chief Executive Officer (Executive Director). He has been the President of the Bank since June 1997. He is currently the Chairman of Cavite United Rural Bank (CURB) and Director of the following AUB subsidiaries: Asia United Leasing and Finance (AULFC) and Rural Bank of Angeles (RBA). Mr. Co was formerly the President of First Malayan Leasing and Finance Corporation, Head of the Consumer and Operations Support Group at Rizal Commercial Banking Corporation, and the President of BA Finance Corporation.

Mr. Co holds a B.S. degree in Chemical Engineering from the University of the Philippines. He assumed the Chairmanship position last 1 January 2018.



## **2. Ramon Y. Sy**

Mr. Ramon Y. Sy, 89, Filipino, is a Director and Vice-Chairman of the Board and was first elected to the Board in March 2012. He is currently the Chairman of Ramsy Corporation, Apex Mining Co, Inc. (Publicly-Listed) and Xcell Property Ventures, Inc. He holds directorship positions with Travelman, Inc., SPC Corporation (Publicly-Listed), Asian Alliance Holding and Development Corporation, Asian Alliance Investment Corporation, Phil Equity and Monte Oro Resources and Energy Inc. Mr. Sy also served as Chairman and President of the United Coconut Planter's Bank, United Coconut Planters Life Assurance Corporation, and UCPB General Insurance Co. Inc. He was once the president of the International Exchange Bank and was also Vice-Chairman of Metropolitan Bank and Trust Corporation.

Mr. Sy holds a Bachelor's degree in Commerce from Far Eastern University, an MBA from the University of the Philippines, Doctor of Public Administration (Honoris Causa) from Centro Escolar University; and Doctor of Humanities (Honoris Causa) from Far Eastern University.

## **3. Manuel A. Gomez**

Mr. Manuel A. Gomez, 66, Filipino, joined AUB in 1997. He is currently the President of Asia United Bank. He was formerly the Executive Vice President and Head of Branch Banking until 31 December 2017. In addition, He was a director at Asia United Leasing and Finance Corporation (AULFC) and Rural Bank of Angeles (RBA) last 2015. Besides this, he was the former treasurer of the consumer banking group at Citytrust Banking Corporation. He also worked at Citibank, N.A. as the head of the Fund Management Division from 1986 to 1988 and as treasury director from 1993 to 1997. In the interim years (from 1988 to 1993), he worked at Citytrust as head of Consumer Banking, as well as the assistant vice president for the Money Market Group at BA Finance Corporation from 1975 to 1986.

Mr. Gomez holds a B.A. in General Studies from the Ateneo de Manila University.

## **4. Atty. Lily K. Gruba**

Atty. Lily K. Gruba, 70, Filipino, has been a Director of AUB since 2003. She is also a managing partner of Zambrano & Gruba Law Offices and a Director of ZG Global Advisors, Corp. Previously, she held various positions in the government, such as Director of the Philippine Economic Zone Authority, Director of Overseas Workers Welfare Administration, Undersecretary of the Department of Finance, etc. Atty. Gruba is also the Associate Dean for Continuing Legal Education and a Professor of the Ateneo de Manila Law School.

Atty. Gruba holds a B.S. degree in Psychology from the University of Santo Tomas. She also holds a law degree from Ateneo Law School and a Masters of Law degree from the Georgetown School of Law.

## **5. George T. Chua**

Mr. George T. Chua, 65, Filipino, was first elected Director of AUB in July 1998. He also the Treasurer and Director of RBA, Director of CURB, which are AUB's subsidiaries and

Chairman of the board of Quantuvis Resources Corp. Concurrently, he serves as the Director/President of Manila Bay Development Corporation, Manila Bay Venture Capital Corporation, and Ciudad Nuevo Realty Corporation as well as the President of Great Jubilee Development Corporation.

Mr. Chua holds a B.S. degree in Management Engineering from the Ateneo De Manila University.

#### **6. Atty. Maria Gracia M. Pulido Tan**

Atty. Maria Gracia M. Pulido Tan, 64, Filipino, was first elected as Independent Director of AUB and its subsidiary, Rural Bank of Angeles in July 2007 and served until 2011. She was re-elected as Independent Director of AUB last July 2016 after serving as Chairperson of the Commission on Audit from 2011 to 2015. She also served as an Independent Director of AULFC, RBA and CURB which are AUB's subsidiaries from 2016 to May 2019. She serves as a member of the Board of Trustees of International Budget Partnership in Washington D.C., USA. She is a Director of Trifels, Inc. and Galileo Software Services, Inc. She is also a Tax Consultant and Legal Adviser to various private clients. Furthermore, she is an arbitrator for the Construction Industry Arbitration Commission. Moreover, she is a professorial lecturer of the University of the Philippines College of Law. In addition, she was a former columnist in Manila Bulletin. Previously, she was a member of the United Nations Independent Audit Advisory Committee in New York, USA. Prior to joining AUB in 2007, she was a Director of United Coconut Planters Bank, a Founding and Senior Partner of Tan & Venturanza Law Offices, a Tax Specialist of KPMG Peat Warwick Main & Co., and an associate of Sycip Salazar Feliciano & Hernandez. She held various positions in Asian Development Bank from 2005 to January 2016, a Legal Consultant for the Canadian International Development Agency/Bearing Point Inc. Philippines from 2007 to 2008 as well as for the Ways and Means Committee of the Philippine Senate in 2006, an Undersecretary of the Department of Finance from 2003 to 2005, and a Commissioner for the Presidential Commission on Good Government from 2002 to 2003.

Atty. Pulido Tan holds a Bachelor's degree in Business Administration and Accountancy and a Bachelor of Laws from the University of the Philippines, and Masters of Laws from New York University.

#### **7. Justice Adolfo S. Azcuna**

Justice Adolfo S. Azcuna, 81, Filipino, is an Independent Director of the Bank since August 2011. He also serves as an Independent Director in AULFC, RBA and CURB which are AUB's subsidiaries. Moreover, he holds the position of Chancellor of the Philippine Judicial Academy (PHILJA) of the Supreme Court of the Philippines. He was a former Partner of Azcuna, Yorac, Sarmiento, Arroyo, and Chua Law Firm. He served as an Associate Justice of the Supreme Court of the Philippines from 2002 to 2009. He was also the Chairperson of Philippine National Bank; Director of the Development Bank of the Philippines; and the Chief Presidential Legal Counsel, Press Secretary, and Spokesperson under President Corazon C. Aquino.

Justice Azcuna obtained his law degree from the Ateneo de Manila University and holds a post-graduate certificate from the Salzburg University.

## **8. Jacob C. Ng**

Mr. Jacob C. Ng, 43, Filipino, was elected as Director of AUB in July 2016. Currently, he is the Executive Vice President, Chief Transformation Officer and Head of Branch Banking effective 1 January 2020. He was the former Head of Consumer Lending Group until 31 December 2017. In addition, he served as a Director and Treasurer of Rural Bank of Angeles (RBA). Mr. Ng was Program Manager for Citibank from 2005 to 2007, a Business Management Team Leader for Earth+Style Development Corporation from 2000 to 2002, and a Customer Management Officer for Extraordinary Development Corporation from 1998 to 2000.

Mr. Ng holds an A.B. degree in Development Studies from the Ateneo de Manila University, and an MBA in International Management from Thunderbird School International Management in Arizona, USA.

In this upcoming special stockholders' meeting, Atty. Romero Federico S. Quimbo has been nominated for election as independent director, to fill the ninth seat in the board reserved for an independent director. The business experience and affiliations of Mr. Quimbo for the last five (5) years appear below.

### **Romero Federico S. Quimbo**

Romero "Miro" S. Quimbo was a Member of the Congress of the Philippines from 2010-2019, representing the Second District of Marikina City. He was Deputy Speaker and subsequently, Minority Leader of the 17<sup>th</sup> Congress, Chairman of the Committee on Ways and Means of the 16<sup>th</sup> Congress, and Deputy Majority Leader of the 15<sup>th</sup> Congress. As a legislator, he was known for his tax reform advocacy, authoring and passing laws reforming the country's income tax system, modernizing the country's customs agency, and increasing transparency of tax incentives. He was Chief Executive Officer of the Pag-IBIG Fund from 2002 to 2009, during which the Fund became the only triple-A rated government-owned and operated corporation and one of the top ten taxpayers of the country. In 2006, he received the Ten Outstanding Young Men Award from the Philippine Jaycees, in recognition of his exemplary public service. He was an Associate of the Poblador, Bautista, and Reyes Law Offices from 1998 to 2001, where he practiced criminal, civil, and appellate litigation.

He completed BA History and Bachelor of Laws at the University of the Philippines in 1991 and 1996, respectively.

### **Process and Criteria for Selection of Nominees for Directors**

The Corporation's By-Laws provide that all nominations must be submitted to the Corporate Governance Committee. The Corporate Governance Committee composed of Justice Adolfo S. Azcuna (Chairman), Atty. Maria Gracia M. Pulido Tan (Member), Mr. Ramon Y. Sy (Member), Mr. George T. Chua (Member) and Atty. Lily K. Gruba (Member) screened the nominees for election to the Board of Directors in accordance with the Bank's Corporate Governance Manual, applicable laws and rules.

The Committee assesses the nominees based on their background, educational attainment, work experience and expertise as would enable them to effectively participate in deliberations on corporate actions. Independent directors are further

screened as regards their business affiliations and activities to ensure that they have all the qualifications and none of the disqualifications for independent directors as set forth in the Corporate Governance Manual of the Bank and in applicable laws and rules.

#### **Nominee for Election at the Special Stockholders' Meeting on 03 September 2020**

The Nominations Committee screened the nominees to determine whether they have all of the qualifications and none of the disqualifications for election to the Board of Directors.

Mr. Romero Frederico S. Quimbo was nominated for election to the Corporation's Board of Directors, to fill the ninth seat reserved for an independent director.

The experience and background of the nominee for election to the Board, Mr. Quimbo, are detailed above. The nomination of Mr. Quimbo, which he accepted, was made by Mr. Curvy Abelinde. There is no relationship between the nominee for election as independent director and the person who nominated him.

No director has resigned or declined to stand for re-election to the Board of Directors due to disagreement on any matter.

#### ***Executive Officers***

The experience and background of Mr. Abraham T. Co, Mr. Manuel A. Gomez and Mr. Jacob C. Ng are contained in the Board of Directors portion. The business experience of the principal executive officers of the Corporation for at least the past five years are detailed below.

##### **Antonio V. Agcaoili, Jr.**

Mr. Antonio V. Agcaoili, Jr., 57, Filipino, joined AUB in 1997. He is the Executive Vice President and Head of Treasury. He began his career at AUB as Senior Vice President and Treasury Dealing Head, a post he held from 1997 to 2007 before eventually becoming the EVP of the same group in 2008. He served as VP and Treasury head at Banco Santander Philippines, Inc. in 1997. He also worked at Citibank N.A., Manila Branch for several years, where he served as the vice president and dealing head of the Funds Management Division from 1994 to 1996. From 1993 to 1994, he served as assistant vice president and senior portfolio manager in the Citicorp Global Asset Management group. He also worked as a manager and senior trader at Citibank N.A., Manila Branch (CSG Treasury) from 1985 to 1993.

Mr. Agcaoili holds a bachelor's degree in Finance and an M.B.A., both from De La Salle University.

##### **Wilfredo E. Rodriguez, Jr.**

Mr. Wilfredo E. Rodriguez, Jr., 50, Filipino, joined AUB in 1998. He is the Executive Vice President and Head of Operations and Information Technology. He used to be the Head of Information Technology from 2008 to 2018 before being appointed to his current post. He also used to be the Head of Systems Development from 2004 to 2008. He has worked at Citibank N.A. from 1993 to 1998, beginning as a management associate, then rising to the

level of structuring assistant and eventually becoming the head of product development and the balance sheet manager.

Mr. Rodriguez holds a B.S. in Computer Science from Northeastern University.

#### **Florante C. Del Mundo**

Mr. Florante C. Del Mundo, 62, Filipino, joined AUB in 1998. He is currently the Senior Vice President and Head of Internal Audit. He was formerly the Vice President and Head of Internal Audit at Union Bank of the Philippines. He was also an Assistant Vice President at the Bank of the Philippine Islands from 1996 to 1997 and at Citytrust from 1983 to 1996. Mr. Del Mundo was a senior auditor at SGV & Co. from 1978 to 1983.

Mr. Del Mundo is a Certified Public Accountant and holds a B.S.B.A. in Accounting from the Philippine School of Business Administration and a degree in Management Development from the Asian Institute of Management.

#### **Rosario M. Dayrit**

Ms. Rosario M. Dayrit, 56, Filipino, joined AUB in 2013. She is currently the Senior Vice President and Head of Human Resource. She worked at UCPB for 28 years and held various roles in the areas of recruitment, selection and placement, reengineering and productivity services. In 1999, she was appointed as Head of Human Resources, General Services and Special Assets Management of UCPB Savings Bank. Ms. Dayrit was appointed Chief of Staff to the President and CEO of UCPB in 2003, concurrent to her roles as Customer Quality Management head and HR Manager for UCPB's subsidiaries. She was also a director of several UCPB subsidiaries, including UCPB Savings Bank, UCPB Securities Inc., UCPB Properties and Master Caterers, Inc. In 2008, she was appointed as FVP and Group Head for Human Resources, and promoted to Senior Vice President in 2010.

Ms. Dayrit holds a B.S. in Hotel and Restaurant Administration degree from the University of the Philippines and an M.B.A. degree from the Ateneo Graduate School of Business.

#### **Andrew A. Chua**

Mr. Andrew A. Chua, 54, Filipino, joined AUB in 1998. He is currently the Senior Vice President and Head of Trust. Before joining AUB, he used to be the Assistant Director at Peregrine Fixed Income from 1996 to 1997. He was also an Assistant Vice President at Banco Santander Philippines Incorporated from 1994 to 1996. Mr. Chua began his banking career at Bank of Philippine Islands, where he was a manager from 1989 to 1994.

Mr. Chua holds a B.S. in Management from De La Salle University.

#### **Catherine C. Uy**

Ms. Catherine C. Uy, 50, Filipino, joined AUB in 2005 as Assistant Vice President and Chinatown Sales Director. She is currently the Senior Vice President and Branch Banking Region 1 Head. She was appointed Chinatown Area Head and Binondo Branch Manager in 2005. She has worked at International Exchange Bank, beginning as a sales officer and becoming a branch head from 1998 to 2003. She also worked at ASB Realty Corporation in 1997 as a finance supervisor and then at Philtrust Bank and Trust Company from 1990 to

1997 as a loans executive and signature verifier. Ms. Uy is currently part-owner and the managing director of Creamy Beanery Inc. She is also the corporate secretary of Double Circle Hardware and Electrical Sales Company and Great Master Manufacturing Corporation.

Ms. Uy holds a Bachelor of Science degree, major in Business Management from the University of Santo Tomas.

**Victorio C. Sison**

Mr. Sison, 75, Filipino, joined AUB in 2015. He has over 46 years of work experience and currently the Senior Vice President and Head of Government and Related Accounts. His last assignment with Philippine National Bank was SVP and Head of Government Banking Division which he managed for 18 years, and was responsible for generating loans and deposits of big ticket local government units (LGU) accounts. He worked his way up from being a management trainee, to being Branch Manager for Ermita and Marikina branches, earning him the award of Most Outstanding Manager for three consecutive years. Before joining PNB, he was with subsidiaries PNB National Warehousing Corporation (a construction and warehousing company) and PNB-Philippine Exchange Company (an insurance and financing company), for 18 years, handling administrative and finance functions.

He holds a BS Commerce degree, major in Finance from the University of Sto. Tomas.

**Lela S. Quijano**

Ms. Lela S. Quijano, 51, Filipino, joined AUB in 2003 as Assistant Vice President. She is currently the Senior Vice President and Head of Remedial Management Group. Ms. Quijano started her career as Associate Auditor for ABN AMRO Savings (formerly BA Savings Bank) in 1989. She moved to Solidbank Corporation as Manager in 1993 until 2000. She then transferred to Philippine Savings Bank and became Senior Manager in 2001 until 2002. She became Assistant Vice President of Chinatrust Bank in 2002 until 2003 before transferring to AUB.

Ms. Quijano holds a Bachelor's degree in Accounting from the University of Negros Occidental – Recoletos.

**Amelia S. Sison**

Ms. Amelia S. Sison, 53, Filipino, joined AUB in 2002. She is currently the Senior Vice President and Branch Banking Region 2 Head. She started in AUB as a Branch Manager in 2002 until 2011. In 2012, she became Area Head. And in 2014, she became First Vice President. Ms. Sison started her career in BPI in 1992. She transferred to International Exchange Bank as Sales Officer in 1997. She then moved to Union Bank of the Philippines as Business Manager in 2001 until 2002.

Ms. Sison holds a Bachelors' degree in Economics from the University of Santo Tomas.

**Herminia C. Musico**

Ms. Herminia C. Musico, 66, Filipino, joined AUB in 1997. She was elected Treasurer in 2017, and currently on management contract with the Bank's Financial Control Group. She is also a Director and Treasurer of CURB and Director of RBA. She started in AUB as the Assistant Vice President and Head of Financial Control Group. She began her career as a Senior Auditor at SGV & Co. in 1975. She also worked at various other companies before joining AUB.

Ms. Musico earned B.S.B.A. (Bachelor of Science in Business Administration) in Accounting from the University of the Philippines.

### **Cynthia P. Santos**

Ms. Cynthia P. Santos, 66, Filipino, joined AUB in 2015. She is currently the Senior Vice President, Chief Compliance Officer and Group Head of the Compliance Unit. Prior to her appointment as Chief Compliance Officer, she was the head of Corporate Planning and Investor Relations, and the SEC and PSE Compliance Officer and Corporate Information Officer. She has more than 15 years of banking experience with RCBC, the latest role of which was First SVP of Overseas Filipino Banking/Telemoney Group Head. She was also President and Director of RCBC North America, Inc., and director of RCBC Telemoney Europe, SpA, and RCBC International Finance Ltd. Ms. Santos likewise held senior positions with Rizal Equities, Inc.; Yamaichi Securities (Philippines), Inc.; and C. Virata & Associates, Inc. (Management Consultancy); and worked with government for 11 years.

Ms. Santos holds a degree in Bachelor of Science in Business Economics from the University of the Philippines and a Masters Degree in Development Economics at Williams College, Massachusetts, USA.

### **Maria Teresa C. Ogbinar**

Ms. Teresa Ogbinar, 60, Filipino, joined AUB in 2008. She is the Senior Vice President and Head of Risk Management and Chief Risk Officer of the Bank. She started in AUB as First Vice President and Chief Risk Officer from 2008 to 2015. She was also the Senior Vice President and Chief Risk Officer at Security Bank from 2015 to January 2018 before she came back again to AUB.

Ms. Ogbinar holds a Bachelor's degree in Statistics as Cum Laude from the University of the Philippines.

### **Ernesto T. Uy**

Mr. Ernesto Uy, 60, Filipino, Senior Vice President and Branch Lending Group and Account Management Group Head effective March 22, 2019. Prior to this, he was the former Group Head for Branch Lending Group of the Bank. Mr. Uy has 30 years of banking experience and has worked with Citytrust, PCIBank, Solidbank and BDO, 25 years of which were in senior roles involving commercial lending, mortgage and corporate banking. Prior to joining AUB, he was a Group Head role for Corporate Banking in EastWest Bank, managing both the corporate and commercial lending functions.

Mr. Uy is a graduate of De La Salle University, with a Bachelor's degree in Industrial Management Engineering, magna cum laude, and earned his Master's degree in Industrial Engineering and Management from the Asian Institute of Technology in Bangkok.

**Atty. Rainer Defante**

Atty. Rainer Defante, 47, is a senior vice president and president of Rural Bank Angeles. He joined AUB in 2008 as a legal officer and unit head. Prior to this, he was the Legal Unit Head of PS Bank from 2000 to 2008. Prior to this, he was a legal officer in ABN Amro Bank for 1 year. He was also an associate of Bengzon Narcisco Cudala Jimenez Gonzales Liwanag Law Firm from 1997 to 1999.

Atty. Defante graduated from Manuel L. Quezon University with a degree in AB Political Science in 1993. He obtained his Bachelor of Laws in San Beda College last 1997.

**Willy G. Ng**

Mr. Willy G. Ng, 65, Filipino, joined AUB in 1997. He is the Senior Vice President and Head of Institutional Banking Group 1. He served as a consultant for Equitable Bank from 1978 to 1993 before he was eventually appointed vice president of Equitable Bank, in which capacity he served from 1994 to 1997.

Mr. Ng holds an M.B.A. from the Ateneo de Manila University and a B.S. in Industrial Management Engineering from the De La Salle University.

**Leonides F. Intalan**

Mr. Leonides F. Intalan, 47, Filipino, joined AUB in 2013. He is currently the Senior Vice President and Head of Consumer Lending Group. He started at AUB as First Vice President and Sales Director for Field Sales Office from 2013 to 2016 before taking on the role of Deputy Head for Consumer Lending from 2016 to 2017. Before joining AUB, Mr. Intalan had 19 years of experience in banking as he worked with Unionbank, International Exchange Bank and Citytrust.

Mr. Intalan holds a Bachelor's degree in A.B. Social Sciences Minor in Japanese Studies from the Ateneo de Manila University. He also earned his post graduate degree in Leadership for Business Results from the Asian Management Institute.

**Soledad O. Reyes**

Ms. Soledad O. Reyes, 48, Filipino, joined AUB in 2000. She has been in the banking industry for more than 20 years. She is currently the Senior Vice President, Chief Finance Officer, and Group Head of Financial Controllers Group. She first started her career in the banking field in Asian Bank Corporation in 1993 until 2000 where she held various positions under Treasury Accounting prior to AUB.

Ms. Reyes holds a degree in Bachelor of Accountancy from the Polytechnic University of the Philippines.

**Eddie Abel C. Dorotan**

Mr. Eddie Abel C. Dorotan, 36, Filipino, joined AUB in 2015. He is currently the Senior Vice President and Investment Banking Group Head. He started at AUB as the Vice President and Head of the Investment Banking Group in 2015 and became the First Vice



President and Head of the Investment Banking Group in 2016. Prior to joining AUB, he had 9 years of experience in banking as he worked in the Philippine Bank of Communications and Development Bank of the Philippines.

Mr. Dorotan holds a Bachelor's degree in A.B. Economics from the Ateneo de Manila University.

**Joselito R. Jacob**

Mr. Joselito R. Jacob, 56, Filipino, joined AUB in 1999. He is currently the Senior Vice President and Head of the Foreign Exchange Desk under the Treasury Group. Prior to joining AUB, he had 14 years of experience as foreign exchange trader. He started his career as a trader with Commercial Bank of Manila for 4 years before moving to Interbank where he became a manager for 5 years. Before transferring to AUB, he worked in Banque Nationale De Paris for 5 years.

Mr. Jacob is an alumnus of De La Salle University where he graduated with a degree in Business Management- BSC.

**John P. Go**

Mr. John P. Go, 52, Filipino, is a Senior Vice President and Region Head under the Account Management Group. He joined the bank last May 2, 2019 and brought with him his 29 years of experience in the area of finance, banking and marketing earned from RCBC, UCPB, Liwayway Group of Companies, Mandarin Credit Ventures and WyTiu Group of Companies. Prior to joining AUB, he was the First Senior Vice President and Segment Head of National Corporate Banking Group in RCBC for 11 years.

Mr. Go is a graduate of Philippine School of Business Administration with a degree in BSBA Marketing.

**Amelin S. Yao**

Ms. Amelin C. Yao 66 years old, Filipino, is a Senior Vice President and Region Head under Account Management Group. She joined the bank on June 3, 2019, bringing with her 47 years of experience in the banking industry, 13 years of which were in Commercial lending. She started her banking career in retail banking of Solid Bank for 23 years until the Metrobank and Solidbank merger in 1995. Prior to joining AUB, she was Executive Vice President and Head of Commercial Banking Center-Manila of Metropolitan Bank & Trust Company.

Ms. Yao is a graduate of the University of San Carlos Cebu City with a degree in BSC major in accounting.

**Atty. Jason C. Nalupta**

Atty. Jason C. Nalupta, Filipino, 48, is the Corporate Secretary of the Corporation. He is also currently the Corporate Secretary or Assistant Corporate Secretary of listed firms A. Brown Company, Inc., Pacific Online Systems Corporation, and Crown Asia Chemicals Corporation. He is also a Director and/or Corporate Secretary or Assistant Corporate Secretary of private companies Sino Cargoworks Agencies, Inc., Falcon Resources, Inc.,

Mercury Ventures, Inc., Total Gaming Technologies, Inc., Parallax Resources, Inc., SLW Development Corporation, Metropolitan Leisure & Tourism Corporation, Sagesoft Solutions, Inc., Radenta Technologies, Inc., Xirrus, Inc., Glyphstudios, Inc., Grabagility, Inc., Lucky Circle Corporation, Loto Pacific Leisure Corporation, Basic Leisure Networks, Inc., Stage Craft International, Inc. and Sta. Clara International Corporation. He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate, securities, and business laws.

Atty. Nalupta earned his Juris Doctor degree, as well as his Bachelor of Science degree in Management (major in Legal Management), from the Ateneo de Manila University in 1996 and 1992, respectively. Atty. Nalupta was admitted to the Philippine Bar in 1997.

**Atty. Ann Margaret K. Lorenzo**

Atty. Ann Margaret K. Lorenzo, Filipino, 31, is the Assistant Corporate Secretary of AUB. She is concurrently the Corporate Secretary of the following companies: GGO Realty Holdings, Inc., Athena Ventures, Inc., Galileo Software Services Inc. and listed company TKC Metals Corporation. She is also the Assistant Corporate Secretary of Crown Asia Chemicals Corporation and Coal Asia Holdings, Inc. Atty. Lorenzo is a Senior Associate at Tan Venturanza Valdez where she specializes in securities law, special projects and data privacy. She also lectures at the Paralegal Training Program of the UP Law Center.

She obtained her Bachelor of Arts degree in English Studies (cum laude) and Juris Doctor degree from the University of the Philippines in 2010 and 2014, respectively. She was admitted to the Philippine bar in April 2015.

**Significant Employees**

There are no other significant employees.

**Family Relationships**

Mr. Jacob Ng, one of the current directors, is a son of the Chairman Emeritus, Mr. Jacinto Ng, Sr.

**Involvement in Certain Legal Proceedings (as of June 30, 2020)**

Mr. Abraham T. Co, Chairman of the Board of Directors of AUB (the “Company”), has been named (in his previous capacity as President) as one of the respondents in criminal investigation in the Philippines in relation to a criminal complaint for Qualified-theft. The complainant, who is a borrower, alleges among others, that the collateral he posted was feloniously taken from him by the Company. This criminal complaint was dismissed by the Office of the Prosecutor in Pasig City on 27 September 2018. The complainant appealed the dismissal to the Office of the Secretary of Justice and the same is now submitted for resolution.

On October 2018, or barely a month after the dismissal of the complaint for Qualified-Theft, another complaint was filed by the same complainant this time for alleged violation of Anti-Fencing Law under P.D. 1612 before the Office of the City Prosecutor in the City of Makati. This criminal complaint which has Mr. Abraham Co and Mr. Jacinto Ng, as party respondents, among others, has been dismissed by the Office of the Prosecutor of Makati City on 30 April 2019. The

complainant has likewise appealed the dismissal of his complaint to the Office of the Secretary of Justice. The bank is awaiting a resolution by the Department of Justice on both appeals.

Mr. Abraham T. Co, Chairman of the Board of Directors of AUB, has also been named (in his previous capacity as President) as a defendant in a criminal proceeding in the Philippines, in connection with allegations of AUB having fraudulently completed and filed documents relating to the foreclosure of real estate mortgages over land parcels owned by a borrower. Mr. Co was acquitted by the Calamba Metropolitan Trial Court in March 2017.

As of the date of the report, to the best of the Company's knowledge, other than as disclosed above, there has been no occurrence of any of the following events that are material to an evaluation of the ability or integrity of any Director, any nominee for election as director or executive officer of the Company:

- any bankruptcy petition filed by or against any business of which the incumbent directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding against any of the incumbent directors or senior management of the Company;
- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and
- any finding by domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Neither AUB, nor its subsidiaries, nor any of its affiliates have been or is involved in any governmental, legal or arbitration proceedings that may have, or have had, any material effect on AUB's business, financial position or profitability. AUB's Board of Directors has no knowledge of any proceedings pending or threatened against AUB or any facts likely to give rise to any litigation, claims or proceedings which might materially affect its financial position of business.

#### **Certain Relationships and Related Transactions**

The Parent Company's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members,
- subsidiaries, joint ventures and associates and their respective subsidiaries, and
- post-employment benefit plans for the benefit of the Parent Company's employees.

The Parent Company has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms,

including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectability or present other unfavorable conditions.

#### **Transactions with Retirement Plans**

Please refer to AUB 2019 Audited Financial Statement, Note 30. Related Party Transactions.

#### **Disagreement with Director**

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last Annual Stockholders' Meeting because of a disagreement with the Company on any matter relating to the latter's operations, policies, or practices.

#### **Item 6. Compensation of Directors and Executive Officers**

##### **Compensation of Directors**

The following table identifies and summarizes the aggregate compensation of AUB's CEO and the most highly compensated executive officers of AUB compared to the aggregate compensation of all other officers and directors as a group for the years ended December 31, 2019, 2018 and 2017 and estimated for 2020.

<b>In PhP millions</b>	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Aggregate Compensation</b>
Total of CEO and the four most highly compensated executive officers	2020 (est)	32.65	9.88	42.53
	2019	30.80	9.32	40.12
	2018	28.90	9.01	37.91
	2017	25.15	8.38	33.53
Aggregate compensation of all other officers and Directors as a group	2020 (est)	143.47	41.76	185.24
	2019	135.35	39.40	174.75
	2018	119.93	37.01	156.94
	2017	95.99	31.99	127.99

\*2019 included Abraham T. Co, CEO, Antonio V. Agcaoili, Jr., Manuel A. Gomez, Wilfredo E. Rodriguez, Jr. and Ernesto Uy

\*2018 included Abraham T. Co, CEO, Antonio V. Agcaoili, Jr., Manuel A. Gomez, Isabelita M. Papa and Wilfredo E. Rodriguez, Jr..

\*2017 included Abraham T. Co, CEO, Antonio V. Agcaoili, Jr., Manuel A. Gomez, Isabelita M. Papa, and Andrew T. Yap

The Directors of AUB are entitled to a per diem of ₱60,000 for each meeting of the Board of Directors attended. The fee was last adjusted by the Board in September 2011.

Remunerations given to directors of the Group, which were approved by the Board Remuneration Committee, amounted to ₱4.19 million, ₱4.08 million, and ₱3.66 million in 2019, 2018, and 2017, respectively.

The Group has no fixed incentive program in place. The Group aims to attract, motivate, and retain employees through a competitive salary scheme which includes both direct (salary and cash-related) and indirect (non-cash benefits) compensation. It is the Group's policy to offer a compensation package that is fair and competitive with the current market rates of the industry.

As of December 31, 2019, there are no warrants or options held by the Bank's officers and directors.

#### **Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

There was no compensatory plan or arrangement with respect to named executive officers that resulted or will result from the resignation, retirement or termination of such executive officer or from a change-in-control in the Company.

#### **Warrants and Options Outstanding**

##### *Warrants*

There were no outstanding warrants as of 30 June 2020.

##### *Options*

There are no option grants outstanding as 30 June 2020.

#### **Item 7. Independent Public Accountant**

The financial statements of Asia United Bank Corporation and Subsidiaries (the Group) and the parent company financial statements of Asia United Bank Corporation (the Parent Company), as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018, and 2017 were audited by SGV & Co., independent auditors, in accordance with PAS, as stated in their report appearing herein.

SGV & Co. has acted as AUB's external auditor since 1998 and has complied with the 5-year rotation requirement, under SEC SRC Rule 68 (3) (b) (IV). Ms. Irene Janet Alvarado-Paraiso is the engagement partner of the bank for the year 2019. She replaced Mr. Ray Francis C Balagtas, who has served as the audit partner for the Bank in 2018.

The table below sets out the aggregate fees billed for each of the last three fiscal years for professional services rendered by SGV & Co.

	2019	2018	2017
Audit and audit-related fees*	4.07	3.72	3.61

Tax fees		-	-
All other fees	3.00	-	-
Total	7.07	3.72	3.61

*\*Audit and Audit-Related Fees. This category includes the audit of annual financial statements, review of interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years.*

It is the policy of the Bank that services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Committee (the members of said Committee being composed of Atty. Maria Gracia M. Pulido Tan (Chairman), Mr. George T. Chua, Ret. Justice Adolfo S. Azcuna, and Mr. Florante C. Del Mundo) prior to said report being endorsed to the Board of Directors for approval.

The external auditors are appointed annually by the stockholders at the Annual Stockholders' Meeting.

### **C. Other Matters**

#### **Item 15. Action with Respect to Reports**

The Corporation will seek the approval by the stockholders of the Minutes of the Annual Stockholders' Meeting held on 30 June 2020 during which the following items were taken up: (1) Call to Order, (2) Certification of Notice and Quorum, (4) Approval of the Minutes of the Previous Stockholders' Meeting, (5) President's Report and Presentation of Financial Statements, (6) Ratification of all Acts of the Board of Directors and Officers, (7) Election of Directors, (8) Appointment of External Auditor, (9) Other Matters, and (10) Adjournment.

The Corporation shall likewise present to the stockholders all items required to be presented to stockholders, as provided for under Section 49 of the Revised Corporation Code.

#### **Item 18. Other Proposed Actions**

The following are to be proposed for approval during the Special Stockholders' Meeting:

1. Approval of the Minutes of the Previous Meeting of Stockholders
2. Election of Independent Director
3. Other Matters

#### **Item 19. Voting Procedures**

- (a) Actions to be taken at the Special Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Corporation's outstanding capital stock.
- (b) Two inspectors, who are officers or employees of the Corporation, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place. If no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend, then

the appointment shall be made by the presiding officer of the meeting. For purposes of the Special Stockholders' Meeting on 03 September 2020, the Corporate Secretary and/or his representative, together with the bank's Head of Investor Relations and/or his representative, have been designated as inspectors who have been tasked to oversee the counting of votes.

- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Corporation; provided, however, that in the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law. For the purpose of this special stockholders' meeting, which will be held only in a virtual format, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by either of the following:

i. by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by emailing [investorrelationsoffice@aub.com.ph](mailto:investorrelationsoffice@aub.com.ph) on or before 5:30 p.m. on 28 August 2020.

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

ii. by registering their votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose. The e-voting portal will be open until 10:00 in the morning of 03 September 2020.


#### Omitted Items

Items 8 to 14, 16, and 17 are not responded to in this report, the Corporation having no intention to take any action with respect to the information required therein.

### SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, we hereby certify that the information set forth in this Information Statement (SEC Form 20-IS) are true, complete and correct.

This report is signed in Pasig City, Metro Manila on 10 August 2020.



**JASON C. NALUPTA**  
Corporate Secretary



## ASIA UNITED BANK CORPORATION

As provided under Rule 20.4.3 of the Amended Implementing Rules of the Securities Regulation Code (SRC-IRR), inasmuch as the Corporation already previously distributed its Annual Report on SEC Form 17-A prior to the Annual Shareholders' Meeting in 30 June 2020, the information required to be disclosed herein pursuant to Rule 20.4.1 of the SRC-IRR will no longer be restated, except with respect to the following updated information.

### A. Management's Discussion and Analysis (MD&A) or Plan of Operation

#### Interim Periods

##### **Financial Condition and Results of Operations**

This section presents the Group's consolidated Statements of Condition as of June 30, 2020 (Unaudited), December 31, 2019 (Audited) and June 30, 2019 (Unaudited) and, Statements of Income for the six-month periods ended June 30, 2020 and June 30, 2019 and the changes thereto as of and for the periods then ended.

##### **Analysis of Changes in Financial Condition as of June 30, 2020(Unaudited) vs. December 31, 2019 (Audited) – Exhibit A**

**The Group's total assets increased by 9% from P266.0 billion as of December 31, 2019 to P289.0 billion as of June 30, 2020.**

Cash and other cash items increased by 16% from P4.1 billion as of December 31, 2019 to P4.7 billion as of June 30, 2020 because of higher demand on cash requirements following the outbreak of COVID-19.

Due from Banko Sentral ng Pilipinas decreased by 20% from 39.1 billion as of December 31, 2019 to P31.4 billion as of June 30, 2020. Interbank loans receivable and securities purchased under resale agreements decreased by 34% from P3.5 billion as of December 31, 2019 to P 2.3 billion as of June 30, 2020 Due from other banks also decreased by 7% from P3.7 billion as of December 31, 2019 to P3.4 billion as of June 30, 2020 due to due to shift of investments to higher yielding assets.

Financial Assets at Fair Value through Profit or Loss increased by 1700% from P885.0 million as of December 31, 2019 to P15.9 billion as of June 30, 2020 as part of trading strategy in anticipation of better trading opportunities. Financial Assets at Fair Value through Other Comprehensive Income increased by 78% from P18.2 billion as of December 31, 2019 to P32.3 billion as of June 30, 2020 on the account of the group's effort to deploy funds into higher yielding assets

Investment Securities at Amortized Cost also increased 19% from P17.0 billion as of December 31, 2019 to P20.2 billion as of June 30, 2020 to enhance the Bank's ability to provide more stable income flow.

Meanwhile, Loans and Receivables had a flattish movement, from P172.5 billion as of December 31, 2019 to P171.7 billion as of June 30, 2020. This is due to slowdown of lending activities during the pandemic.

Property and equipment decreased 12% from P2.1 billion as of December 31, 2019 to P1.8 billion as of June 30, 2020 due to increase in accumulated depreciation of Furniture, fixtures and equipment and rights of use assets.

Deferred tax assets increased 263% from P71.3 million as of December 31, 2019 to 258.5 million as of June 30, 2020 mostly from tax timing differences based on existing accounting treatment.

**Total liabilities increased by 9% from P232.8 billion as of December 31, 2019 to 254.6 billion as of June 30, 2020.**

Total deposits increased by 10% from P210.2 billion as of December 31, 2019 to P230.3 billion as of June 30, 2020 mainly coming from P20.6 billion increase in Demand Deposits.

Bills payable increased by 6% from P3.2 billion as of December 31, 2019 to P3.4 billion as of June 30, 2020 due to additional cash margins.

Income tax payable increased 692% from P21.2 million as of December 31, 2019 to P167.7 million as of June 30, 2020 due to higher taxable income.

Accrued Taxes, interest and other expenses, on the other hand, decreased by 7% from P1.5 billion as of December 31, 2019 to P1.4 billion as of June 30, 2020 mostly from decrease in accrued interest and other expenses payables.

Last November 7, 2019, the bank issued a 3-year fixed rate bond with 4.625% coupon rate at P6.9 billion to be used for general corporate purposes.

Other liabilities increased 22% from P5.2 billion as of December 31, 2019 to P6.4 billion as of June 30, 2020 mostly due to dividends payable as the bank declared P2.0 per share cash dividend last June 30, 2020.

**Total Equity increased 4% from P33.2 billion as of December 31, 2019 to P34.4 billion as of June 30, 2020.**

The 7% increase in Surplus excluding Surplus reserves from P20.1 billion as of December 31, 2019 to P21.4 billion as of June 30, 2020 mainly came from the net income for the period.

Net unrealized gain on FVOCI decreased 34% from P170.7 million to P113.2 million in line with the realization of trading and securities gain.

**Analysis of Changes in Financial Condition as of June 30, 2020 (Unaudited) vs. June 30, 2019 (Unaudited) – Exhibit A**

**The Group's total assets increased by 15% from P251.7 billion as of June 30, 2019 to P289.0 billion as of June 30, 2020.**

Cash and other cash items increased 51% from P3.1 billion as of June 30, 2019 to P4.7 billion as of June 30, 2020 due to higher demand on cash requirements following the outbreak of COVID-19.

Amounts due from the BSP increased by 12% from P27.9 billion as of June 30, 2019 to P31.4 billion as of June 30, 2020 in line with growth in deposits.

Interbank loans receivable and securities purchased under resale agreements decreased by 53% from P5.0 billion as of June 30, 2019 to P2.3 billion as of June 30, 2020 due to lower volume of interbank transactions.

Financial assets at fair value through profit or loss increased by 479% from P2.8 billion as of June 30, 2019 to P15.9 billion as of June 30, 2020 as a result of increase in net purchase of government securities in anticipation of better trading opportunities.

Financial Assets at Fair Value through Other Comprehensive Income increased by 21% from P26.7 billion as of June 30, 2019 to P32.3 billion as of June 30, 2020 on account of the Group's effort to deploy funds into other yielding assets.

Investments Securities at Amortized Cost increased by 16% from P17.4 billion as of June 30, 2019 to P20.2 billion as of June 30, 2020 as the Bank continues to book stable income generating investments.

Loans and receivables increased by 8% from P159.6 billion as of June 30, 2019 to P171.7 billion as of June 30, 2020. Propelling the growth were commercial loans and other loan segments such as housing, auto, and salary loans.

Property and Equipment increased 83% from P1.0 billion as of June 30, 2019 to P1.8 billion as of June 30, 2020. This is due to adoption of PFRS 16 on the treatment of lease contracts as Right of Use Assets amounting to P1.4 billion.

Deferred tax assets increased 174% from P94.5 million as of December 31, 2019 to P258.5 million as of June 30, 2020 from timing difference based on existing accounting standards..

**Total liabilities increased by 16% from P220.1 billion as of June 30, 2019 to P254.6 billion as of June 30, 2020.**

In particular, total deposits increased by 13% from P203.1 billion as of June 30, 2019 to P230.3 billion as of June 30, 2020. Most of it came from demand deposits which increased by 47%, from P79.9 billion in June 30, 2019 to P117.3 billion in June 30, 2020.

As of June 30, 2020, Bills payable decreased by 21% from P4.3 billion as of June 30, 2019 to P3.4 billion as funding sources from deposits improved.

Accrued Taxes, Interest and Other Expenses decreased 16% from P1.7 billion as of June 30, 2019 to P1.4 billion as of June 30, 2020 due to higher accrued interest, and other taxes and licenses payables.

Bonds Payable came from the P6.9 billion bond issued last November 7, 2019 to be used for general corporate purposes.

Other Liabilities increased 32% from P4.9 billion as of June 30, 2019 to P6.4 billion as of June 30, 2020 due mainly to Lease Liabilities related to adoption of PFRS 16 on the treatment of lease contracts.

**Total Equity increased 9% from P31.6 billion as of June 30, 2019 to P34.4 billion as of June 30, 2020.**

The bank's surplus, excluding surplus reserves, increased by 15% from P18.6 billion as of June 30, 2019 to P21.4 billion as of June 30, 2020 coming from retained earnings.

The net unrealized gain on sale of available-for-sale investments decreased 47% from P213.6 million June 30, 2019 to P113.2 million as of June 30, 2020 in line with realization of trading and securities gain.

**Analysis of Results of Operations for the Six-month period Ended June 30, 2020(Unaudited) vs. June 30, 2019 (Unaudited) – Exhibit B**

**Interest Income**

Gross interest income increased by 4% from P6.8 billion for the period ended June 30, 2019 to P7.1 billion as of June 30, 2020. This was due to increase in interest income from Deposit with banks and others, and Loans and receivables.

In particular, interest income from Loans and receivables flattish at P5.8 billion for period ended June 30, 2020 despite 8% increase in volume in line with the decreasing interest rates.

Interest income from Trading and investment securities increased 6% from P864.1 million for the period ended June 30, 2019 to P913.9 million for the period ended June 30, 2020 due to increase in volume of fixed income securities.

Interest income from Interbank loans receivable and securities purchased under resale agreements increased by 12% from P56.5 million for quarter ended June 30, 2019 to P63.5 million for period ended June 30, 2020 driven by increase in volume of resale agreements with BSP.

Interest income from Deposits with banks and others increased by 675% from P27.2 million for period ended June 30, 2019 to P210.6 million for period ended June 30, 2020 due to increase in BSP facilities.

**Interest Expense**

Total interest expense decreased by 27%, from P2.3 billion for the period ended June 30, 2019 to P1.7 billion for the period ended June 30, 2020. This is primarily due to the decrease

in interest expense from deposit liabilities from P2.1 billion for the period ended June 30, 2019 to P1.3 billion for the period ended June 30, 2020, mainly coming from retirement of high-cost time deposits and increase in low-cost deposits.

Bills payable and other borrowings increased 85% from P232.5 million for the period ended June 30, 2019 to P430.2 million for the period ended June 30, 2020 mainly due to interest expense on the fixed-rate Bonds issued last November 2019.

#### Net Interest Income

Net interest income increased by 21% from P4.5 billion for the period ended June 30, 2019 to P5.4 billion same period this year. This translated to a Net Interest margin of 4.57%, slightly higher than the 4.55% a year ago.

#### Other Operating Income

AUB's other operating income increased by 11% from P1.5 billion for the period ended June 30, 2019 to P1.7 billion for the period ended June 30, 2020.

In particular, Trading and securities gain increased 34% from P832.2 million gain for the period ended June 30, 2019 to P1.1 billion for the period ended June 30, 2020 as the Group took profit from the downward trend of fixed income market yields. Foreign exchange gain decreased by 38% from P100.8million a year ago to P62.9 million for the period ended June 30, 2020 mainly due to fluctuations in currency market.

Service charges, fees and commissions decreased 9% from P385.4 million for period ended June 30, 2019 to P352.3 million for period ended June 30, 2020 due to lower fees from remittance, credit card and other branch transactions brought about by the pandemic.

Trust income increased 49% from P29.3 million for period ended June 30, 2019 to P43.8 million for period ended June 30, 2020 due to higher trust volume.

Miscellaneous income decreased 28% from P184.1 million for period ended June 30, 2019 to P132.4 million for period ended June 30, 2020 due to lower gains from foreclosure and other miscellaneous income.

The group's total operating expenses including provision for losses increased by 45% from P3.0 billion for period ended June 30, 2019 to P4.3 billion for period ended June 30, 2020. This is mainly due to the 372% increase in provision for credit and impairment losses as the bank considered the effect of the pandemic.

#### Provision for (Benefit from) Income Tax

AUB recorded a provision for income tax of P426.8 million for the period ended June 30, 2020 which was 1% higher than the provision of P420.8 million recorded for the period ended June 30, 2019. This increase was due to the higher tax paid income for the period ended June 30, 2020 versus a year ago.

## Net Income

To summarize, the Group posted a net income of P2.3 billion for the first half of 2020, 10% lower than a year ago. The 18% increase in its operating income was offset by the P1.2 billion additional provision for losses.

The Group's net income for the first half of 2020 translated to a Return on Assets of 1.7% and Return on Equity of 13.9% versus year-ago ratios of 2.2% and 17.6%, respectively.

Analysis of Results of Operations for the Three-month period Ended June 30, 2020(Unaudited) vs. June 30, 2019 (Unaudited) – Exhibit B

## Interest Income

Gross interest income was flattish at P3.4 billion for the quarter ended June 30, 2020 versus same quarter a year ago. Increase in interest income from Deposits from banks and others were offset by the decrease in interest income from loans and receivables and trading and securities.

In particular, interest income from Loans and receivables decreased slightly by 1% from P2.9 billion for quarter ended June 30, 2019 to P2.8 billion for quarter ended June 30, 2020 due to slow down in lending activity during the pandemic.

Interest income from Trading and investment securities decreased 2% from P491.3 million for the quarter ended June 30, 2019 to P483.9 million for the quarter ended June 30, 2020 primarily due to realization of trading and securities gain and reinvestment into BSP facilities.

Interest income from Interbank loans receivable and securities purchased under resale agreements also decreased by 23% from P23.6 million for quarter ended June 30, 2019 to P18.0 million for quarter ended June 30, 2020 as a result of lower volume of interbank loans and BSP policy rate cuts.

Interest income from Deposits with banks and others increased by 367% from P10.2 million for quarter ended June 30, 2019 to P47.8 million for quarter ended June 30, 2020 due to higher placement in BSP facilities as compared to the previous period.

## Interest Expense

Total interest expense decreased by 29%, from P1.1 billion for the quarter ended June 30, 2019 to P796.2 million for the quarter ended June 30, 2020. This is primarily due to the decrease in interest expense from deposit liabilities from P1.0 billion for the quarter ended June 30, 2019 to P583.9 million for the quarter ended June 30, 2020, mainly coming from retirement of high-cost time deposits and increase in low-cost deposits.

Bills payable and other borrowings increased 82% from P116.6 million for the quarter ended June 30, 2019 to P212.3 million for the quarter ended June 30, 2020 mainly due to interest expense on the fixed-rate Bonds issued last November 2019.

#### Net Interest Income

Net interest income increased by 14% from P2.3 billion for the quarter ended June 30, 2019 to P2.6 billion same quarter this year due mainly to decrease in interest expense.

#### Other Operating Income

AUB's other operating income increased by 43% from P973.8 million for the quarter ended June 30, 2019 to P1.4 billion for the quarter ended June 30, 2020.

In particular, Trading and securities gain increased 94% from P578.0 million gain for the quarter ended June 30, 2019 to P1.1 billion for the quarter ended June 30, 2020 led by increase in realized gains from the sale of securities as bond yields declined. Foreign exchange gain decreased by 35% from P76.8 million a year ago to P49.7 million for the quarter ended June 30, 2020 driven by market volatility following the outbreak of COVID-19.

Service charges, fees, and commissions decreased 19% from P193.6 million for the quarter ended June 30, 2019 to 157.2 million for quarter ended June 30, 2020 due to lower fee-based transactions during the pandemic.

Trust income increased 37% from P16.4 million for quarter ended June 30, 2019 to P22.5 million for quarter ended June 30, 2020 due to higher trust volume.

Miscellaneous income decreased 61% from P108.9 million for quarter ended June 30, 2019 to P42.9 million for quarter ended June 30, 2020 mainly due to lower gains from foreclosure and other miscellaneous items.

The group's total operating expenses including provision for losses increased by 79% from P1.6 billion for quarter ended June 30, 2019 from P2.8 billion for quarter ended June 30, 2020. The increase is mainly due to the 715% increase in provision for credit and impairment losses as the bank factored in the effect of the pandemic.

#### Provision for (Benefit from) Income Tax

AUB recorded a provision for income tax of P58.8 million for the quarter ended June 30, 2020 which was 73% lower than the provision of P216.1 million recorded for the quarter ended June 30, 2019. This increase was due to the lower tax paid income for quarter ended June 30, 2020 versus a year ago.

#### Net Income

To summarize, the Group posted a net income of P1.1 billion for the second quarter of 2020, 24% lower than the same quarter a year ago. The 23% increase in its operating income was offset by the 715% increase in its provision for losses.

## Key Performance Indicators

The table below presents the Group's key performance indicators for the periods indicated.

	June 30, 2020	June 30, 2019
	(Unaudited)	(Unaudited)
Return on average asset ratio	1.70%	2.22%
Return on average equity	13.92%	17.62%
Net interest margin (NIM)	4.57%	4.55%
Cost-to-income ratio	40.13%	44.79%
Asset growth	14.89%	20.15%

Notes:

(1) Return on average net income divided by average total assets for the periods indicated. Average total assets are based on balances at the beginning and end of the period divided by two.

(2) Net income divided by average total equity for the periods indicated. Average total equity is based on balances at the beginning and end of the period divided by two.

(3) Net interest income divided by average interest-earning assets (excluding the Demand Deposit Account). Interest-earning assets includes due from BSP, due from other banks, interbank loans, receivables and securities purchased under resale agreement ("SPURA"), trading and investment securities, loans and receivables. Average interest-earning assets are equivalent to the total interest-earning assets at the beginning and end of the period divided by two.

(4) Total operating expenses less provision for credit and impairment losses and divided by total operating income for the periods indicated.

(5) Total assets at end of current period less total assets at end of previous period balance divided by balance at end of previous period.



## MARKET PRICE OF AND DIVIDENDS OF REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

### Market for Issuer's Common Equity and Related Stockholder Matters

#### A. Market Price of Dividends on Registrant's Common Equity and Related Stockholder Matters

##### 1. Market Information

On February 22, 2013, the Board of Directors of the Parent Company and the stockholders representing more than 2/3 of the outstanding capital stock approved the offering of the Parent Company to offer and sell up to 102,857,140 common shares with a par value of ₱10.00 per share from the unissued and authorized capital Stock. On May 6, 2013, the Parent Company obtained approval by SEC to offer its common shares for sale through an initial public offering (IPO).

The IPO price was set at ₱95.00 per share. The net proceeds from the IPO amounted to ₱7.46 Billion. The Parent Company's shares were listed and first traded at the Philippine Stock Exchange on May 17, 2013.

The table below shows the high and low prices of AUB shares transacted at the PSE for each quarter within the last three (3) fiscal years:

Year	Quarter	Share Price (PhP)		
		High	Low	Close
2017	Q1	47.5	47.2	47.2
	Q2	55.8	55.0	55.7
	Q3	59.9	59.2	59.3
	Q4	59.8	57.9	59.8
2018	Q1	59.7	59.0	59.7
	Q2	59.5	59.5	59.5
	Q3	59.2	58.8	59.2
	Q4	59.3	58.1	59.3
2019	Q1	58.7	58.0	58.7
	Q2	58.4	57.5	58.4
	Q3	56.0	54.0	56.0
	Q4	53.1	53.1	53.1

2020	Q1	44.9	44.5	44.9
	Q2	47.4	46.0	47.4

The high and low sales prices of AUB at the Philippine Stock Exchange on August 6, 2020 were ₱46.65 and ₱46.00, respectively, with a closing price of ₱ 45.65.

The Board of Directors of Asia United Bank Corporation, during its regular board meeting on May 15, 2015, approved the declaration of a 50% stock dividend, subject to the approval by at least 2/3 of the outstanding capital stock of the Corporation.

During the annual stockholder's meeting of Asia United Bank Corporation held on June 26, 2015, the shareholders representing at least two-thirds (2/3) of the capital stock of the Corporation approved the declaration of the 50% stock dividend to all existing stockholders.

Additionally, the Board of Directors in its meeting last August 28, 2015 delegated to the Bank's President to set record date and payment date for the said stock dividend in accordance with the rules of the Securities and Exchange Commission and Philippine Stock Exchange.

Pursuant to the said authority, the President approved the Record Date of ten (10) trading days after the notice of the BSP approval and Payment Date of eighteen (18) trading days after the record date. On October 15, 2015, AUB received notice of approval by the BSP of the stock dividend. Pursuant to the earlier resolutions, the Record Date was October 29, 2015 and Payment Date was November 26, 2015 which caused the movement of shares in its stockholders and the share price.

## 2. Holders

As of June 30, 2020, AUB has 101 shareholders owning at least 1 board lot.

The total number of issued and outstanding shares is 485,310,538. 21.45% is owned by foreign entities, which is below the maximum limit of 40% for foreign ownership. In addition, 33.91% pertain to public shares, which is above the 10% minimum public ownership set by the Philippine Stock Exchange.

The table below shows the number of holders of each class of common equity of AUB as of June 30, 2020, including the names of the top twenty (20) shareholders of each class and the number of shares held and the percentage of total shares outstanding held by each.

Rank	Name of Shareholder	No. of Shares	% Total
1	Republic Biscuit Corporation	158,399,535	32.64%
2	Kuo Yu Philippines Holdings Corporation	90,000,000	18.54%
3	Lambda Holdings Corporation	71,999,850	14.84%
4	PCD Nominee Corporation (Filipino)	38,757,070	7.99%

5	PCD Nominee Corporation (Non Filipino)	27,548,170	5.68%
6	Citio Maunlad Investment Corp.	21,600,000	4.45%
7	mega Lions International Limited	19,802,265	4.08%
8	Dragon Bridge Limited	19,617,660	4.04%
9	Global Prime Holdings Limited	18,951,945	3.91%
10	Magis Equity Ventures Private Limited	18,000,000	3.71%
11	Lin Pei Zhi	150,000	0.03%
12	James G. Dy	123,000	0.03%
13	Wilfredo C. Uy	32,295	0.01%
14	Alfonso S. Teh	31,800	0.01%
15	Chap Hung Yuen	30,000	0.01%
16	Michael T. Sy	20,130	0.00%
17	Virginia A. Quianzon	15,780	0.00%
18	Jack D. Tan	15,000	0.00%
19	Joaquin Q. Tan	15,000	0.00%
20	Ainsley James Ayroso Fu	15,000	0.00%
	Total Top 20, including PCD Nominee Accounts	485,124,500	99.96%
	Others	186,038	0.04%
	Total AUB	485,310,538	100.00%

### 3. Dividends

AUB is authorized under Philippine laws to declare dividends, subject to certain requirements. Such dividends may only be distributed from the net profits of the business of the Bank, and the Board may not declare dividends which will impair its capital. Dividends may be payable in cash, shares or property, or a combination of the three, as the Board shall determine. A cash dividend declaration does not require any further approval from shareholders. The declaration of stock dividends is subject to the approval of shareholders holding at least two-thirds of AUB's outstanding capital stock. The Board may declare dividends annually or more frequently, as it may determine.

Pursuant to Republic Act 8791 and as provided for in the Manual of Regulations for Banks, AUB cannot declare dividends greater than its accumulated net profits then on hand, deducting there

from its losses and bad debts. AUB cannot likewise declare dividends if at the time of its declaration it has not complied with the following:

- Its clearing account with BSP is not overdrawn;
- BSP's liquidity floor requirement for government funds;
- BSP's minimum capitalization requirement and risk-based capital ratio;
- Prescribed EFCDU/FCDU cover consisting of 30% liquidity cover and 100% asset cover
- Statutory and liquidity reserves requirement;
- It has no past-due loans or accommodation with BSP or any institutions;
- It has no net losses from operations in any one or two fiscal years immediately preceding the date of dividend declaration;
- It has not committed any of the major violations enumerated in the Manual.

The MORB provides that for banks whose shares are listed in the Philippine Stock Exchange, the bank may declare dividends and give immediate notice of such dividend declaration to the SEC and PSE.

As of December 31, 2015, AUB's retained earnings available for dividend distribution amounted to P11.479 billion against a paid up capital stock of P11.476 billion. However, given that the Bank's intentions of pursuing accelerated growth may require a conservative capital management policy that is anchored on continued capital build-up, AUB has not adopted a specific dividend policy which defines a minimum percentage of net earnings to be distributed to its common shareholders.

In 2016, AUB made a cash dividend declaration of P0.67 per share for 485,310,538 shares during the Annual Stockholders' Meeting on 24 June 2016, with Record Date of 05 August 2016 and Payment Date of 01 September 2016. Furthermore, AUB made a special cash dividend declaration of P0.33 per share for 485,310,538 shares on 26 August 2016, with Record Date of 12 September 2016 and Payment Date of 06 October 2016. In total, AUB distributed P1.00 per share in 2016.

In 2017, AUB made a cash dividend declaration of P 1.00 per share for 485,310,538 shares during the Annual Stockholders' Meeting on June 22, 2017, with Record Date of July 7, 2017 and Payment Date of July 26, 2017. Furthermore, AUB made a special cash dividend declaration of P 0.50 per share for 485,310,538 shares on September 22, 2017 with Record Date of October 06, 2017 and Payment Date of October 26, 2017. In total, AUB distributed P 1.50 per share in 2017.

In 2018, the board of directors of AUB declared a cash dividend of P1.60/share to be paid in two tranches last April 27, 2018. For the first tranche, with a total of 485,310,538 outstanding shares, P1.00/share cash dividend was paid on May 31, 2018, with a record date on May 15, 2018. For the second tranche, the remaining P0.60/share, was paid to the stockholders on Aug 10, 2018, with a record date of Aug 3, 2018.

In 2019, the board of directors of AUB has declared a cash dividend of P1.80/share last May 30, 2019 to be paid in two tranches. For the first tranche, with a total of 485,310,538 outstanding shares, P1.00/share cash dividend was paid on July 11, 2019, with a record date on June 17, 2019. For the second tranche, the remaining P0.80/share, was paid to the stockholders on October 16, 2019, with a record date of Sept. 20, 2019.

Lastly, this year 2020, the board of directors of AUB has declared a cash dividend of P2.00/share last June 30, 2020 to be paid in two tranches. For the first tranche, with a total of 485,310,538

outstanding shares, P1.00/share cash dividend was paid on July 30 , 2020, with a record date on July 15, 2020. For the second tranche, the remaining P1.00/share, will be paid to the stockholders on October 15, 2020, with a record date of Sept. 30, 2019.

**4. Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction**

Since its listing date, AUB has not sold or offered for sale any unregistered securities.

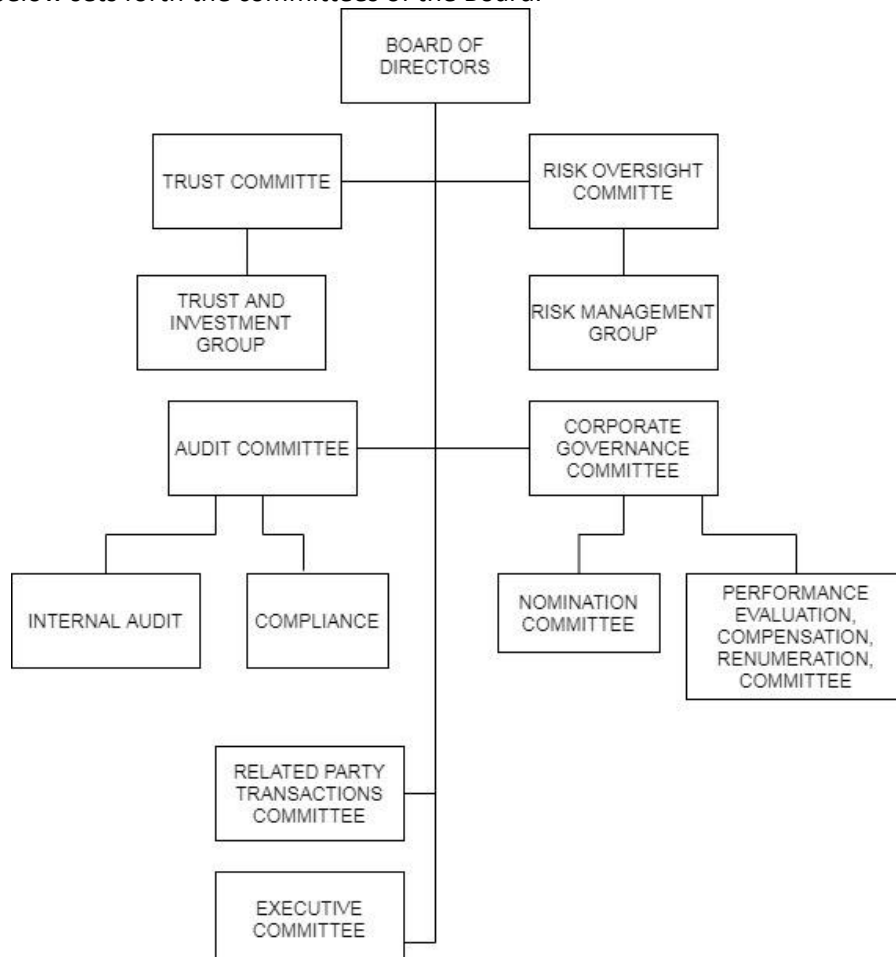
## CORPORATE GOVERNANCE

The Company has in place a Corporate Governance Manual (the "Manual") to enumerate specific investor's rights and protections and the particular duties expected from the Board members, officers and employees. It also features a disclosure system which highlights adherence to the principles of transparency, accountability and fairness. A compliance officer is tasked with the formulation of specific measures to determine the level of compliance with the Manual by the Board members, officers and employees. To the Company's knowledge, there has been no deviation from the Manual's standards as of the date of this report.

The Company has also complied with SEC Memorandum Circular No. 15 series of 2017 for the prior years and has submitted and duly updated an Integrated Annual Corporate Governance Report fully detailing the Company's corporate governance policies and initiatives. A copy thereof is made available at the Company's website. For the current year, the Integrated Annual Corporate Governance Report will be submitted on or before the extended deadline set by the Securities and Exchange Commission on 01 September 2020.

### Committees of the Board

The diagram below sets forth the committees of the Board.



The Board created each of the committees and appointed Board members thereto.

**Executive Committee**

Mr. Abraham T. Co – Chairman  
Mr. Manuel A. Gomez – Member  
Mr. Ramon Y. Sy – Member  
Mr. Jacob C. Ng – Member  
Mr. Ernesto T. Uy – Officer (Non-voting)

**Audit Committee**

Atty. Maria Gracia M. Pulido Tan – Chairman / Independent Director  
Mr. George T. Chua – Member  
Ret. Justice Adolfo S. Azcuna – Member / Independent Director  
Mr. Florante C. Del Mundo – Chief Internal Auditor (Non-voting)

**Trust Committee**

Mr. Ramon Y. Sy – Chairman  
Mr. Abraham T. Co – Member  
Atty. Lily K. Gruba – Member  
Manuel A. Gomez – Member  
Ret. Justice Adolfo S. Azcuna – Member / Independent Director  
Mr. Andrew A. Chua – Officer (Non-voting)

**Risk Oversight Committee**

Ret. Justice Adolfo S. Azcuna – Chairman / Independent Director  
Mr. Ramon Y. Sy – Member  
Atty. Maria Gracia M. Pulido Tan – Member/Independent Director  
Maria Teresa C. Ogbinar – Chief Risk Officer (Non-voting)

**Corporate Governance Committee**

Ret. Justice Adolfo S. Azcuna – Chairman / Independent Director  
Mr. Ramon Y. Sy – Member  
Atty. Lily K. Gruba – Member  
Mr. George T. Chua – Member  
Atty. Maria Gracia M. Pulido Tan – Member/Independent Director

**Performance Evaluation, Compensation, Remuneration Sub-Committee**

Mr. Manuel Gomez – Chairman  
Ret. Justice Adolfo S. Azcuna – Member / Independent Director  
Atty. Maria Gracia M. Pulido Tan – Member / Independent Director  
Ms. Rosario M. Dayrit – Officer (Non-voting)

**Nomination Sub-Committee**

Mr. Manuel A. Gomez – Chairman  
Ret. Justice Adolfo S. Azcuna – Member / Independent Director  
Atty. Maria Gracia M. Pulido Tan – Member / Independent Director

**Related Party Transaction Committee**

Ret. Justice Adolfo S. Azcuna – Chairman / Independent Director  
Atty. Maria Gracia M. Pulido Tan – Member / Independent Director  
Mr. George T. Chua – Member

### ***Executive Committee***

The Executive Committee is empowered to approve and/or implement any or all corporate acts within the competence of the Board except those acts expressly reserved by the Corporation Code of the Philippines (as revised in February 2019) to the Board of Directors. The Executive Committee also assumes the review and approval of bank-wide credit strategy, profile and performance. It approves the credit risk-taking activities of AUB based on the established approving authorities as well as reviews and endorses credit-granting activities.

The Executive Committee shall consist of at least three (3) members of the Board of Directors and not more than seven (7) members, all of whom shall be appointed by the Board. The Executive Committee meets weekly or as often as it may be necessary to address all matters referred to it.

### ***Audit Committee***

The Audit Committee oversees the institution's financial reporting and internal and external audit functions. It is responsible for setting up the Internal Audit Division, and for appointing an internal auditor and an independent external auditor, which both report directly to the Audit Committee. It monitors and evaluates the adequacy and effectiveness of the internal control system in AUB through the Internal Audit Division. The Internal Audit Division is independent of all other organizational units of AUB as well as the personnel and work it audits. It neither installs nor develops procedures, prepares records or engages in other activities which it normally reviews or appraises. It functionally reports to the Audit Committee and administratively to the President as it provides independent, objective assurance and consulting services designed to add value and improve AUB's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach in evaluating and improving the effectiveness of risk management, control, and governance processes. The Audit Committee also reviews and approves all audit plans, including frequency, a month prior to the conduct of the external audit. Moreover, it elevates to international standards the accounting and auditing processes, practices, and methodologies of the Bank. Likewise, the Audit Committee oversees the compliance program of AUB to ensure that it is updated in accordance with the issuance of new regulations, and to align with the business requirements and the attendant risk.

The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, wherein two (2) are independent directors, including the chairman of the committee. The Audit Committee meets every two (2) months.

### ***Corporate Governance Committee***

The Corporate Governance Committee leads AUB in defining corporate governance policies and attaining best practices while overseeing the implementation of AUB's compliance program, money laundering and terrorist financing prevention program and ensuring that regulatory compliance issues are resolved expeditiously. Added to its strategic governance role is its nomination function wherein it reviews and evaluates the qualification of individuals nominated to the Board as well as those nominated to other positions requiring appointment by the Board. The Governance Committee is responsible for the periodic administration of performance evaluation of the Board and its committees. The Nomination Sub-Committee and Performance Evaluation, Compensation and Remuneration Sub-Committee are sub-units of the Corporate Governance Committee. It conducts an annual self-evaluation of its performance in accordance with the criteria provided in the SEC Code of Corporate Governance.

The Corporate Governance Committee, consisting of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors, meets every month or whenever necessary.



## **Nomination Sub-Committee**

The Nomination Sub-Committee shall ensure that the Board of Directors has an appropriate balance of required industry knowledge, expertise, and skills needed to govern the Corporation towards achieving its intended goals and objectives. It shall review and evaluate all candidates nominated to Officer positions in AUB that require Board approval prior to effectivity of such Officer appointments or promotions. It shall also shortlist, assess, and evaluate all candidates nominated to become a member of the Board.

The Board of Directors shall duly appoint the members of the Nomination Sub-Committee and shall have at least three (3) members, one of whom shall be an independent director.

Then Nomination Sub-Committee shall meet at least once a year for the nomination of directors, which shall be conducted prior to the annual stockholders' meeting and in accordance with the process indicated in Article VII, Section 7.12A of the Bank's amended By-Laws.

## ***Performance Evaluation, Compensation, Remuneration Sub-Committee***

The *Performance Evaluation, Compensation, Remuneration Sub-Committee* is a sub-committee of the Corporate Governance Committee and comprises at least three (3) directors, including the President of AUB and two (2) independent directors. It ensures that the compensation policies and practices are consistent with the corporate culture, strategy and the business environment under which it operates. It evaluates and recommends to the Board incentives and other equity-based plans designed to attract and retain qualified and competent individuals.

This sub-committee reviews performance *vis-à-vis* agreed upon objectives, evaluates progress made with respect to Senior Management/Directors Development plans, monitor changes in professional affiliations, personal status and even health, which could have qualifications, resignation and succession implications.

By periodically benchmarking with practices/offers of other leading financial institutions, the committee shall monitor adequacy, effectiveness and consistency of the compensation program *vis-à-vis* corporate philosophy and strategy.

The sub-committee meets at least once a year or whenever necessary and provides overall direction on the compensation and benefits strategy of AUB. The sub-committee shall report to its mother committee, which in turn shall prepare consolidated reports to the Board.

## ***Trust Committee***

The Board is responsible for the proper administration and management of trust and other fiduciary business. It may, however, delegate its authority through its Trust Committee which ensures that funds and properties held in trust or in any fiduciary capacity are administered with the skill, care, prudence and diligence necessary. The Trust Committee, duly constituted and authorized by the Board, acts within the sphere of authority as provided in AUB's By-Laws and/or as may be delegated by the Board. It undertakes responsibilities including but not limited to the following: 1) acceptance and closing of trust and other fiduciary accounts; 2) initial review of assets placed under the trustee's fiduciary custody; 3) investment, reinvestment and disposition of funds or property; 4) review and approval of transactions between trust and/or fiduciary accounts; and 5) review of trust and other fiduciary accounts at least once every quarter, or more frequently as necessary, to determine the advisability of retaining or disposing of the trust or fiduciary assets, and/or whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship. The Trust Committee also presides over the proper conduct of the trust's business, reviewing periodically the business development initiatives such as staffing and delineation of responsibility/accountability, proactive development and

implementation of strategies for cultivating revenue streams and cost management, and application and monitoring of the proper performance benchmarks.

The Trust Committee comprises six (6) members, including the Trust Officer, the President and four (4) other Directors and meet whenever necessary, and no less than once each financial quarter.

### ***Risk Oversight Committee***

The Risk Oversight Committee ("ROC") assists the Board in managing AUB's risk-taking activities through policy institution and oversight. As defined in AUB's Risk Oversight Committee Charter, the ROC reviews and approves principles, policies, strategies, processes and control frameworks pertaining to risk management as well as recommends to the Board any necessary modifications or amendments to strategies and policies. Its functions include identification and evaluation of AUB's risk exposures, estimating its impact to the organization and assessing the magnitude, direction and distribution of risks across AUB. The ROC uses these as a basis in determining risk tolerances that it subsequently recommends to the Board for approval. ROC reports to the Board the overall risk exposures and the effectiveness of its risk management practices and processes while recommending further policy revisions when necessary. It also recommends a system of risk limits and authorities for approval by the Board, and any necessary changes to these limits and authorities. Also, they establish a monitoring system to ensure that limits set are observed and that immediate corrective actions are taken whenever limits are breached. ROC creates and promotes a risk culture that requires and encourages the highest standards of ethical behavior by risk managers and risk-taking personnel.

The ROC comprises at least three (3) members of the Board, including a non-executive director as the head of the committee, who is elected by the committee members. The secretary of the committee is the Risk Management Officer. Members must possess adequate knowledge and understanding of the institution's risk exposures and expertise in developing appropriate risk policies and strategies. The ROC conducts meetings at least once a month and at any other times it deems necessary, with a majority of the ROC members required to be present.

### ***Related Party Transaction Committee***

The *Bangko Sentral ng Pilipinas*, through BSP Circular No. 895, issued guidelines on Related Party Transactions (RPT) directing the Board of Directors to constitute an RPT Committee. BSP recognizes that transactions between and among related parties create financial, commercial and economic benefits to individual institutions and to the entire group where said institutions belong. As defined in AUB's Related Party Transactions Committee (RPTC) Charter, the RPTC evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and *vice versa*) are captured. Related parties, RPTs, and changes in relationships shall be reflected in the relevant reports to the board and to the regulators/supervisors. Also, it evaluates all material related party transactions to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. The RPTC conducts meetings every month or at such other times it deems necessary with a quorum that shall constitute more than half the number of members of the Related Party Transaction Committee.

### ***Evaluation System and Compliance***

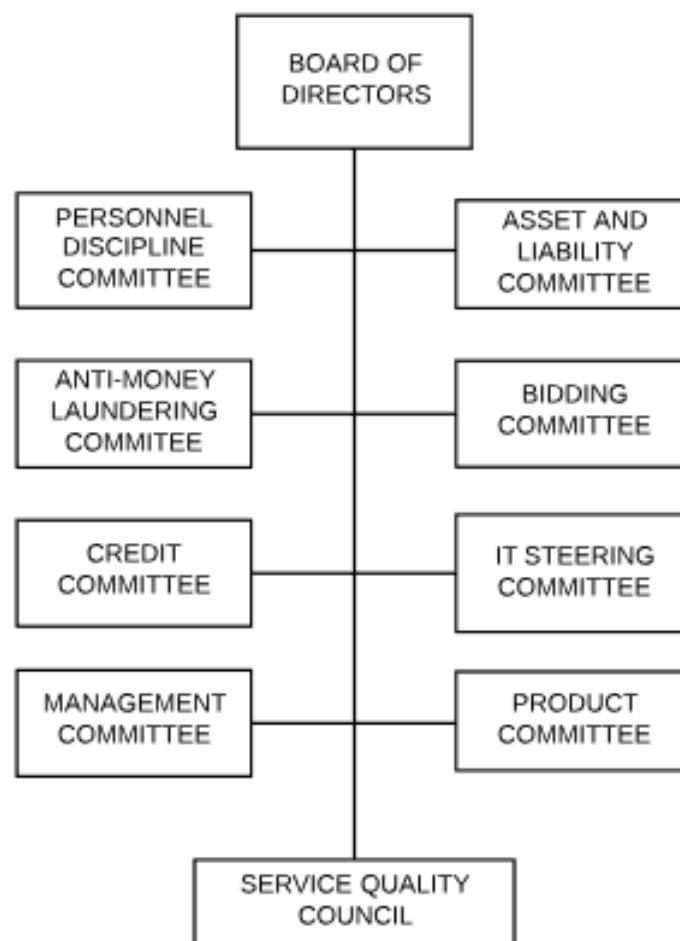
As part of its system for monitoring and assessing compliance with the Manual and SEC Memorandum Circular No. 19, Series of 2016 (Code of Corporate Governance for Publicly-Listed Companies), each committee is required to report regularly to the Board of Directors and the Manual is subject to annual review. The Compliance Officer is responsible for determining and measuring compliance with the Manual and the Code of Corporate Governance for Publicly-Listed Companies. Any violation of AUB's Corporate Governance Manual shall subject the responsible officer or employee to the following penalties:

- For a first violation, the responsible officer or employee will be reprimanded.
- For a second violation, suspension from the office shall be imposed. The duration of the suspension shall depend on the gravity of the violation.
- For a third violation, the maximum penalty of removal from office shall be imposed. A third violation will be sufficient cause for removal of any Director of the Board of AUB or the boards of its respective subsidiaries and affiliates.

The Compliance Officer is responsible for determining violations through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation for further review and final approval by the Board.

## Committees of the Senior Management

The diagram below sets forth the committees of the senior management.



**ASIA UNITED BANK CORPORATION**  
**EXHIBIT A - COMPARATIVE STATEMENT OF CONDITION (1 of 2)**  
**AS OF June 30, 2020**

In PhP Mio	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)	June 30, 2020 vs. December 31, 2019		June 30, 2020 vs June 30, 2019	
				+/-	%	+/-	%
<b>ASSETS</b>							
Cash and Other Cash Items	4,693.2	4,050.1	3,110.8	643.2	16%	1,582.4	51%
Due from Bangko Sentral ng Pilipinas	31,361.5	39,089.5	27,890.5	(7,728.0 )	-20%	3,471.1	12%
Due from Other Banks	3,417.2	3,662.4	3,427.1	(245.2)	-7%	(9.9)	0%
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	2,328.9	3,541.2	4,998.6	(1,212.3 )	-34%	(2,669.7 )	-53%
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	15,931.4	885.0	2,751.7	15,046.4	1700%	13,179.7	479%
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	32,345.6	18,163.6	26,699.9	14,182.0	78%	5,645.7	21%
Investment Securities at Amortized Cost	20,214.4	16,951.5	17,396.2	3,262.8	19%	2,818.2	16%
Loans and Receivables	171,655.4	172,539.3	159,605.3	(883.9)	-1%	12,050.1	8%
Property and Equipment	1,847.3	2,104.3	1,012.1	(257.0)	-12%	835.2	83%
Investment Properties	489.4	439.6	403.7	49.8	11%	85.7	21%
Deferred Tax Assets	258.5	71.3	94.5	187.2	263%	164.0	174%
Goodwill	1,961.4	1,961.4	1,961.4	-	0%	-	0%
Intangible Assets	2,004.2	2,003.7	1,963.0	0.6	0%	41.2	2%
Other Assets	502.5	531.2	356.9	(28.7)	-5%	145.6	41%
				-		-	
<b>TOTAL ASSETS</b>	<b>289,011.2</b>	<b>265,994.2</b>	<b>251,671.8</b>	<b>23,017.0</b>	<b>9%</b>	<b>37,339.3</b>	<b>15%</b>

**ASIA UNITED BANK CORPORATION**  
**EXHIBIT A - COMPARATIVE STATEMENT OF CONDITION (2 of 2)**  
**AS OF June 30, 2020**

In PHP Mio	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2019 (Unaudited)	June 30, 2020 vs. December 31, 2019		June 30, 2020 vs June 30, 2019	
				+/-	%	+/-	%
<b>LIABILITIES AND EQUITY</b>							
<b>Liabilities</b>							
Deposit Liabilities							
Demand	117,253.3	96,699.9	79,949.5	20,553.4	21%	37,303.8	47%
Savings	73,031.4	76,201.2	75,113.4	(3,169.8)	-4%	(2,082.1)	-3%
Time	40,054.5	37,324.8	48,051.5	2,729.7	7%	(7,997.0)	-17%
	<b>230,339.1</b>	<b>210,225.9</b>	<b>203,114.5</b>	<b>20,113.3</b>	<b>10%</b>	<b>27,224.7</b>	<b>13%</b>
Bills Payable	3,410.2	3,208.0	4,325.9	202.2	6%	(915.7)	-21%
Manager's Checks	931.8	717.3	1,013.6	214.5	30%	(81.8)	-8%
Income Tax Payable	167.7	21.2	130.6	146.5	692%	37.1	28%
Accrued Taxes, Interest and Other Expenses	1,396.5	1,507.6	1,666.1	(111.1)	-7%	(269.6)	-16%
Subordinated Debt	4,976.5	4,974.7	4,971.4	1.8	0%	5.1	0%
BONDS PAYABLE	6,943.7	6,932.4	-	11.3	0%	6,943.7	
Other Liabilities	6,418.0	5,248.0	4,872.6	1,170.0	22%	1,545.4	32%
<b>Total Liabilities</b>	<b>254,583.5</b>	<b>232,835.1</b>	<b>220,094.7</b>	<b>21,748.5</b>	<b>9%</b>	<b>34,488.9</b>	<b>16%</b>
<b>Equity</b>							
Equity Attributable to Equity Holders of the Parent Company							
Capital stock	4,853.1	4,853.1	4,853.1	-	0%	-	0%
Additional paid-in capital	6,622.8	6,622.8	6,622.8	-	0%	-	0%
Surplus reserves	1,202.2	1,202.2	1,034.3	-	0%	167.8	16%
Surplus	21,433.3	20,106.7	18,644.4	1,326.6	7%	2,788.9	15%
Net unrealized gain (loss) on FVTOCI	113.2	170.7	213.6	(57.5)	-34%	(100.4)	-47%
Cumulative translation adjustment	59.7	59.8	80.1	(0.1)	0%	(20.4)	-25%
	<b>34,284.3</b>	<b>33,015.3</b>	<b>31,448.3</b>	<b>1,269.0</b>	<b>4%</b>	<b>2,836.0</b>	<b>9%</b>
Non-controlling Interest	143.3	143.8	128.8	(0.5)	0%	14.5	11%
<b>Total Equity</b>	<b>34,427.6</b>	<b>33,159.1</b>	<b>31,577.2</b>	<b>1,268.5</b>	<b>4%</b>	<b>2,850.4</b>	<b>9%</b>
				-			
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>289,011.2</b>	<b>265,994.2</b>	<b>251,671.8</b>	<b>23,017.0</b>	<b>9%</b>	<b>37,339.3</b>	<b>15%</b>

**ASIA UNITED BANK CORPORATION**  
**EXHIBIT B - COMPARATIVE STATEMENTS OF INCOME (1 of 1)**  
**AS OF June 30, 2020**

In Php Millions	Six-Month Period Ended		Three-Month Period Ended		Six-Month Period Ended		Three-Month Period Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020 vs June 30, 2019		June 30, 2020 vs June 30, 2019	
	(Unaudited )	(Unaudited )	(Unaudited )	(Unaudited )	+/-	%	+/-	%
<b>INTEREST INCOME</b>								
Loans and receivables	5,831.2	5,779.2	2,827.4	2,855.5	52.0	1%	(28.1)	-1%
Trading and investment securities	913.9	864.1	483.9	491.3	49.8	6%	(7.4)	-2%
Interbank loans receivable and securities purchased under resale agreements	63.5	56.5	18.0	23.6	7.0	12%	(5.5)	-23%
Deposit with banks and others	210.6	27.2	47.8	10.2	183.5	675%	37.5	367%
Others	46.7	42.2	23.7	21.4	4.5	11%	2.3	11%
	<b>7,066.0</b>	<b>6,769.2</b>	<b>3,400.7</b>	<b>3,402.0</b>	<b>296.8</b>	<b>4%</b>	<b>(1.2)</b>	<b>0%</b>
<b>INTEREST EXPENSE</b>								
Deposit liabilities	1,269.4	2,085.3	583.9	1,004.2	(816.0)	-39%	(420.2)	-42%
Bills payable and other borrowings	430.2	232.5	212.3	116.6	197.7	85%	95.7	82%
	<b>1,699.5</b>	<b>2,317.8</b>	<b>796.2</b>	<b>1,120.8</b>	<b>(618.3)</b>	<b>-27%</b>	<b>(324.6)</b>	<b>-29%</b>
<b>NET INTEREST INCOME</b>	<b>5,366.4</b>	<b>4,451.4</b>	<b>2,604.5</b>	<b>2,281.1</b>	<b>915.0</b>	<b>21%</b>	<b>323.3</b>	<b>14%</b>
Trading and securities gain - net	1,113.4	832.2	1,120.8	578.0	281.2	34%	542.8	94%
Service charges, fees and commissions	352.3	385.4	157.2	193.6	(33.1)	-9%	(36.5)	-19%
Foreign exchange gain (loss) - net	62.9	100.8	49.7	76.8	(37.9)	-38%	(27.1)	-35%
Trust income	43.8	29.3	22.5	16.4	14.5	49%	6.1	37%
Miscellaneous	132.4	184.1	42.9	108.9	(51.7)	-28%	(66.0)	-61%
<b>OTHER OPERATING INCOME</b>	<b>1,704.8</b>	<b>1,531.9</b>	<b>1,393.1</b>	<b>973.8</b>	<b>173.0</b>	<b>11%</b>	<b>419.3</b>	<b>43%</b>
<b>TOTAL OPERATING INCOME</b>	<b>7,071.3</b>	<b>5,983.3</b>	<b>3,997.6</b>	<b>3,254.9</b>	<b>1,088.0</b>	<b>18%</b>	<b>742.7</b>	<b>23%</b>
Compensation and fringe benefits	976.2	808.3	495.6	420.6	167.8	21%	74.9	18%
Provision for credit and impairment losses	1,509.8	319.9	1,416.1	173.7	1,189.9	372%	1,242.5	715%
Depreciation and amortization	324.5	186.9	163.7	92.8	137.6	74%	70.9	76%
Taxes and licenses	501.6	485.5	245.0	246.7	16.1	3%	(1.7)	-1%
Rent	41.6	209.9	15.4	105.4	(168.3)	-80%	(90.0)	-85%
Insurance	278.9	243.3	141.8	122.5	35.6	15%	19.3	16%
Security, messengerial and janitorial	69.5	71.4	32.7	34.1	(1.9)	-3%	(1.3)	-4%
Freight expenses	32.7	33.0	15.5	16.5	(0.3)	-1%	(1.1)	-6%
Transportation and travel	60.9	57.3	29.3	34.1	3.5	6%	(4.8)	-14%
Power, light and water	28.4	35.2	13.2	17.6	(6.8)	-19%	(4.4)	-25%
Postage, telephone, cables and telegrams	67.4	60.5	34.7	29.9	6.9	11%	4.8	16%
Management and other professional fees	11.9	12.6	6.6	8.2	(0.7)	-6%	(1.6)	-19%
Repairs and maintenance	59.1	48.1	27.8	24.9	11.0	23%	2.9	11%
Amortization of intangibles	26.1	21.3	13.0	10.7	4.7	22%	2.3	21%
Miscellaneous	359.3	406.4	174.7	240.3	(47.2)	-12%	(65.5)	-27%
<b>TOTAL OPERATING EXPENSES</b>	<b>4,347.8</b>	<b>2,999.7</b>	<b>2,825.1</b>	<b>1,577.8</b>	<b>1,348.1</b>	<b>45%</b>	<b>1,247.3</b>	<b>79%</b>
<b>INCOME BEFORE SHARE IN NET INCOME OF SUBSIDIARIES</b>	<b>2,723.5</b>	<b>2,983.6</b>	<b>1,172.5</b>	<b>1,677.1</b>	<b>(260.1)</b>	<b>-9%</b>	<b>(504.6)</b>	<b>-30%</b>
Share in Net Income of Subsidiaries	-							
<b>INCOME BEFORE INCOME TAX</b>	<b>2,723.5</b>	<b>2,983.6</b>	<b>1,172.5</b>	<b>1,677.1</b>	<b>(260.1)</b>	<b>-9%</b>	<b>(504.6)</b>	<b>-30%</b>
PROVISION FOR (BENEFIT FROM) INCOME TAX	426.8	420.8	58.8	216.1	6.0	1%	(157.3)	-73%
<b>NET INCOME</b>	<b>2,296.7</b>	<b>2,562.8</b>	<b>1,113.7</b>	<b>1,461.0</b>	<b>(266.1)</b>	<b>-10%</b>	<b>(347.3)</b>	<b>-24%</b>

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UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT (ON SEC FORM 20-IS) AND ANNUAL REPORT (ON SEC FORM 17-A) WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

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