

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street/City/Province)

CYNTHIA P. SANTOS
FVP / Head – Corporate Planning
and Investor Relations

Contact Person

(632) 631-3333 /

(632) 638-6888

Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

SEC Form 17-A

FORM TYPE

4TH Friday of June

Month

Day

Annual Meeting

Secondary License Type, If Applicable

M	S	R	D
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Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

101

as of March 31, 2016

Total No. of Stockholders

*No. of Shareholders Owning at Least 1 Board Lot

Based on latest Report on the Number of Shareholders.

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To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

LCU

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES



1. Date of Report (Date of earliest event reported): December 31, 2015
2. SEC Identification Number: A-1997-18963
3. BIR Tax Identification No. 005-011-651-000
4. Exact name of issuer as specified in its charter: ASIA UNITED BANK CORPORATION
5. Province, country or other jurisdiction of incorporation: Pasig City, Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of principal office/ Postal Code: Joy-Nostalga Center No. 17 ADB Avenue, Ortigas Center, Pasig City 1600
8. Issuer's telephone number, including area code: (632) 631-3333 / (632) 638-6888
9. Former name or former address, if changed since last report: Not Applicable
10. Securities registered pursuant to Sections 8 & 12 of the SRC or Sections 4 and 8 of the RSA:
- | | |
|------------------------------|---------------------|
| Title of Each Class | <u>Common Stock</u> |
| Number of Shares Outstanding | <u>485,310,538</u> |
11. Are any or all of these securities listed on a Stock Exchange?
- Yes [X] No [] Not Applicable []
- If yes, please state the name of such stock exchange and the classes of securities listed therein:
- Philippine Stock Exchange / Common Stock

12. Check whether the issuer:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve(12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒]

No ☐]

Not Applicable ☐]

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒]

No ☐]

Not Applicable ☐]

13. Aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

No. of shares held by non-affiliates	164,344,452
Closing share price on March 31, 2016	PhP 46.30
Market value of the voting stock held by non-affiliates*	PhP 7,609,148,128

**Computed as the sum of the Number of shares held by related parties and the Number of shares held by Directors, officers, and employees subtracted from the Number of shares issued and outstanding, based on AUB's Public Ownership Report.*

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐]

No ☐]

Not Applicable ☒]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

Document	Incorporated?	Brief Description of Document
a. Any annual report to security holders;	No	
b. Any information statement filed pursuant to SRC Rule 20;	No	
(c) Any prospectus filed pursuant to SRC Rule 8.1.	No	

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LIST OF ACRONYMS / ABBREVIATIONS

No.	Description	Acronym/Abbreviation
	Asia United Bank Corporation	AUB
	Asia United Leasing Finance Corporation	AULFC
	Audited Financial Statements	AFS
	Bangko Sentral ng Pilipinas	BSP
	Cavite United Rural Bank	CURB
	Rural Bank of Angeles	RBA
	Philippine Accounting Standards	PAS
	Pinoy Express PTE Limited (Singapore)	PEPL

PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

A. DESCRIPTION OF BUSINESS

1. Business Development

Describe the development of the business of the registrant and its significant subsidiaries during the past three (3) years, or such shorter period as the registrant may have been engaged in business. If the registrant has not been in business for three years, give the same information for predecessor(s) of the registrant if there is any.

Asia United Bank Corporation (AUB) is among the very few banks that was granted a full-branch commercial bank license in 1997 and is operating until this day. In 2013, AUB joined the league of Philippine Banks that have become publicly listed and acquired universal banking status.

AUB was registered with the Securities and Exchange Commission (SEC) on October 3, 1997. Its registered office and principal executive offices are located at Joy-Nostalg Center, 17 ADB Avenue, Ortigas Center, Pasig City, Philippines.

AUB was granted the authority to operate as a commercial bank under the Monetary Board (MB) Resolution No. 1149 dated September 3, 1997 and commenced operations on October 31, 1997. In 2012, it obtained approval from the Bangko Sentral ng Pilipinas (BSP) to upgrade its license into expanded commercial banking status. In 2013, the Bank was granted an authority to operate as a universal bank under MB Resolution No. 356 dated February 28, 2013. The universal banking license authorizes, AUB, in addition to its general powers as a commercial bank, to exercise the following: (1) Powers of an investment house, including securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity securities, project finance and direct equity investment, and (2) Power to invest in allied and non-allied enterprises, subject to regulatory caps on the amount of investment relative to the Bank's capital and ownership percentage.

AUB began as a joint venture between a consortium of Filipino Industrialists (namely, Jacinto L. Ng, Sr., Luis U. Ang, and Jose S. Sandejas) and Taiwanese investment banks (namely, China United Trust & Investment Corporation, and China Development Industrial Bank). As of December 31, 2013, the Bank is now a publicly listed company with three principal/substantial stockholders: Republic Biscuit Corporation, Kuo Yu Philippines Holdings Corporation, and Lambda Holdings Corporation.

To expand its business and distribution network, AUB has acquired four subsidiaries as of December 31, 2015 as shown in the table below.

Subsidiary	Principal Activities	Country of Incorporation	% Ownership
Rural Bank of Angeles	Rural Banking	Philippines	99.54%
Cavite United Rural Bank	Rural Banking	Philippines	100.00%
Asia United Leasing and Finance Corp (AULFC) and its 100% subsidiary, Asia United Fleet	Leasing and Financing	Philippines	39.00%
Pinoy Express PTE Limited (Singapore)	Remittances	Singapore	100.00%

Over the past three years, AUB has been steadily growing by building a strong and loyal client base through its careful and focused client generation activities and technological innovations for both its deposit-taking and lending businesses.

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Total Assets (in PhP billions)	153.556	124.793	105.046	151.227	122.533	103.536
<i>% growth</i>	23.1%	18.8%	61.6%	23.4%	18.3%	61.6%
Net Income (in PhP billions)	1.519	1.689	1.475	1.417	1.609	1.426
<i>% growth</i>	-10.1%	14.5%	2.7%	-11.9%	12.8%	0.8%
Branches	230	219	173	208	204	163
<i>% growth</i>	5.0%	26.6%	47.9%	2.0%	25.2%	52.3%

2013 was another milestone year for AUB. Not only was the Bank able to post a strong financial performance and sustained engagement with its customers and partners, AUB also joined the league of Philippine Banks that have become publicly listed and acquired universal banking status. It held an initial public offering (IPO) of 88 million common shares on May 17, 2013, from which it was able to generate proceeds amounting to P7.458 billion.

In line with the Bank's plan to double its consolidated branch network by end of 2015 from 117 in 2012, AUB added 56 branches in 2013: 19 in Metro Manila and 37 in the provinces. In spite of the high operating expenses to fund its branch expansion, AUB grew its income by 2.7% to P1.475 billion. Total resources also grew by 61.6% from P64.998 billion in 2012 to P105.046 billion by end of 2013.

In 2014, the Philippines managed to again demonstrate its resilience in the face of growing global uncertainty. AUB's consolidated financial performance in 2014 reflected both the bank's ability to seize emerging opportunities from a growing economy, as well as the skillful execution of its business plans.

2014 saw the fulfillment of AUB's commitment during its IPO in 2012 to establish a branch network of at least 200. By the end of 2014, the Parent Company had 204 branches and the Group had 219 branches, with 11 branches from RBA after its business combination with the Cooperative Bank of Pampanga was consummated on October 31, 2014.

Coming from a 2.7% net income growth in 2013, the Group posted a net income of P1.689 billion in 2014, 14.5% higher than P1.475 billion a year ago. The growth came despite the industry-wide decline in trading gains, which dragged most banks' bottom lines in 2014.

The Group's total assets increased by 18.8% from P105.046 billion as of December 31, 2013 to P124.793 billion as of December 31, 2014 primarily driven by a more robust commercial and consumer loan portfolio.

The bank reached out to more customers by opening 4 new branches to end 2015 with a network of 208 branches for its Parent Bank. Its subsidiary added more branches after obtaining Monetary Board approval for the purchase of assets and assumption of liabilities of the Cooperative Bank of Pampanga. This increased the group's consolidated network to 230 branches.

The group posted a net income of P1.519 billion as of end-2015, 10.1% lower than the P1.690 billion a year ago. There was a 15.2% rise in net interest income to P4.769 billion from P4.139 billion in

2014. However, other income declined by 35.4% mainly due to the 73.3% drop in trading gains and 79.4% drop in foreign exchange profit, as well as the absence of the high extraordinary income registered in 2014.

The group grew its assets by 23.1% from P124.793 billion to P153.556 billion as a result of the bank's targeted lending activities in the corporate and retail market, and the active efforts of the branches to cross-sell to existing depositors.

The Parent bank had a Tier 2 issuance in November 2015. The Tier 2 Notes is intended to increase and strengthen the bank's capital base and ensure its continuing compliance with capital adequacy regulations of the BSP.

AUB's achievements from 2013 to 2015 can be attributed to its principal competitive strengths:

- Consistent balance sheet growth and profitability driven by an efficient operational structure;
- Expanding nationwide distribution network resulting in consistently expanding deposit base;
- Solid core customer base among SME's and corporations and a growing retail base;
- Tailored and innovative customer service and touch points supported by an advanced IT system;
- Prudent balance sheet management with strong capitalization and liquidity to support growth; and:
- Highly-experienced management team with proven track record.

2. Business Issuer

This section shall describe in detail what business the registrant does and proposes to do, including what products or goods are or will be produced or services that are or will be rendered.

a. Description of Registrant

i. Principal Products or Services and Their Markets

Products and Services

AUB provides, directly and through its subsidiaries, a wide range of banking and other financial products and services, including corporate and consumer loans, deposit products, corporate banking, treasury and trust products, cash management solutions, and other services. Such products are offered to a wide range of customers, including individual consumers, MSMEs, and corporations.

In 2015, AUB launched the AUB Easy MasterCard, the only credit card in the market that gives you the freedom to choose when and how much you want to pay! Moreover, financing programs, such as Second Hand Auto Loan and High-End Motorbike Loan Programs were offered to address the need for financing of its customers.

AUB also launched in all service channels the Foreign Currency Savings Account, a interest-bearing third currency (Euro, Japanese Yen and Chinese Yuan/Renminbi) denominated passbook account, which allows deposits and withdrawals anytime.

AUB enhanced its ATM security features to eradicate fraud by decreasing the maximum withdrawable amount per transaction from Php20,000 to Php10,000. This is on top of the SMS security feature, where customers are asked via SMS, on their third ATM withdrawal of the day, for an authorization to allow additional withdrawals for the day. AUB has maintained its maximum daily ATM withdrawal limit at Php50,000.

AUB is gearing up for new products and service features that will be launched in 2016 to further create a better banking experience for customers.

AUB's Marketing Group strengthened its framework for enhancing its "3Ps" — people, products, and processes — highlighting these three assets in their marketing plan and campaigns. In fact, in 2015, AUB launched the AUB Institute, a training framework that aims to continually train and arm its people with updated product knowledge and behavioral skills. The processes are continually calibrated for better speed and accuracy. Various dynamic relationships are also created with Human Resources, Branch Banking, Remittance and other business units to craft and send a message of excellent operational capabilities, as well as to promote the comprehensive suite of product solutions that address the needs of the various customer segments we serve.

AUB will showcase the bank's industry-leading products and services to continuously improve our customers' banking experience. Please refer to Exhibit 29-1 for AUB's list of products.

ii. Percentage of Sales or Revenues and Net Income Contributed by Foreign Sales (broken down into major markets such as Western Europe, Southeast Asia, etc.) for each of the last three years

The Group's revenue-producing assets are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is no longer presented. This is not relevant to the operations of AUB or any of its subsidiaries.

iii. Distribution Methods of the Products or Services

Business Segments

The Parent Bank's main operating businesses are organized and managed primarily, according to the current organizational structure (Exhibit 29-2). Each segment represents a strategic business unit that caters to the Group's identified markets.

The Group's business segments are:

- a) Commercial - this segment provides lending, trade and cash management services to corporate and institutional customers, which include large corporate, middle market clients and entrepreneurs;
- b) Consumer - this segment offers consumer Banking services to retail customers. Consumer lending products include real estate loans, salary loans, auto loans and pension loans and credit card business;
- c) Treasury - this segment is responsible for the execution of the Group's strategic treasury objective set forth in the Group's Treasury Operating Plan, which outlines the Group's strategies in terms of proprietary trading, liquidity, risk, capital, tax management, among others. Treasury segment's functions include managing the Group's reserve and liquidity position and maintaining its balance sheet by investing in sovereign and corporate debt instruments, commercial paper and other securities in the Philippines and other emerging markets. The Treasury segment is also responsible for managing the Group's foreign currency exposure, engaging in proprietary trading of currencies and offering foreign

exchange instruments to the Group's corporate customers, as well as the Group's investment portfolio, which is managed with a view to maximizing efficiency and return on capital;

d) Branch Banking - this segment offers retail deposit products, including current accounts (interest bearing and non-interest bearing demand deposits), savings accounts and time deposits in pesos and U.S. dollars. Branch Banking segment also provides lending to corporate and institutional customers through its own lending centers situated in selected branches; and

e) Others - this segment includes the Group's income from remittances, trust activities, investment Banking, and sale of foreclosed properties.

2015 Operational Highlights

Branch Banking

AUB's fast-growing branch and ATM network in the Philippines is ready to serve the needs of its customers for customized banking solutions. Branch Banking offers retail deposit products, including current accounts (interest-bearing and non-interest-bearing demand deposits), savings accounts, and time deposits in pesos and U.S. dollars. The branches also provide loans to corporate and institutional customers through our own lending centers situated in selected branches.

Delivering on its promise to its shareholders, AUB continued to expand its presence in various parts of the country where we see increasing opportunities for business growth. In 2015, the Parent bank has 208 branch network nationwide. The 4 new branches are located in Metro Manila to better serve its clients.

The branch expansion enabled the bank to generate significant growth in deposits, and have one of the highest ratios of CASA to total deposits in the local banking industry.

The bank also continued to automate its processes and put the Virtual Teller Kiosk (VTK) in all of its branches for an enhanced customer experience.

For Branch Banking, their branch people are the top drivers for growth. Promoting a sales-driven culture, the branch managers were empowered to undertake localized marketing initiatives to better serve their customers. Branch frontliners were also trained to go beyond transactional relationships by offering AUB products and services tailor-fit to customers' requirements.

Corporate Banking

AUB's Corporate Banking offers deposit taking, cash management, working capital financing, and other transaction services to corporate and middle market clients. AUB is also a loan provider to many significant corporate and public-private projects across a wide range of sectors.

2015 showed continued growth for the bank's corporate banking business as AUB saw a increase in corporate lending volume, with the power, infrastructure, and utilities industries as primary areas of strength.

AUB was strategically positioned in loan syndications for major corporations and key players in private-public partnership (PPP) projects, including on-grid and off-grid power projects, construction of major expressways, and game-changing mining and power generation deals. Today, we remain an active participant in financing PPP projects which can easily reach one trillion pesos in total costs—reflecting the country’s robust economic prospects.

Consumer Lending

AUB’s consumer banking services cater to retail customers. Through consumer products, such as real estate loans, salary loans, auto loans and pension loans, the bank puts a premium on customization and overall flexibility. AUB also officially launched the credit card business in 2015 as an additional consumer product. The Business was able to generate close to 8,000 cards in the 5 months of operations during its pilot year. The Business targets to acquire over 100,000 cards on its first two years of operations and will use the Branch as its primary acquisition channel. As such, the Business started to embark in automating its back-end processes, not only to better serve the branches, but to automate its cross-selling activities, making it easy for the branches to sell the credit cards while they also fulfill their CASA-related KRAs.

The bank’s wider geographical presence helped boost its consumer lending operations in 2015. Among the various loan market segments, AUB’s real estate loans accelerated in the middle market. The bank also ventured into financing both horizontal and vertical projects, reflecting its continued bullish outlook in the property sector.

AUB mobilized its branches for cross-selling and marketing initiatives that create demand for AUB’s portfolio of consumer products, specifically auto loans. Their customers were largely existing relationship accounts and new ones who are known to the bank’s core of branch personnel. AUB’s auto loans come with an automated credit scoring system, better risk calculations, and a wide coverage of auto dealer partnerships in and outside Metro Manila.

AUB’s low non-performing loan (NPL) ratio for consumer loans, which remains significantly lower than the industry, reflects the bank’s ability to maintain credit quality through risk management notwithstanding the rapid growth of our loan assets.

Treasury

AUB’s treasury business enables the bank to support its strategic business objectives through an active management of funding as well as liquidity, interest rate, and foreign exchange risk resulting in a robust balance sheet. In addition, AUB also offers various treasury products and services to both retail and corporate customers, such as foreign exchange and fixed income securities.

2014 was a challenging year industry-wide for the treasury business with global and local interest rates at the lows. The end to the US Fed’s quantitative easing and fears of early US rate hikes resulted in the poor performance of most emerging markets assets as risk premiums continued to widen.

Investment in Treasury Assets is projected to remain at constant levels from 2016-2020. As the bank’s lending business receives a larger portion of balance sheet growth in the coming years, the total % share of treasury assets is set to be reduced accordingly.

Treasury will continue to manage its investment portfolio with a view to maximizing efficiency and return on capital by seizing better investment opportunities in sovereign and corporate debt instruments, commercial paper, and other securities in the Philippines and other markets while maintaining prudence in risk management.

Trust

AUB offers an array of trust products to meet the varying needs and objectives of the bank's customers for investment instruments that best fit their business or their risk appetite.

The strong performance of the various Unit Investment Trust Funds (UITFs) in 2015 reflects our ability to deliver income-generating assets for our investing clients. AUB currently offers four options that target various risk appetites of individuals. Investors can track their Net Asset Value Per Unit (NAVPU) on a daily basis through AUB's internet banking platform.

The AUB Peso Investment Fund was the top gainer in the three-year ranking category and second in the five-year ranking category with gains of 16.4% and 35.1%, respectively, according to industry data on Philippine UITFs as of December 31, 2015. The Fund, which is invested in a diversified portfolio of fixed income securities suitable for clients who are willing to absorb modest principal risk associated with changing market conditions, was the third ranking fund on the one-year category for medium-term bonds, with a return of 2.6%.

The AUB Gold Dollar Fund, a dollar-denominated bond fund which aims to achieve a rate of return equivalent to the rolling 5-year yield of the US Treasury Notes net of fees, also enjoyed the top spot in all ranking categories in 2015. The Fund delivered returns of 4.7%, 13.2%, and 31.6% for the one-year, three-year, and five-year rankings, respectively.

The AUB Equity Investment Fund (AUB EIF) also remained one of the top ten gainers in 2015 for the three- and five-year ranking categories with recorded gains of 12.6% and 48.8%, respectively. The AUB EIF is a peso-denominated equity index fund is a pooled fund invested in blue chips and major second-line issues included in the Philippine Stock Exchange Index.

While it was launched only in October 2013, the AUB Peso Money Market Fund, a peso-denominated fund invested in low-risk fixed income securities in the investment market, was already among the top ten gainers in 2014. It recorded a one-year return of 1.6% for 2015.

In addition to UITFs, AUB also offers employee benefit trust and fund management services tailor-fit to the needs of clients.

Remittance

AUB is able to serve the financial needs of millions of overseas Filipino workers (OFWs) in many areas across the globe with its comprehensive package of services.

Through Gintong Hatid, the bank's flagship remittance product, OFWs and their families are able to conduct their remittance transactions and receive their hard-earned money on time by accessing AUB's growing network of remittance tie-ups, overseas marketing representatives, and through the Gintong Hatid Remittance Express System.

AUB's remittance business decreased to US\$788 million in 2015 from US\$850 million the previous year. With the complete acquisition of Pinoy Express, the group will introduce and

market AUB among the Filipino professionals and other OFWs in Singapore and achieve a significant increase in volume and value.

The bank's remittance business also benefited from the system enhancements made, including strengthening the remittance collection via SSS Online Collection Payment and the Interbank Fund Transfer Express. AUB also re-launched the Remittance Regalo Raffle Promo and the Loyalty Reward Program to attract and retain loyal customers. The bank also provided remittance support 24/7 the whole year round.

Operating Results by Segment

The President, being the Group's Chief Operating Decision Maker (CODM), monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment assets are those operating assets employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross income and expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged or credited to the business units based on a pool rate which approximates the marginal cost of funds.

The table below sets forth the operating income and net income of each operating segment within AUB for the periods presented.

Operating Income

<i>In millions except percentages</i>	2015		2014		2013	
	Amount	%	Amount	%	Amount	%
Commercial	1,490	24%	1,660	26%	1,014	22%
Consumer	1,094	18%	977	16%	621	14%
Treasury	264	4%	813	13%	726	16%
Branch Banking	3,038	49%	2,535	40%	1,878	42%
Others	260	5%	286	5%	274	6%
Total	6,146	100%	6,271	100%	4,513	100%

Net Income

<i>In millions except percentages</i>	2015		2014		2013	
	Amount	%	Amount	%	Amount	%
Commercial	712	47%	978	58%	594	40%
Consumer	423	28%	377	22%	282	19%
Treasury	(173)	-11%	10	1%	238	16%
Branch Banking	510	34%	285	17%	296	20%
Others	47	2%	31	2%	65	5%
Total	1,519	100%	1,681	100%	1,475	100%

For more information on each segment's statement of income and condition, please refer to Note 6 of the Group's audited consolidated financial statements.

Subsidiaries

AUB also provides a wide range of banking and financial products through its subsidiaries.

RBA, through its 18 branches and 5 micro-banking offices, aims to provide deposit, lending, remittance and insurance services to retail customers, rural and urban industries, farmers and tenants and other low income earners. RBA's corporate mission is to help promote comprehensive rural development and a more equitable distribution of opportunities, income and wealth; to expand productivity as a key to raising quality of life, especially for the underprivileged; and to make needed credit, especially microfinance, available in the areas RBA serves on reasonable terms.

On the other hand, Cavite United Rural Bank or CURB's primary objective is to provide banking services for the rural population, particularly to small-scale entrepreneurs in Cavite, through its four branches. Microfinance loans and micro savings are CURB's primary product offerings to its target customers.

AULFC is engaged primarily in the business of financing and financial leasing. It also operates a wholly-owned subsidiary, Asia United Fleet Management Services, Inc. (AUFMSI), which is being geared to offer operating leases. AULFC's primary goal since its inception has mainly been into financing and leasing of motor vehicles such as brand new passenger cars, delivery vans, trucks, passenger buses as well as warehouse equipment like forklifts. These credit facilities are extended mainly to the company's main target market, the corporate accounts. On a highly selective basis, AULFC has some consumer financing accommodations to individuals who are mostly valued clients of the Parent Company.

PEPL provides cash remittance services. Its services include door-to-door cash/funds delivery services; Bank deposit services, which include same or next day credit to online Bank accounts; online cash and offline pick-up services; cash card and tele-remittance (via cell phone) services; bills payment services; and cash-a-lubong services in Manila. It offers remittance services in the Middle East, Europe, Asia, Canada, and the United States. The company was founded in 1996 and is based in Singapore with additional offices in Brunei, Hong Kong, Palau, the Philippines, and Saipan. As of October 27, 2015, Pinoy Express Pte Ltd. operates as a subsidiary of Asia United Bank Corp.

The table below sets forth the financial performance of the three subsidiaries for the periods indicated.

<i>in PhP millions except for percentages</i>	2015	2014	2013
Rural Bank of Angeles			
Total Assets	1,006.255	996.645	787.613
Net Income	37.078	23.180	37.165
Return on Assets	3.70%	2.33%	4.72%
Net Interest Margin	10.23%	8.28%	7.81%
Cavite United Rural Bank			
Total Assets	315.933	272.819	230.846

Net Income	62.073	42.060	4.367
Return on Assets	19.65%	15.42%	2.00%
Net Interest Margin	19.52%	5.28%	9.85%
Asia United Leasing and Finance Corporation and subsidiary			
Consolidated Total Assets	1,577.860	1,649.332	1,074.726
Consolidated Net Income	3.457	17.716	15.273
Return on Assets	0.22%	1.07%	1.42%
Net Interest Margin	0.81%	(14.00%)	3.74%
Pinoy Express PTE Ltd			
Consolidated Total Assets	77.993		
Consolidated Net Income	(1.302)		
Return on Assets	-1.67%		
Net Interest Margin			

iv. Status of Any Publicly-Announced New Product or Service

Although AUB plans to introduce new products and services in the next twelve months, it has not publicly announced any for confidentiality.

v. Competition

AUB is subject to significant levels of competition in all areas of its business from other Philippine banks and branches of foreign banks, including competitors which, in some instances, have greater financial and other capital resources, a greater market share, or greater name recognition in certain areas than AUB.

AUB considers its major competitors to be domestic universal and commercial banks. The table below sets forth AUB's ranking among universal and commercial banks based on BSP data as of December 31, 2015.

All Universal/Commercial Banks

<i>In million pesos</i>	UKB/KB	AUB Consolidated	Rank	AUB's Share of Total
Total Assets	11,529,256	153,556	14	1.33%
Total Loans	5,590,336	93,458	12	1.67%
Total Deposits	8,754,541	117,244	14	1.34%
Capital Accounts	1,206,461	19,871	13	1.65%

Domestic Universal/Commercial Banks

<i>In million pesos</i>	UKB/KB	AUB Consolidated	Rank	AUB's Share of Total
Total Assets	10,549,940	153,556	12	1.46%
Total Loans	5,177,377	93,458	12	1.81%

Total Deposits	8,041,980	117,244	12	1.46%
Capital Accounts	1,098,797	19,871	13	1.81%

AUB is confident that it can effectively compete with these competitors due to the Bank's leading information technology platforms, expanding branch network, and highly experienced management team.

vi. Sources and Availability of Raw Materials and the Names of Principal Suppliers

AUB is not dependent upon one or a limited number of suppliers for any of the products or services it needs for its day-to-day operations.

vii. Dependency on a Sole Customer

AUB does not have any significant customer that contributes 10.0% or more of the consolidated revenue, net of interest expense.

viii. Related Party Transactions

AUB, in the ordinary course of business, engages in various transactions with related parties and with certain directors, officers, shareholders and their related interests ("DOSRI"). These transactions usually arise from normal banking activities such as lending, borrowing, deposit arrangements and trading of securities, among others. Under existing policies of AUB, these transactions are made on substantially the 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.

For more information, please refer to Note 30 of the Group's AFS.

ix. Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements Held

On October 3, 1997, AUB obtained a Certificate of Registration and bank license from the Philippine SEC to operate under the corporate name "Asia United Bank Corporation."

AUB uses a variety of names and marks, including the name "Asia United Bank", "AUB" and AUB's logo, in connection with its business. To date, only one trademark, "AUB Gintong Hatid Remittance Service", has been registered for intellectual property rights.

AUB plans to register additional products and services for intellectual property protection as soon as BSP approvals for such product offerings are obtained.

x. Need for any Government Approval of Principal Products or Services

AUB's products and services are offered to customers only upon receipt of the necessary regulatory approvals or upon submission of the required disclosures to the appropriate regulatory bodies.

xi. Effect of Existing or Probable Governmental Regulations on the Business

The Philippine banking industry is highly regulated by the BSP and operates within a framework that includes guidelines on capital adequacy, corporate governance, management, anti-money laundering, and provisioning for NPL's. The BSP can alter any of these and can introduce new regulations to control any particular line of business.

Certain policies that AUB believes could affect its results of operations include the following:

- BSP Circular No. 351 allows the Group to exclude from nonperforming classification receivables classified as "Loss" in the latest examination of the BSP
- BSP Circular No. 423 dated March 15, 2004 amended the definition of DOSRI accounts.
- BSP Circular No. 538, Revised Risk-Based Capital Adequacy Framework, which provides the guidelines to determine capital charges for market and credit risks
- BSP Circular No. 560 provides the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks.
- BSP Circular No. 654, allows a separate individual limit to loans of banks and quasi-banks to their subsidiaries and affiliates engaged in energy and power generation
- BSP Circular No. 639, Internal Capital Adequacy Assessment Process (ICAAP) and Supervisory Review Process (SRP)
- BSP Circular No. 772, which requires banks to compute their net NPLs by deducting the specific allowance for credit losses on the total loan portfolio from the gross NPLs
- BSP Circular No. 779 extends for another three (3) years the original three (3) year period allowing a separate single borrower's loan (SBL) limit of 25% of the net worth of the lending bank/quasi-bank for loans, credit accommodations and guarantees granted for undertaking infrastructure and/or development projects under the Public-Private Partnership (PPP) Program.
- BSP Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements, effective January 1, 2014
- BSP Circular No. 785 grants exclusions from the DOSRI cap for all loans and other credit accommodations covered by guarantees of international and regional multilateral financial institutions where the government is a participant or a shareholder
- BSP Circular No. 832 dated May 8, 2014, deposit liabilities under local currency of the Parent Company shall be subject to the unified statutory/legal and liquidity reserve requirement of 20%
- BSP Circular No. 895 Guidelines on Related Party Transactions of banks & their non-bank financial subsidiaries
- BSP Circular No. 887 Further Amendments to the Regulations on the Approval/Confirmation of the Election/Appointment of Directors/Officers
- BSP Circular No. 866 Submission of Reports by Banks acting as Underwriters, Brokers, Dealers and Transfer Agents of Securities (s.2015)
- BSP Circular No. 880-Reportorial requirements on Personal Equity and Retirement Account (PERA)
- BSP Circular No. 877 Amendments to the Guidelines on the Issuance of Long-Term Negotiable Certificates of Time Deposits
- BSP Circular No. 887-Further Amendments to the Regulations on the Approval Confirmation of the Election Appointment of Directors & Officers
- Regulations Governing the Derivatives Activities of Banks
- Amendments in UITF's Regulations
- Limit on Real Estate Loans of Universal Banks
- Exemption of Paired ROP Warrants from Capital Charge for Market Risk
- Guidelines on Securities Borrowing and Lending Transactions

- Reclassification of Financial Assets Between Categories
- Taxes

xii. Amount Spent on Research and Development Activities, and its percentage to revenues during each of the last three fiscal years

Except for the costs to develop IT-based products and services which are capitalized and amortized, AUB did not spend a material amount on research and development over the last three years.

xiii. Costs and Effects of Compliance with Environmental Laws

AUB is compliant with environmental laws affecting the Parent Company and any of its subsidiaries.

xiv. Employees

As a result of its expanding branch network over the past three years, AUB and its subsidiaries have grown its workforce as set forth in the table below. As AUB continues its growth more in the next years, the challenge of capacity building shall remain a strategic priority.

	AUB Consolidated		
	2015	2014	2013
Headcount	2,123	2,078	1,770
<i>% growth vs. last year</i>	<i>2.2%</i>	<i>17.4%</i>	<i>33.4%</i>
Officers	955	977	845
Staff	1,168	1,101	925
Total Headcount	2,123	2,078	1,770
<i>% of Officers to total</i>	<i>45.0%</i>	<i>47.0%</i>	<i>47.7%</i>

There is no existing collective bargaining agreement between AUB and any of its employees, and AUB's employees are not part of any labor union.

Aiming to be recognized as an employer of choice, AUB continues to implement best workplace practices and continues to engage our employees so that they in turn give the customers a more positive experience.

To become a rewarding place to work, AUB continues to offer a competitive pay and benefits packages at all levels. The compensation package includes a base salary and comprehensive benefits, which are reviewed regularly. The bank offers a basic monthly salary that is above the minimum wage mandated by law, and offer medical and group term insurance, salary and emergency loans, on top of the mandatory leave privileges.

AUB continues to promote a work-life balance among its employees. To ensure security and safety awareness of both the security personnel and employees, AUB continues to conduct annual fire drills and disaster preparedness seminars in our Head Office building.

On the talent acquisition front, AUB strengthened its partnerships with top colleges and universities by consistently participating in job fairs, career talks, and maintaining ties with the schools' work placement offices. AUB attracted the best of the best through its Summer Apprenticeship Program, where 37 top-of-their-class students underwent an intensive assessment and training program in various departments. AUB also re-launched its Management Training Program, which placed high-achieving fresh graduates from prestigious schools for Account Officer positions.

To be prepared to tackle the challenges of a constantly evolving market environment and meet rising customer demands, AUB continuously hones the capabilities of its people by providing for their training and development needs. The bank heavily invested time and resources in development programs for branch officers and embarked on honing soft skills such as supervision and interpersonal relationships.

xv. Risk Management

AUB is exposed to risks that are inherent to any banking business, including liquidity risk, market risk, foreign currency risk, credit risk, and operational risk. AUB's risk management objective is to adequately and consistently identify, measure, control and monitor the various risks that arise from its business activities and to ensure that all of its operations strictly adhere to the policies and procedures which are established to address these risks.

For more information on AUB's risk management process, please refer to the following documents:

- Note 4 to Group's AFS for financial risk management objectives and policies.
- Exhibit 29-3 for the supplemental risk management discussion.

b. Additional Requirements as to Certain Issues or Issuers

i. Debt Issues

On November 25, 2013, the Parent Company issued 3.50% fixed coupon rate LTNCD at par value of P900 million which is set to mature in 2019.

On November 25, 2015, the Parent Company issued 5.625% coupon rate Tier 2 unsecured subordinated note with par value of P5.00 billion, maturing on November 25, 2025, but callable after the fifth anniversary of the issue date. The Notes qualify as Tier 2 capital pursuant to BSP Circular No. 781 (Basel III), BSP Circular No. 826 on risk disclosure requirements for the loss absorption features of capital instruments, and other related circulars and issuances of the BSP.

ii. Equity Issues

On May 6, 2013, AUB obtained approval by SEC the permit to offer its common shares for sale through an initial public offering (IPO). The net proceeds from the IPO amounted to P7.46 billion, net of direct costs related to equity issuance of P0.48 billion. Total issued capital stock from the public offer amounted to 0.84 billion whereas the resulting additional paid-in capital amounted to P6.62 billion. On May 17, 2013, AUB's unissued shares were listed and commenced trading at the PSE.

AUB planned to use the IPO to further solidify the Bank's capital adequacy and financial strength and more importantly, allow AUB to pursue its strategic growth initiatives. During the meeting of the Board of Directors of AUB held on June 27, 2014, the Board approved revisions to the original utilization plan of the IPO. Upon approval, the bank informed its shareholders, SEC, and PSE of the approved revisions. The table below shows that based on the revised use, AUB has fully utilized the IPO proceeds as of September 30, 2014.

<i>In Philippine pesos</i>	Original Use of IPO Proceeds	Revised Use of IPO Proceeds	Cumulative as of September 30, 2014
Branch Expansion ¹	890,000,000	360,000,000	360,000,000
General Corporate Purposes ³	5,077,484,420	6,956,124,439	6,956,124,439
Information Technology Infrastructure ⁴	578,640,019	120,000,000	120,000,000
Payment of Branch Licenses	890,000.00	0.00	0.00
TOTAL	7,436,124,439	7,436,124,439	7,436,124,439

¹Pertains to capital expenditures for the construction and purchase of furniture, fixtures, and equipment of branches to be opened.

²Adjustment in use of proceeds for branch expansion to agree with the amount per Board-approved revision.

³Used for growing AUB's interest-earning asset-base, specifically through the extension of more commercial and consumer loans as well as the purchase of investment securities and others.

⁴IT projects / structure will be applied toward the enhancement of AUB's technical hardware and software.

There were no payments for branch licenses for the years ended December 31, 2015 and 2014 as the bank used its existing branch licenses, including those obtained from its acquisitions of Cooperative Bank of Cavite Inc. and Asiatruster Development Bank. The Bank opened 81 new branches from the time of its IPO in May 2013 up to September 30, 2014.

ITEM 2. PROPERTIES

B. DESCRIPTION OF PROPERTY

Give the location and describe the condition of the principal properties (such as real estate, plant and equipment, mines, patents, etc.) that the registrant and its subsidiaries own. Disclose any mortgage, lien or encumbrance over the property and describe the limitations on ownership or usage over the same. Indicate also what properties it leases, the amount of lease payments, expiration dates and the terms of renewal options. Indicate what properties the registrant intends to acquire in the next twelve (12) months, the cost of such acquisitions, the mode of acquisition (i.e. by purchase, lease or otherwise) and the sources of financing it expects to use.

As of December 31, 2015, AUB owned five floors of Joy-Nostalg Center in Pasig City with an aggregate floor area of approximately 6,485.59 square meters which are used as head office banking offices. The Bank also owns parcels of land with buildings in Antipolo City, Pasay City, and Caloocan City, as well as a condominium unit in Dynasty Towers in Tondo, Manila where four of its branches are located.

For more information on properties that are owned by AUB, please refer to Exhibit 29-4.

In addition, AUB also leases properties in the Philippines, which are used as banking offices and branches as well as for back office operations. The average term of these leases are five to ten years and most of them have options to renew on terms and conditions mutually agreeable between the lessor(s) and the Bank. For the year ended December 31, 2015, AUB paid an aggregate of P299.279 million in rental payments under these leases.

For more information on these leased properties, please refer to Exhibit 29-5.

In 2016, AUB plans to lease 11 more properties that will be used for the 11 new branches that it will open this 2016.

Except as disclosed above and excluding its Real and Other Properties Acquired (ROPA) portfolio, AUB does not own any other real property. AUB currently has no plans to purchase properties in the next 12 months other than in the ordinary course of business. AUB believes all its facilities and properties are currently in good condition. As of the date of this report, there are no liens or encumbrances on any of the properties of AUB.

ITEM 3. LEGAL PROCEEDINGS

C. LEGAL PROCEEDINGS

Describe briefly any material pending legal proceedings to which the registrant or any of its subsidiaries or affiliates is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities or any other entity.

Due to the nature of the Bank's business, AUB is involved in various legal proceedings, both as plaintiff and defendant, from time to time. The majority of outstanding litigation involves foreclosure proceedings on secured properties, debtor-initiated corporate rehabilitation proceedings, cases for sum of money or other past-due loan related litigation.

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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the fourth quarter of 2015, AUB did not submit any matter to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

A. Market Price of and 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 P10.00 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 P95.00 per share. The net proceeds from the IPO amounted to P7.46 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 sales prices for each quarter since the listing date:

Year	Quarter	Share Price (PhP)		
		High	Low	Close
2013	Q1	NA	NA	NA
	May 17	105.10	101.50	104.00
	Q2	82.00	79.50	80.00
	Q3	73.50	72.20	72.30
	Q4	68.20	68.10	68.10
2014	Q1	70.90	70.10	70.90
	Q2	72.00	71.20	72.00
	Q3	74.90	74.10	74.90
	Q4	69.00	66.50	69.00
2015	Q1	70.95	69.20	70.95
	Q2	73.60	72.80	73.00
	Q3	69.40	68.90	68.90
	Q4	46.15	45.60	46.15

The high and low sales prices of AUB at the Philippine Stock Exchange on April 12, 2016 were P46.45 and P45.80, respectively, with a closing price of P46.45.

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.

The Board of Directors in its meeting last August 28, 2015 delegated to the Bank's President, Mr. Abraham T. Co, the authority 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 December 31, 2015, AUB has 90 shareholders owning at least 1 board lot.

The total number of issued and outstanding shares is 485,310,538. 18.66% is owned by foreign entities, which is below the maximum limit of 40% for foreign ownership. In addition, 33.86% 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 December 31, 2015, 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	PCD Nominee Corporation- Filipino	73,971,177	15.24%
4	Lambda Holdings Corporation	71,999,850	14.84%
5	Mega Lions International Limited	19,802,265	4.08%
6	Dragon Bridge Limited	19,617,660	4.04%
7	Global Prime Holdings Limited	18,951,945	3.91%
8	Magis Equity Ventures PTE Ltd	18,000,000	3.71%
9	PCD Nominee Corporation- Non Filipino	13,995,787	2.88%
10	Lin Pei Zhi	150,000	0.03%
11	James G. Dy	123,000	0.03%
12	Wilfredo C. Uy	32,295	0.01%
13	Alfonso S. Teh	31,800	0.01%
14	Chap Hung Yuen	30,000	0.01%
15	Virginia A. Quianzon	15,780	0.00%
16	Joaquin Q. Tan	15,000	0.00%
17	Co, Rufino L. or Co, Lucita Y.	15,000	0.00%
18	Jack D. Tan	15,000	0.00%
19	Ainsley James Ayroso Fu	15,000	0.00%
20	William T. Co	15,000	0.00%
	Total Top 20, including PCD Nominee Accounts	485,196,094	99.99%
	Others	114,444	0.02%
	Total AUB	485,310,538	100.00%

3. Dividends

AUB is authorized under Philippine law to declare dividends, subject to certain requirements. These requirements include, for example, that the Board of Directors is authorized to declare dividends only from its distributable retained earnings, calculated based on existing regulations. Dividends may be payable in cash, shares or property, or a combination of the three, as the Board shall determine and subject to the approval of the BSP. 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. 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.

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:

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

The Manual provides that for banks whose shares are listed in the Philippine Stock Exchange, the bank may give immediate notice of such dividend declaration to Philippine SEC and PSE; provided that no record date shall be fixed for such dividend declaration pending verification by the appropriate department of the BSP.

As of December 31, 2015, AUB's retained earnings available for dividend distribution amounted to P12.748 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.

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.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATION

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

1. Plan of Operation

Describe the plan of operation for the next twelve (12) months. This description should include such matters as:

- a discussion of how long the registrant can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve (12) months;
- summary of any product research and development that the registrant will perform for the term of the plan;
- any expected purchase or sale of plant and significant equipment; and:
- any expected significant changes in the number of employees.

Behind the strength of the bank's financial and operating results is AUB's steadfast commitment to consistently grow shareholder value.

In 2014, AUB started to make headways in project finance which allowed the Bank to contribute to the domestic economy's growth by meeting the country's growing infrastructure needs, particularly in building up additional power-generating capacity.

In 2015, AUB saw more opportunities in addressing the needs of retail consumers, who are propelling the country's economic momentum; and the infrastructure sector, particularly in public-private partnership projects, infrastructure, energy, airports, rail, tourism, where demand has been exponential.

AUB will also continue to leverage on technology to make banking with AUB a seamless experience for customers regardless of the delivery channels they choose — whether they transact in our branches, our ATMs, or through mobile and internet banking.

The Group's branch network by end-2015 consisted of 230 branches and 5 micro-banking offices. The Parent Company opened only 4 new branches in 2015 to enable the branch banking personnel to focus on maximizing the deposits and lending potential of existing branches. For 2016, the parent company plans to open 11 new branches in restrictive and progressive areas where opportunities are greater. Beyond 2016, the bank shall open up to 10 branches a year.

The table below sets forth the Group's 2016 target and 2015 actual number of branches and headcount.

	2016	2015 Actual	+/-	% Change
Branches				
Parent Company	219	208	11	5.3%
Subsidiary Banks	24	22	2	9.1%
Total Group	243	230	13	5.7%
Headcount				
Parent Company	2,115	1,886	229	12.1%
Subsidiary Banks	272	237	35	14.8%
Total Group	2,387	2,123	264	12.4%

AUB plans to continue to grow its balance sheet size and profitability by double-digits in 2016. To fund its expansion plans and limit its liquidity risk, management has arranged diversified funding

sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and the availability of high-grade collateral that could be used to secure additional funding if so required.

To increase and strengthen the bank's capital base and ensure its continuing compliance with capital adequacy regulations of the BSP, the Parent Company had a Tier 2 issuance amounting to P5 billion last November 2015.

2. Management's Discussion and Analysis

MD&A helps explain financial results. A reader of the MD&A should understand the financial results of the registrant's business as discussed in the "Business" section.

Full Fiscal Years (2015, 2014, 2013)

a. Analysis of Statements of Condition and Discussion of Results of Operations

The table in Exhibit 29-4 and 29-5 presents the Group's consolidated Statements of Condition as of December 31, 2014 and 2013 and Statements of Income for the years ended December 31, 2014, 2013 and 2012, and the changes thereto as of and for the years then ended.

Analysis of Changes in Financial Condition – 2015 vs. 2014

As of December 31, 2015, the Group's total assets reached P153.556 billion, up by P28.763 billion (+23.0%) from P124.793 billion as of December 31, 2014. The predominant area of asset growth was in net loans and receivables, which increased by P20.721 billion.

In particular, Cash and Other Cash Items, and Amounts Due from Other Banks decreased by 7.9% from P3.992 billion as of December 31, 2014 to P3.678 billion as of December 31, 2015, and by 38.2% from P2.050 billion as of December 31, 2014 to P1.268 billion as of December 31, 2015, respectively. This is on account of the Parent Company's slowdown in branch expansion activities with only 4 branches opened. The Branch Banking Group of the Parent Company was also mandated by top management to reduce excess Cash in Vault and Cash in Other Banks so the bank may utilize excess liquidity to fund other interest-earning assets.

Amounts Due from the BSP increased by 13.6% from P17.890 billion as of December 31, 2014 to P20.329 billion as of December 31, 2015. The increase was due to the increase in Amount Due from BSP - DDA as a result of the Group's higher reserves coming from the growth in peso deposits and the increase in reserve requirements from 18% in December 2013 to 20% effective May 30, 2014.

Interbank Loans Receivable increased by 958.5% from P351.559 million as of December 31, 2014 to P3.721 billion as of December 31, 2015. On the other hand, Financial Assets at Fair Value Through Profit or Loss decreased by 19.1% from P517.030 million as of December 31, 2014 to P418.486 million as of December 31, 2015. AFS investments also decreased by 2.3% from P17.957 billion as of December 31, 2014 to P17.551 billion as of December 31, 2015. The Parent Company deliberately reduced its level of Net Treasury Investments to fund its loan portfolio growth and lower the bank's risk from interest rate and mark-to-market valuation.

Loans and Receivables increased by 28.5% from P72.737 billion as of December 31, 2014 to P93.458 billion as of December 31, 2015. Propelling the growth were Commercial Loans and other loan segments such as Auto, Housing, and Salary Loans, which all posted double-digit growths.

Property and Equipment decreased by 11.1% from P2.169 billion as of December 31, 2014 to P1.930 billion as of December 31, 2015. The bank added less Property and Equipment mainly due to the slowdown in branch expansion, opening only 4 branches in 2015. Total addition for 2015 is 58.8% lower than a year ago with P448.001 million in 2015 from P1.087 billion in 2014. Significant change is seen on the additions to Equipment for Lease of P190.638 million as of December 31, 2015 from P576.973 million due to the operating leases generated from AULFC's exclusive tie-up with BMW in 2014. Investment properties decreased by 5.4% from P0.828 billion as of December 31, 2014 to P0.784 billion as of December 31, 2015 as a result of various disposals of real estate properties, which resulted in a gain on Sale of Investment Properties amounting to P 58.08 million in 2015.

Deferred Tax Assets increased by 52.3% from P192.765 million as of December 31, 2014 to P293.549 million as of December 31, 2015. Please refer to Note 27 of the Group's AFS for the components of the Group's deferred tax asset liability.

No significant change on intangible assets, which consist of payments for branch licenses and software costs, showing only an increase of 0.2% from P1.954 billion as of December 31, 2014 to P1.957 billion as of December 31, 2015.

Other Assets decreased by P139.709 million (-23.97%) from P582.952 million as of December 31, 2014 to P443.243 million as of December 31, 2015. The decrease was primarily due to the advances made in 2014 by the Parent Company to the shareholders of a remittance company in Singapore amounting to P176.92 million which was converted into equity interest upon completion of the acquisition last quarter of 2015. Miscellaneous Assets, on the other hand, increased by P52.436 million.

The Group's total liabilities increased by 27.8% from P104.600 billion as of December 31, 2014 to P133.685 billion as of December 31, 2015.

In particular, total deposits increased by 23.2% from P95.201 billion as of December 31, 2014 to P117.244 billion as of December 31, 2015 as a result of the Group's more intensified deposit-generation campaign for branch banking and other business segments.

Bills Payable and Securities Sold under Repurchase Agreement decreased by 38.3% from P5.504 billion as of December 31, 2014 to P7.611 billion as of December 31, 2015. Although the Group continued to tap borrowings from foreign banks, which offers a lower funding cost than SSA/TD, to fund its loan portfolio growth, its borrowings that are collateralized by Investment Securities Subjected to Repurchase Agreement dropped in line with the net reduction in its AFS and HTM investments.

On November 25, 2015, the Bank issued 5.625% coupon rate, Unsecured Subordinated Debt Instruments (the "Tier 2 Notes") with an aggregate principal amount of up to P5.0 Billion, maturing on November 25, 2025, but callable after the fifth anniversary of the issue date. The Tier 2 Notes are intended to increase and strengthen the Bank's capital base and ensure its continuing compliance with capital adequacy regulations of the BSP. The proceeds from the issuance of the Tier 2 Notes net of issuance cost of P38.39 million amounted to P4.96 billion.

Income Tax Payable rose by 524.5% from P12.040 million as of December 31, 2014 to P75.192 million as of December 31, 2015 as the Group generated a higher taxable income in 2015 versus a year ago.

Accrued Taxes, Interest and Other Expenses increased by 7.0% from P549.5 million as of December 31, 2014 to P587.850 million as of December 31, 2015. Accrued Other Expenses, which include accruals for rent, training expenses, repairs and maintenance, membership fees and dues, professional fees and insurance, increased by P6.606 million. Accrued Interest Payable increased by P24.682 million on account of the Group's higher interest-bearing deposits.

Other Liabilities decreased by 5.7% from P3.089 billion as of December 31, 2014 to P2.914 billion as of December 31, 2015. Acceptances Payable, Bills Purchased - Contra, and Unearned Income decreased by P234.257 million, P117.658 million, and P60.832 million, respectively. These decreases were offset by an increase in Accounts Payable (+P120.777 million), Deposits on Lease Contracts (+P36.900 million), and Miscellaneous Liabilities (+P94.412 million).

On May 15, 2015, the Board of Directors of the Parent Company approved the declaration of the 50% stock dividend equivalent to 161,770,178 shares at P10 par value to stockholders of record as of October 29, 2015 which was fully distributed on November 26, 2015. As a result, the Bank's capital stock at P3.235 billion as of December 31, 2014 increased to P4.853 billion as of December 31, 2015. The Bank's paid-in capital remained at P6.623 billion.

The Bank's surplus, excluding surplus reserves, decreased slightly by 0.8% from P11.577 billion as of December 31, 2014 to P11.479 billion as of December 31, 2015. The P1.519 billion 2015 net income was offset by the P1.618 billion stock dividend issued last quarter of 2015.

The bank's Net Unrealized Loss on Sale of Available-for-Sale Investments increased by 133.5% from P1.415 billion as of December 31, 2014 to P3.304 billion as of December 31, 2015 due to a widespread sell off in Emerging Markets in the 2nd half of 2015. Concerns about normalization in monetary policy leading to successive rate hikes in the Fed Funds Rate consistent with the dot plots triggered the selloff.

Analysis of Results of Operations – 2015 vs. 2014

Coming from a 14.5% net income growth in 2014, the Group posted a net income of P1.519 billion in 2015, 10.1% lower than P1.689 billion a year ago. The decrease is due to the drop in trading gains and foreign exchange profit as well as the absence of the high extraordinary income registered in 2014.

Interest Income

In particular, AUB's consolidated total interest income increased by 17.6% to P6.111 billion for the year ended December 31, 2015 from P5.196 billion for the year ended December 31, 2014. Interest income from loans and receivables increased by 34.9% to P4.718 billion for the year ended December 31, 2015 from P3.498 billion for the year ended December 31, 2014. The Group succeeded in increasing its lending activities to corporates and the retail market to improve the Group's profitability amidst the continued low interest rate environment. In contrast, interest income on trading and investment securities declined by P288.480 million (-18.9%) year-on-year as the Bank shifted its portfolio to medium term securities.

Interest income from Interbank Loans Receivable and Securities Purchased under Resale Agreements decreased by 14.3% to P24.391 million for the year ended December 31, 2015 from P28.457 million for the year ended December 31, 2014. Interest income from Deposits with

Banks and Others also decreased by 19.7% to P72.469 million for the year ended December 31, 2015 from P90.245 million for the year ended December 31, 2014. The changes in these interest income accounts were largely a function of the change in the volume of the related investments.

Interest Expense

Total interest expense increased by 27.0% to P1.342 billion for the year ended December 31, 2015 from P1.057 billion for the year ended December 31, 2014. Interest expense from Deposit Liabilities increased by P243.780 million (+26.5%) whereas interest expense from Bills Payable and Other Borrowings increased by P41.367 million (+29.8%). The Group grew its ADB volume on interest-bearing deposits and incurred higher interest on both deposits and foreign borrowings.

Net Interest Income

Net interest income increased by 15.2% to P4.769 billion for the year ended December 31, 2015 from P4.139 billion for the year ended December 31, 2014. The Group's net interest margin ratio decreased slightly to 4.33% versus 4.57% in 2014 as the Group effectively managed its rates on interest-earning assets against the interest-bearing deposits while still able to provide competitive rates.

Non-Interest Income

AUB's non-interest income decreased by 35.4% to P1.377 billion for the year ended December 31, 2015 from P2.132 billion for the year ended December 31, 2014.

In particular, Trading and Securities Gains decreased by 73.3% to P91.683 million for the year ended December 31, 2015 from P343.040 million in 2014. Fixed Income Trading performance suffered considerably on account of widespread risk aversion towards Risk Weighted Assets. Expectations of successive US Fed rate hikes and the downturn in commodities markets hit Emerging Market economies quite hard.

Service Charges, Fees, and Commissions decreased by 3.3% to P744.314 million for the year ended December 31, 2015 from P769.945 million for the year ended December 31, 2015. The decrease was mainly due to the decrease in fees from newly booked corporate loans as well as lower remittance volume.

Foreign Exchange Gain decreased by 79.4% to P26.170 million for the year ended December 31, 2015 from P126.985 million for the year ended December 31, 2014 due to year-end revaluation charges.

Trust Income rose 24.1% to P42.522 million for the year ended December 31, 2015 from P34.278 million for the year ended December 31, 2014 in line with the increase of Trust investment volume.

Miscellaneous income decreased by 45.0% to P471.909 million for the year ended December 31, 2015 from P857.375 million for the year ended December 31, 2014. The decrease was primarily due to the absence of the extraordinary income from ~~e-of~~ Gains on Sale of Investment Properties of P400.39 million in 2014.

Operating Expenses

AUB's total operating expenses, including Provision for Credit and Impairment Losses, increased by P42.604 million (+1.0%) to P4.385 billion for the year ended December 31, 2015 from P4.343 billion for the year ended December 31, 2014.

The Provision for Credit and Impairment Losses decreased by P360.676 million (-37.3%) on account of decreased provision on AFS Securities (-P242.282 million), and Unquoted Debt Securities (-P116.363 million). Compensation and Fringe Benefits increased by P121.899 million (+11.3%) largely due to the increase in both branch-based and Head Office personnel. Other branch-related expenses such as Depreciation and Amortization; Insurance; Rent; Power, Light and Water; Security, Messengerial and Janitorial; Postage, Telephone, Cables and Telegrams; and Transportation and Travel also increased due to the branch network expansion and growth in banking transactions. On the other hand, Freight Expenses decreased by P34.378 million (-22.0%) because of the lower volume of courier based remittances in 2015.

In spite of the minimal increase in operational expenses, the Group's operating expense ratio (net of provision for losses) increased to 61.51% from 53.85% due to the significant decline in non-interest income.

Provision for (Benefit from) Income Tax

On account of a higher taxable income in 2015 versus year-ago, AUB recorded a 1.0% increase in its Provision for Income Tax to P241.616 million for the year ended December 31, 2015 from P239.191 million for the year ended December 31, 2014.

Net Income

To summarize, AUB posted a net income of P1.519 billion in 2015, 10.1% lower than P1.689 billion a year ago. The group's total operating income decreased by 2.0% to P6.145 billion despite the increase in its net interest income of 15.2% to P4.769 billion from year-ago. This is because the increase in net interest income was offset by the decrease in non-interest income particularly the Trading and Securities Gain (-P251.357 million), Foreign Exchange Gain (-P100.815 million), and Miscellaneous Income (-P385.466 million). The Group also managed to control its operating expenses, excluding provision for losses, to 61.51% of total operating income.

The Group's net income for the year ended December 31, 2015 translated to a Return on Assets of 1.09% and a Return on Equity of 7.62%.

Analysis of Changes in Financial Condition – 2014 vs. 2013

As of December 31, 2014, the Group's total assets reached P124.793 billion, up P19.747 billion (+18.8%) from P105.046 billion as of December 31, 2013. The predominant area of asset growth was in net loans and receivables, which increased by P25.047 billion. The balance sheet growth was partially offset by a P6.371 billion decline in Available-for-Sale Investments and a P3.393 billion in Financial Assets at Fair Value through Profit or Loss.

In particular, Cash and other cash items increased by 78.2% from P 2.240 billion as of December 31, 2013 to P3.992 billion as of December 31, 2014 as the Group expanded its branch network from 173 branches in 2013 to 219 in 2014. The Parent Company opened 44 new branches in 2014 ending the year with 204 branches.

Amounts due from the BSP decreased by 4.8% from P 18.801 billion as of December 31, 2013 to P 17.890 billion as of December 31, 2014. The decrease was due to a decline in the amount due from BSP - SDA to P1.2 billion from P7.4 billion as the bank deployed its excess liquidity to fund its aggressive loan portfolio growth. This decrease was offset by the increase in amount due from BSP - DDA as a result of the Group's higher reserves coming from the growth in peso deposits and the increase in reserve requirements from 18% in December 2013 to 19% sometime in April and 20% effective May 30, 2014.

Amounts due from other banks increased by 67.6% from P1.224 billion as of December 31, 2013 to P2.050 billion as of December 31, 2014 as the bank used its excess liquidity to fund its loan portfolio growth.

Interbank loans receivable increased by 371.4% from P74.570 million as of December 31, 2013 to P351.559 million as of December 31, 2014. On the other hand, financial assets at fair value through profit or loss decreased by 86.8% from P3.910 billion as of December 31, 2013 to P0.517 billion as of December 31, 2014. AFS investments also decreased by 26.2% from P24.327 billion as of December 31, 2013 to P17.957 billion as of December 31, 2014. The Parent Company deliberately reduced its level of net Treasury investments to fund its loan portfolio growth and lower the bank's risk from interest rate and mark-to-market valuation.

In 2014, the Parent Company acquired Held-to-Maturity (HTM) investments amounting to P1.611 in anticipation of lower bond prices and a volatile securities market as the Federal Reserve began withdrawing its multi-billion dollar stimulus amid signs of a strengthening US economy. This enabled the bank to generate an additional fixed interest income amid the industry-wide decline in trading gains.

Loans and receivables increased by 52.5% from P47.690 billion as of December 31, 2013 to P72.737 billion as of December 31, 2014. Propelling the growth were commercial loans and other loan segments such as auto, housing, and salary loans, which all posted double-digit growths.

Property and equipment increased by 36.2% from P1.593 billion as of December 31, 2013 to P2.169 billion as of December 31, 2014. Additions to equipment for lease amounted to P577.0 million in 2014 compared to P351.3 million in 2013 as a result of the operating leases generated from AULFC's exclusive tie-up with BMW. The Group also had additions in its furniture, fixtures, and equipment and leasehold improvements in 2014 amounting to P273.794 million and P163.359 million, respectively. The additions were primarily due to the Group's expansion of its branch and ATM network in 2014. Moreover, the Group continued to invest in information technology that enabled it to apply advanced technologies for innovative IT-based products and services as well as to scale its existing IT platform to manage the broadening product portfolio and expanding customer base.

Investment properties decreased by 27.1% from P 1.136 billion as of December 31, 2013 to P0.828 billion as of December 31, 2014 as a result of various disposals of real estate properties, which resulted in a gain on sale of investment properties amounting to 400.39 million in 2014.

Deferred tax assets decreased by 27.1% from P251.850 million as of December 31, 2013 to P192.765 million as of December 31, 2014. Please refer to Note 27 of the Group's AFS for the components of the Group's deferred tax asset liability.

Intangible assets, which consist of payments for branch licenses and software costs, increased by 28.3% from P1.523 billion as of December 31, 2013 to P1.954 billion as of December 31, 2013.

Additions to branch licenses in 2014 pertain to those recognized from the RBA's acquisition of CBP amounting to 400.00 million.

Other assets increased by 48.7% from P392.116 million as of December 31, 2013 to P582.952 million as of December 31, 2014. In 2014, the Parent Company made advances to the shareholders of a remittance company in Singapore amounting to P176.92 million. Miscellaneous assets also increased by P208 million but this was offset by the payment made by RBA for the advances to CBP in 2013 amounting to P201.7 million.

The Group's total liabilities increased by 20.2% from P86.994 billion as of December 31, 2013 to P104.600 billion as of December 31, 2014.

In particular, total deposits increased by 28.8% from P73.934 billion as of December 31, 2013 to P95.201 billion as of December 31, 2014 as a result of the Group's aggressive branch expansion over the past 3 years (net increase of 140 branches) and a more intensified deposit-generation campaign for branch banking and other business segments.

Bills payable and securities sold under repurchase agreement decreased by 38.2% from P8.904 billion as of December 31, 2013 to P5.504 billion as of December 31, 2014. Although the Group continued to tap borrowings from foreign banks, which offers a lower funding cost than SSA/TD, to fund its loan portfolio growth, its borrowings that are collateralized by investment securities subjected to repurchase agreement dropped in line with the net reduction in its AFS and HTM investments.

Income tax payable rose 314.6% from P2.904 million as of December 31, 2013 to P12.040 million as of December 31, 2014 as the Group generated a higher taxable income in 2014 versus year-ago.

Accrued taxes, interest and other expenses increased by 34.8% from P 407.654 million as of December 31, 2013 to P549.5 million as of December 31, 2014. Accrued other expenses, which include accruals for rent, training expenses, repairs and maintenance, membership fees and dues, professional fees and insurance, increased by P113.9 million. Accrued interest payable increased by P44.1 million on account of the Group's higher interest-bearing deposits.

Derivative liabilities decreased by 63.6% from P597.231 million as of December 31, 2013 to P217.593 million as of December 31, 2014 because of the shorter duration and lower balances of the FX swap portfolio and the lower volumes of securities with embedded call options.

Other liabilities rose 10.4% from P2.601 billion as of December 31, 2013 to P2.871 billion as of December 31, 2014. Accounts payable, deposits on lease contracts, and miscellaneous liabilities increased by P93.606 million, P70.119 million, and P45.054 million, respectively.

After its Initial Public Offering on May 17, 2013, AUB had no additional Tier 1 issuance. As a result, the Bank's capital stock and excess paid-in capital remained at P3.235 billion and P6.623 billion as of December 31, 2014.

The bank's surplus, excluding surplus reserves, increased by 16.4% from P9.942 billion as of December 31, 2013 to P11.577 billion as of December 31, 2014 coming from the 14.5% growth in net income in 2014.

The bank's net unrealized loss on sale of available-for-sale investments declined by 25.0% from P1.888 billion as of December 31, 2013 to P1.415 billion as of December 31, 2014 primarily due

to the lower volume of AFS securities and lower US treasury yields resulting in better mark-to-market valuation of the investment portfolio.

Analysis of Results of Operations – 2014 vs. 2013

Coming from a 2.7% net income growth in 2013, the Group posted a net income of P1.689 billion in 2014, 14.5% higher than P1.475 billion a year ago. The growth came amid the industry-wide decline in trading gains, which dragged most banks' bottom lines in 2014.

Interest Income

In particular, AUB's consolidated total interest income increased by 40.0% to P5.196 billion for the year ended December 31, 2014 from P3.711 billion for the year ended December 31, 2013. Interest income from loans and receivables increased by 58.7% to P3.498 billion for the year ended December 31, 2014 from P2.205 billion for the year ended December 31, 2013. The Group succeeded in increasing its lending activities to corporates and the retail market to improve the Group's profitability amidst the continued low interest rate environment. In addition, interest income on trading and investment securities also increased by P203.7 million (+15.4%) largely due to the higher volume of securities in the 1st half of 2014 versus year-ago.

Interest income from interbank loans receivable and securities purchased under resale agreements decreased by 41.1% to P28.457 million for the year ended December 31, 2014 from P48.293 million for the year ended December 31, 2013. On the other hand, interest income from deposits with banks and others increased by 5.8% to P90.245 million for the year ended December 31, 2014 from P85.291 million for the year ended December 31, 2013. The changes in these interest income accounts were largely a function of the change in the volume of the related investments.

Interest Expense

Total interest expense increased by 27.1% to P1.057 billion for the year ended December 31, 2014 from P0.832 billion for the year ended December 31, 2013. Interest expense from deposit liabilities increased by P183.469 million (+25.0%) whereas interest expense from bills payable and other borrowings increased by P41.734 million (+43.0%). The Group grew its ADB volume on interest-bearing deposits and incurred higher interest on both deposits and foreign borrowings.

Net Interest Income

Net interest income increased by 43.8% to P4.139 billion for the year ended December 31, 2014 from P2.879 billion for the year ended December 31, 2013 as the Group effectively managed its rates on interest-earning assets against the interest-bearing deposits. The Group's net interest margin ratio continued to improve to 4.57% in 2014 versus 4.21% in 2013 and 3.80% in 2012.

Non-Interest Income

AUB's non-interest income increased by 30.5% to P2.132 billion for the year ended December 31, 2014 from P1.634 billion for the year ended December 31, 2013.

In particular, trading and securities gains decreased by 49.6% to P343.040 million for the year ended December 31, 2014 from P680.397 million in 2013 on account of several factors: (1) Lower volatility in the fixed income space in 2014, (2) Generally lower appetite for longer

duration holdings due to the expectation of higher US and PHP interest rates in the near term, and (3) Lower level of AFS investments to reduce interest rate and mark-to-market valuation risk.

Service charges, fees, and commissions grew by 53.3% to P769.945 million for the year ended December 31, 2014 from P502.161 million for the year ended December 31, 2013. The increase was brought about by fees from newly booked corporate and consumer loans as well as fees from a higher volume of remittances and branch transactions in 2014.

Foreign exchange gain rose 202.2% to P126.985 million for the year ended December 31, 2014 from a loss of P124.245 million for the year ended December 31, 2013. The Parent Company was able to capitalize on a stronger remittance business, especially in the 2nd half of 2014.

Trust income dropped by 10.8% to P34.278 million for the year ended December 31, 2014 from P38.446 million for the year ended December 31, 2013 on account of a lower volume of securities and other properties held by the Parent Company in fiduciary or agency capacity for its customers.

Miscellaneous income grew by 59.6% to P857.375 million for the year ended December 31, 2014 from P537.229 million for the year ended December 31, 2013. The increase was primarily due to: (1) Growth in AULFC's rental income on the lease of equipment to P163.30 million in 2014 from P33.99 million in 2013 and (2) Gains on sale of investment properties, which increased by P94 million to P400.39 million in 2014 for the Group and by P70.36 million to P374.3 million for the Parent Company.

Operating Expenses

AUB's total operating expenses, including provision for credit and impairment losses, increased by P1.475 billion (+51.4%) to P4.343 billion for the year ended December 31, 2014 from P2.868 billion for the year ended December 31, 2013.

The provision for credit and impairment losses grew by P655.131 million (+210.7%) on account of higher provision on corporate loans (+P281.7 million), AFS securities (+P262.8 million), and unquoted debt securities (+P103.4 million). Compensation and fringe benefits increased by P230.0 million (+27.1%) largely due to the increase in both branch-based and Head Office personnel. Other branch-related expenses such as taxes and licenses, depreciation and amortization, insurance, rent, depreciation and amortization, power, light and water, security, messengerial and janitorial, postage, telephone, cables and telegrams, and transportation and travel also increased due to the branch network expansion and growth in banking transactions. Freight expenses also increased by P44.3 million (+39.7%) because of the higher volume of remittances in 2014.

In spite of the branch expansion, the Group's operating expense ratio (net of provision for losses) declined to 53.85% from 56.66%.

Provision for (Benefit from) Income Tax

On account of a higher taxable income in 2014 versus year-ago, AUB recorded a 41.0% increase in its provision for income tax to P239.191 million for the year ended December 31, 2014 from P169.634 million for the year ended December 31, 2013.

Net Income

To summarize, AUB posted a net income of P1.689 billion in 2014, 14.5% higher than P1.475 billion a year ago. The group grew its total operating income by 39.0% to P6.3 billion largely due to increased loan bookings, which boosted the Group's net interest income by 43.8% to P4.1 billion from year-ago. Moreover, the growth in service charges, fees, and commissions, foreign exchange gain, and gain on sale of investment properties managed to offset the 49.6% drop in trading gains to P343.0 million in 2014. The Group also managed to control its operating expenses, excluding provision for losses, to 53.85% of total operating income.

The Group's net income for the year ended December 31, 2014 translated to a Return on Assets of 1.47% and a Return on Equity of 8.83%.

Analysis of Changes in Financial Condition – 2013 vs. 2012

The Group's total assets increased by 61.6% from P64.998 billion as of December 31, 2012 to P105.046 billion as of December 31, 2013. This increase was primarily due to the growth in corporate and consumer lending as well as increases in investment securities and deposits with the BSP due to excess liquidity.

Cash and other cash items increased by 29.5% from P1.729 billion as of December 31, 2012 to P2.240 billion as of December 31, 2013. This increase was primarily due to the expansion in the Group's branch network from 122 branches in 2012 to 178 in 2013.

Amounts due from the BSP increased by 98.0% from P9.493 billion as of December 31, 2012 to P18.800 billion as of December 31, 2013. This increase was primarily due to higher reserve requirements as a result of the growth in deposits arising from the Group's branch expansion.

Amounts due from other banks decreased by 21.5% from P1.558 billion as of December 31, 2012 to P1.224 billion as of December 31, 2013. This decrease was primarily due to the deployment of excess funds to investment securities and deposit liabilities with the BSP to comply with reserve requirements.

Interbank loans receivable and securities purchased under resale agreements increased by 1,013.8% from P6.694 million as of December 31, 2012 to P74.570 million as of December 31, 2013. This increase was primarily due to the deployment of excess funds to these interest-earning assets.

Financial assets at fair value through profit or loss increased by 171.2% from P1.442 billion as of December 31, 2012 to P3.910 billion as of December 31, 2013. AFS investments also increased by 125.4% from P10.794 billion as of December 31, 2012 to P24.327 billion as of December 31, 2013. These increases were primarily due to the growth of the Group's trading and/or investment portfolio arising from the excess funds generated by the Group's initial public offering during the second quarter of 2013 and the maiden issuance of the Group's LTNCD during the fourth quarter of 2013.

Loans and receivables increased by 40.8% from P33.869 billion as of December 31, 2012 to P47.690 billion as of December 31, 2013. This increase was primarily due to the Group's successful efforts in increasing its lending to large corporates and in capitalizing on the growth opportunities in the Philippine retail banking sector. In 2013, the Group sought growth in all types of consumer loans, with double-digit increases coming from mortgages, Contract to Sell (CTS), and salary loans.

Property and equipment increased by 69.6% from P939.440 million as of December 31, 2012 to P1.593 billion as of December 31, 2013 as a result of increases in furniture, fixtures, and equipment as well as leasehold improvements amounting to P263.216 million and P234.222 million, respectively. The increase was primarily due to the Group's expansion of its branch and ATM network. Moreover, the Group continued to invest in information technology that enables it to apply advanced technologies for innovative IT-based products and services as well as to scale its existing IT platform to manage the broadening product portfolio and expanding customer base.

Investment properties decreased by 20.0% from P1.421 billion as of December 31, 2012 to P1.136 billion as of December 31, 2013. The decrease was primarily due to various disposals of real estate properties that were partially offset by acquisitions in settlement of loans and receivables.

Deferred tax assets decreased by 10.1% from P280.248 million as of December 31, 2012 to P251.850 million as of December 31, 2013. The decrease was primarily due to the decline in deferred tax assets on the excess of tax base of assets acquired from business combination in 2012 amounting to P225.245 million. The decrease was partially offset by the increase in deferred tax assets on the allowance for impairment and credit losses amounting to P91.908 million.

Other assets increased by 386.2% from P80.650 million as of December 31, 2012 to P392.116 million as of December 31, 2013. In 2013, the Group advanced 201.71 million to the Cooperative Bank of Pampanga, which is included in 'Miscellaneous assets'. The increase in other assets can also be attributed to the increase in security deposits and advance rentals related to lease agreements for new branches and increase in prepaid expenses.

Total liabilities increased by 62.8% from P53.422 billion as of December 31, 2012 to P86.994 billion as of December 31, 2013.

In particular, total deposits increased by 56.3% from P47.315 billion as of December 31, 2012 to P73.934 billion as of December 31, 2013 as a result of the Group's aggressive branch expansion. The total deposits as of end of 2013 included the Group's issuance of the first tranche of long-term negotiable certificates of deposit (LTNCD's) amounting to P900 million. The Group issued the LTNCD's to match the expected increase in long-term consumer loans as the Group seeks to expand its mortgage and auto loan business.

Demand deposits increased by 49.6% from P18.193 billion as of December 31, 2012 to P27.212 billion as of December 31, 2013 whereas savings deposits increased by 78.6% from P20.360 billion as of December 31, 2012 to P36.362 billion as of December 31, 2013. Time deposits increased by 8% from P8.761 billion as of December 31, 2012 to P9.459 billion as of December 31, 2013. The significant growth in CASA deposits as compared to term deposits reflected another successful year in implementing AUB's strategy of growing its low cost funding base.

Bills payable increased by 259.9% from P2.474 billion as of December 31, 2012 to P8.903 billion as of December 31, 2013, primarily due to the increase in interbank borrowings – foreign banks amounting to P6.04 billion as the Group tapped other sources of low-cost funding other than deposit liabilities.

Manager's checks increased by 184.4% from P190.299 million as of December 31, 2012 to P541.148 million as of December 31, 2013. The increase was a result of the expansion in customer base and increase in branch transactions as the bank grew its branch network.

Accrued taxes, interest and other expenses increased by 24.2% from P328.346 million as of December 31, 2012 to P407.654 million as of December 31, 2013 as a result of increases in accrued interest payable, accrued taxes and licenses, and other expenses, to include include accruals for rent, training expenses, repairs and maintenance, membership fees and dues, professional fees and insurance.

Derivative liabilities increased by 915.1% from P58.837 million as of December 31, 2012 to P597.231 million as of December 31, 2013, primarily due to the bifurcation of embedded derivatives on certain AFS investments and changes in the fair values.

Other liabilities decreased by 14.8% from P3.051 million as of December 31, 2012 to P2.601 billion as of December 31, 2013, primarily due to the decline in the payment orders payable and amortization of unearned income.

Capital stock increased by 34.8% from P2.4 billion as of December 31, 2012 to P3.235 billion as of December 31, 2013. The Parent Company's unissued shares were listed and commenced trading at the PSE on May 17, 2013. Net proceeds from the sale of shares amounted to 7.46 billion, net of direct costs related to equity issuance of 0.48 billion. Total issued capital stock from the public offer amounted to 0.84 billion. Excess paid-in capital amounted to 6.62 billion.

Analysis of Results of Operations – 2013 vs. 2012

AUB's consolidated total interest income increased by 37.1% to P3.710 billion for the year ended December 31, 2013 to P2.707 billion for the year ended December 31, 2012, primarily due to increases in interest income from trading and investment securities and loans amounting to P615.633 million and P280.507 million, respectively.

In particular, interest income from loans and receivables increased by 14.6% to P2.204 billion for the year ended December 31, 2013 from P1.924 billion for the year ended December 31, 2012. The Group succeeded in increasing its lending activities to corporates and the retail market to improve the Group's profitability amidst the continued low interest rate environment.

Interest income from trading and investment securities increased by 87.0% to P1.323 billion for the year ended December 31, 2013 from P707.887 million for the year ended December 31, 2012. The increase was primarily due to a substantial increase in the volume of Treasury assets, driven by funding coming from the increase in CASA deposits as a result of the branch expansion, initial public offering in the second quarter of 2013, and the maiden issuance of the Bank's LTNCD in the fourth quarter.

Investment securities consist primarily of government securities, private bonds, and commercial papers. Government securities include fixed treasury notes, treasury bills and government-owned corporate bonds and notes that bear interest rates per annum ranging from 2.88% to 15.17% in 2013 and from 0.00% to 5.38% in 2012. On the other hand, private bonds and commercial papers consist of fixed term and perpetual debt instruments with call and put options and foreign currency denominated Philippine bonds with annual interest rates ranging from 6.73% to 15.17% in 2013 and from 3.67% to 13.98% in 2012.

Interest income from interbank loans receivable and securities purchased under resale agreements increased by 20.7% to P48.293 million for the year ended December 31, 2013 from P40.014 million for the year ended December 31, 2012. The increase was primarily due to the

increase in the volume of interbank loans receivable and securities purchased under resale agreements.

Interest income from deposits with banks and others increased by 145.3% to P85.291 million for the year ended December 31, 2013 from P34.767 million for the year ended December 31, 2012 due to higher Special Deposit Account (SDA) placements with BSP in 2013.

Interest Expense

Total interest expense decreased by 0.5% to P832.025 million for the year ended December 31, 2013 from P835.834 million for the year ended December 31, 2012 as the lower interest expense from deposit liabilities offset the increase in interest expense from bills payable and other borrowings.

Interest expense from deposit liabilities decreased by 6.3% to P734.929 million for the year ended December 31, 2013 from P784.69 million for the year ended December 31, 2011, in spite of the significantly higher volume of CASA deposits. The decline was due to lower interest rates and the higher ratio of CASA to term deposits. In 2013, peso and foreign currency-denominated deposit liabilities earned annual fixed interest rates ranging from 0.00% to 0.13%.

On the other hand, interest expense from bills payable and other borrowings increased by 89.9% to P97.095 million for the year ended December 31, 2013 from P51.144 million for the year ended December 31, 2012, primarily due to the higher volume of bills payable and other borrowings as the Bank tapped other sources of cheap funding other than deposit liabilities.

Net Interest Income

Net interest income increased by 53.8% to P2.878 billion for the year ended December 31, 2013 from P1.871 billion for the year ended December 31, 2012, primarily due to the growth and improved allocation of the Bank's interest-earning assets base and a higher low-cost funding base.

Other Operating Income

AUB's other operating income (comprising total operating income less net interest income) decreased by 9.3% to P1.634 billion for the year ended December 31, 2013 from P1.802 billion for the year ended December 31, 2012.

In particular, trading and securities gains decreased by 41.8% to P680.396 million for the year ended December 31, 2013 from P1.169 billion in 2012, as the US Federal Reserve's discussion on the tapering of Quantitative Easing (QE) roiled or disturbed fixed income markets during the second half of the year.

Foreign exchange gain – net also declined by 196.4% to a loss of P124.245 million for the year ended December 31, 2013 from a gain of P128.888 million for the year ended December 31, 2012. This was primarily driven by the weakening of the peso against the dollar during the second half of the year in anticipation of increasing interest rates in the US.

The declines in gains realized in the investment securities portfolio and foreign exchange trading was partially offset by the increase in service charges, fees, and commissions and miscellaneous income.

Service charges, fees, and commissions grew by 38.5% to P502.161 million for the year ended December 31, 2013 from P362.659 million for the year ended December 31, 2012. The increase is primarily due to higher volumes of remittances, branch transactions, and consumer loan processing fees.

Miscellaneous income grew by 413.2% to P537.229 million for the year ended December 31, 2013 from P104.690 million for the year ended December 31, 2012. The significant increase was primarily due to: (1) Gains on sale of foreclosed properties, (2) Collections by the Parent Company in excess of the fair value of the loans and receivables acquired from ATB, and (3) Gain on the sale of investment properties.

Operating Expenses

AUB's total operating expenses, including provision for credit and impairment losses, increased by 24.3% to P2.868 billion for the year ended December 31, 2013 from P2.307 billion for the year ended December 31, 2012. This was primarily due to higher compensation and fringe benefits resulting from the increase in headcount due to additional branches and new hires for front and back office operations. Branch-related expenses such as rent, depreciation and amortization, power, light and water, security, messengerial and janitorial, as well as transportation and travel also increased due to the branch network expansion. Freight expenses also increased by 58.0% due to higher volume of remittances.

On the other hand, the increase in operating expenses was partially offset by the 26.9% decrease in the provision for credit and impairment losses to P310.926 million for the year ended December 31, 2013 from P425.469 million for the year ended December 31, 2012. The decrease was primarily due to the lower provision for securities impairment brought about by 2 unquoted debt instruments that matured in 2012.

Provision for (Benefit from) Income Tax

AUB recorded a provision for income tax of P169.634 million for the year ended December 31, 2013 coming from a benefit from income tax of P70.253 million for the year ended December 31, 2012. The increase was primarily due to: (1) Higher final taxes in 2013 as a result of the higher investment in government securities and (2) Increase in provision on deferred tax assets after considering the reversal of the temporary differences on written-off ATB loans and recognition of deferred tax assets related to additional allowance for credit losses.

Net Income

As a result of the foregoing, AUB's net income increased by 2.7% to P1.475 billion for the year ended December 31, 2013 from P1.436 billion for the year ended December 31, 2012.

b. Key Performance Indicators

Disclose the company's and its majority-owned subsidiaries' top five (5) key performance indicators. Include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.

The table below presents key performance indicators for AUB on a consolidated basis for the periods indicated.

	2015	2014	2013
Return on average assets	1.09	1.46	1.73

Return on average equity	7.62	8.85	9.96
Net interest margin	4.33	4.57	3.76
Cost-to-income ratio	61.51	53.85	56.66
Asset growth	23.05	18.80	61.61

Note:

- (1) Return on average net income divided by average total assets for the periods indicated. Average total assets is 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 is 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 divided by total assets at end of previous period.

c. Key Variables and Other Qualitative and Quantitative Factors

i. Liquidity

As indicated in Note 4 of the Audited Financial Statements, it is the Group's primary objective to ensure payment of maturing financial obligations and commitments as these fall due and be able to fund contingency requirements as well when these arise. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The ALCO shall continue to ensure that at all times, the Group maintains adequate liquidity, has sufficient capital and appropriate funding. The balance between cost and liquidity as well as any issues among business lines are resolved by the ALCO.

The Treasury Group uses liquidity forecast models that estimate the Parent Company's cash flow needs based on the observed behavior of the deposits under normal circumstances and extraordinary circumstances. The plans and strategies in the liquidity risk management are contained on the Board-approved Treasury Operational and Contingency Funding Plan. The RMU prepares a Maximum Cumulative Outflow (MCO) report, which quantifies the Parent Company's liquidity mismatch risk monthly. Liquidity is monitored by the Group on a daily basis and further analyzed at predetermined scenarios/situations.

Based on the results of the Bank's Internal Capital Adequacy Assessment Process for the period covering 2016 to 2020, AUB expects to meet its working capital, capital expenditure, and investment requirements in the next twelve months. The Tier 2 Notes issued last November 2015 intends to increase and strengthen Bank's capital base and ensure its continuing compliance with capital adequacy regulations of the BSP

ii. Events that will Trigger Direct or Contingent Financial Obligation

AUB does not expect any event that will trigger a direct or contingent financial obligation, including any default or acceleration of an obligation that will have a material effect on the Group's financial statements.

iii. Material Off-Balance Sheet Transactions, Arrangements and Obligations

In the normal course of the Group's operations, there are various outstanding contingent liabilities and bank guarantees which are not reflected in the accompanying financial statements. The Group does not anticipate material unreserved losses as a result of these transactions.

The Group has several loan-related suits and claims that remain unsettled. It is not practical to estimate the potential financial impact of these contingencies. However, in the opinion of management, the suits and claims, if decided adversely, will not involve sums having a material effect on the financial statements.

The table below is a summary of the Parent Company's commitments and contingent liabilities at their equivalent peso contractual amounts:

<i>in Php Millions</i>	2015	2014	2013
Trust Department accounts (Note 28)	12,475	10,845	9,193
Unused commercial letters of credit	1,119	980	1,414
Inward bills for collection	380	178	824
Standby letters of credit	2,400	4,129	747
Outstanding guarantees issued	338	495	524
Late deposits / payments received	93	34	160
Outward bills for collection	17	0	23
Others	1	4	0
Total	16,823	16,665	12,885

As of December 31, 2013, AULFC was involved in proceedings relating to its operations. However, as of 2015, some of the units were repossessed and had a buyer for the certain units. There were certain units which are still for recover as of now and there is still an existing case. Estimates of probable costs have been developed in consultation with the legal counsel. Management believes that the amount to be incurred will be limited to the amount of provision. However, future results of operations could be materially affected by change in the estimate or in the effectiveness of the strategy relating to this proceeding.

iv. Material Commitments for Capital Expenditures

In 2016, AUB shall fund its commitments for capital expenditures related to branch expansion, Information Technology infrastructure, and other purposes from cash flows out of operations.

v. Causes for Any Material Changes from Period to Period of Financial Statements

The causes for any material changes from period to period of financial statements have been provided in Part III, Item 6, Section A2a and A2b of this report.

vi. Known Trends, Events or Uncertainties or Seasonal Aspects

AUB is not aware of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.

In terms of seasonality, AUB's results have historically been stronger during the annual year-end holiday season and the school enrollment season in the Philippines, which are in the fourth and second quarter of the calendar year, respectively.

vii. Changes in Accounting Policies and Disclosures

The accounting policies adopted in preparing the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the new and amended standards and interpretations under the Philippine Accounting Standards (PAS), PFRS and Philippine Interpretations which became effective as of January 1, 2013. For more information, please refer to Note 2 of the Group's Audited Financial Statements.

Except as otherwise indicated in Note 2 to AUB's consolidated financial statements included elsewhere in this report, such changes in the accounting policies did not have any significant impact on the financial position or performance of the Group.

ITEM 7. FINANCIAL STATEMENTS

The audited 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 at December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014, and 2013 are incorporated in this report by reference and included as an attachment.

ITEM 8. DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

A. Information on Independent 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, 2015 and 2014 and for the years ended December 31, 2015, 2014, and 2013 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). Miss Irene Janet Alvarado-Paraiso, the current audit partner for SGV, has served as such since 2013. She replaced Mr. Christian G. Lauron, who has served as the audit partner for the Bank since 2008.

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

	2015	2014	2013
Audit and audit-related fees*	2.09	1.85	1.80
Tax fees	0.0	0.0	0.0
All other fees	2.80	1.05	4.40
Total	4.89	2.90	6.20

**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.*

The external auditors are appointed annually by the registrant's Board of Directors during the organizational meeting held immediately after the Annual Stockholders' Meeting. AUB intends to retain SGV as its external auditors for 2016.

B. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

AUB has not had any disagreement with its external auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope procedure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

A. Directors, Executive Officers, Promoters, and Control Persons

1. Directors, Including Independent Directors, and Executive Officers

The overall management and supervision of AUB is undertaken by the Board. The executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning AUB's business operations, financial condition and results of operations for its review.

Members of the Board are elected annually, with the most recent election of Board members conducted during AUB's Annual Stockholder's Meeting on June 26, 2015.

a. Directors

The following table presents the list of Directors, including Independent Directors, and Executive Officers as of March 31, 2016. Their business experience, education, and other directorships held in reporting companies are written thereafter.

No.	Name	Age	Citizenship	Position
1	Jacinto L. Ng, Sr.	74	Filipino	Chairman of the Board
2	Ramon Y. Sy	85	Filipino	Vice-Chairman of the Board
3	Abraham T. Co	67	Filipino	President and Chief Executive Officer / Director
4	Jonathan C. Ng	45	Filipino	Treasurer / Director
5	Atty. Lily K. Gruba	66	Filipino	Director
6	George T. Chua	61	Filipino	Director
7	Dr. Benjamin E. Diokno	68	Filipino	Independent Director
8	Justice Adolfo S. Azcuna	77	Filipino	Independent Director
9	Atty. A. Bayani K. Tan	60	Filipino	Corporate Secretary / Director

1. Jacinto L. Ng, Sr.

Mr. Jacinto L. Ng, Sr., 74, Filipino, was first elected as Chairman of the Board in 1997. He also served as Chairman and/or Director of Republic Biscuit Corporation (Rebisco) and Extraordinary Development Corporation. Mr. Ng holds a B.S. in Chemical Engineering from the Mapua Institute of Technology.

2. Ramon Y. Sy

Mr. Ramon Y. Sy, 85, Filipino, is an Independent 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 CEO of the United Coconut Planter's Bank, United Coconut Planters Life Assurance Corporation, and UCPB General Insurance Co. Inc. He was president of the International Exchange Bank.

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. Abraham T. Co

Mr. Abraham T. Co, 67, Filipino, has been the President of the Bank since June 1997. He is currently the Chairman/Director of the following AUB subsidiaries: Asia United Leasing and Finance (AULFC), Rural Bank of Angeles (RBA), and Cavite United Rural Bank Corporation (CURB). 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.

4. Jonathan C. Ng

Mr. Jonathan C. Ng, 45, Filipino, was appointed Director of AUB in 1998. He currently serves as director of AULFC. He is also the President of Rebisco and Vice-President of Suncrest Food Corporation.

Mr. Ng holds an A.B. degree in Management Economics from the Ateneo de Manila University.

5. Atty. Lily K. Gruba

Atty. Lily K. Gruba, 66, 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. 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.

6. George T. Chua

Mr. George T. Chua, 61, Filipino, was first elected Director of AUB in July 1998. He also serves as a Director of AULFC, RBA, and CURB and Chairman of the board of Quantuvis Resources Corp. He serves concurrently as 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.

7. Dr. Benjamin E. Diokno

Mr. Benjamin E. Diokno, 68, Filipino, is an Independent Director of AUB since August 2011. He is currently an Independent Director in RBA and CURB, both AUB subsidiaries. He is also a retired professor in the School of Economics of the University of the Philippines. Mr. Diokno held various government positions; namely: Secretary of the Department of Budget and Management; Fiscal Adviser at the Office of the Senate President, Philippine Senate; Chairman

and CEO of Philippine National Oil Company; Chairman of the Board of Local Water Utilities Administration; and Undersecretary of Department of Budget and Management. His most recent appointments include the following posts: Senior Advisor to the International Tax and Investment Company, Chairman of the Board of Trustees of the Pamantasan ng Lungsod ng Maynila and Chairman of the Board of Ospital ng Maynila

Mr. Diokno holds multiple degrees, including an A.B. in Public Administration, a Master's degree in Public Administration, and a Master's in Economics, all from the University of the Philippines as well as a Master's in Political Economy from John Hopkins University and a PhD in Economics from the Maxwell School of Citizenship and Public Affairs at Syracuse University.

8. Justice Adolfo S. Azcuna

Justice Adolfo S. Azcuna, 77, Filipino, is an Independent Director of the Bank since August 2011. He also serves as an Independent Director in RBA and CURB, both AUB subsidiaries. He also 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.

9. Atty. A. Bayani K. Tan

Mr. A. Bayani K. Tan, 60, Filipino, is a Director and the Corporate Secretary of the Corporation (since February 2014 as Corporate Secretary¹, since June 2014 as Director², Publicly-Listed). He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Belle Corporation (since May 1994, Publicly Listed), Coal Asia Holdings, Inc. (since July 2012, Publicly-Listed), Destiny Financial Plans, Inc. (since 2003), Discovery World Corporation (since March 2013 as Director, since July 2003 as Corporate Secretary, Publicly-Listed), First Abacus Financial Holdings Corp. (since May 1994, Publicly Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Pacific Online Systems Corporation (since May 2007, Publicly-Listed), Philequity Balanced Fund, Inc. (since March 2010), Philequity Dividend Yield Fund, Inc. (since January 2013), Philequity Dollar Income Fund, Inc. (since March 1999), Philequity Foreign Currency Fixed Income Fund, Inc. (since March 2010), Philequity Fund, Inc. (since June 1997), Philequity Peso Bond Fund, Inc. (since June 2000), Philequity PSE Index Fund, Inc. (since February 1999), Philequity Resources Fund, Inc. (since March 2010), Philequity Strategic Growth Fund, Inc. (since April 2008), Premium Leisure Corporation (since December 1993, Publicly-Listed), TKC Metals Corporation (since February 2007, Publicly-Listed), Tagaytay Highlands International Golf Club, Inc. (since November 1993), Tagaytay Midlands Golf Club, Inc. (since June 1997), The Country Club at Tagaytay Highlands, Inc. (since August 1995), The Spa and Lodge at Tagaytay Highlands, Inc. (since December 1999) and Vantage Equities, Inc. (since January 1993, Publicly-Listed). Mr. Tan is also a Director and the Corporate Secretary of Sterling Bank of Asia Inc. (since December 2006). He is the Managing Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988), Managing Director/President of Shamrock Development Corporation (since May 1988), Director of Destiny LendFund, Inc. (since December 2005) and Pascual Laboratories, Inc. (since March 2014), President of Catarman Chamber Elementary School Foundation,

¹ As approved by Bangko Sentral ng Pilipinas on December 29, 2014

² Ibid.

Inc.(since August 2012), Managing Trustee of SCTan Foundation, Inc. (since 1986), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013) and Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011). The Bangko Sentral ng Pilipinas approved last March 8,2016 the interlocking position of Atty. A. Bayani K. Tan as Director/Corporate Secretary of Asia United Bank Corporation and Corporate Secretary of Philequity Balanced Fund, Inc.

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Mr. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

b. Senior Officers

The table below presents the list of AUB's Executive Officers as of March 31, 2016. Their business experience, education, and other directorships held in reporting companies are written thereafter.

No.	Name	Age	Citizenship	Position
1	Abraham T. Co	67	Filipino	President / Director
2	Isabelita M. Papa	67	Filipino	Executive Vice President
3	Manuel A. Gomez	62	Filipino	Executive Vice President
4	Antonio V. Agcaoili, Jr.	53	Filipino	Executive Vice President
5	Sandy W. Tan	66	Filipino	Senior Vice President
6	Eduardo I. Conde	65	Filipino	Senior Vice President
7	Willy G. Ng	61	Filipino	Senior Vice President
8	Rosendo G. Sia	60	Filipino	Senior Vice President
9	Florante C. Del Mundo	58	Filipino	Senior Vice President
10	Rosario M. Dayrit	51	Filipino	Senior Vice President
11	Andrew A. Chua	49	Filipino	Senior Vice President
12	Wilfredo E. Rodriguez, Jr.	46	Filipino	Senior Vice President
13	Catherine C. Uy	46	Filipino	Senior Vice President
14	Victorio C. Sison	71	Filipino	Senior Vice President
15	Atty. Ria Carmela R. Cruz	31	Filipino	Assistant Corporate Secretary

1. Abraham T. Co

Mr. Abraham T. Co, 67, Filipino, has been the President of the Bank since June 1997. He is currently the Chairman/Director of the following AUB subsidiaries: Asia United Leasing and Finance (AULFC), Rural Bank of Angeles (RBA), and Cavite United Rural Bank Corporation (CURB). 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.

2. Isabelita M. Papa

Ms. Isabelita M. Papa, 67, Filipino, joined AUB in 2005. She is currently the Executive Vice President and Head of Operations, which consist of the different support units, to include Remittance Marketing and Operations, ATM, Trade Operations, Treasury Operations, Clearing,

General Services, Consumer Loans Operations, and Commercial Loan Operations. She is also a Director of the Rural Bank of Angeles (RBA) and Cavite United Rural Bank Corporation (CURB), both AUB subsidiaries. Ms. Papa gained extensive banking experience before joining AUB. She was an Assistant Vice President at Family Bank and Trust Company from 1981 to 1982. She also served as a Vice President at International Corporate Bank from 1983 to 1988 and eventually became a senior vice president from 1988 to 1992. She then moved to Solidbank Corporation, serving as senior vice president from 1982 to 2000. She was the executive vice president of United Overseas Bank from 2000 to 2002 and moved to Bank of America from 2002 to 2004 as a senior vice president. She has been Swift Chairperson of the Users Group, Philippines since 2010 and Chairperson of the BAP Sub-Committee on Payments and Fund Transfers since 2000.

Ms. Papa holds a B.S.C. degree in Banking and Finance from the University of Santo Tomas.

3. Manuel A. Gomez

Mr. Manuel A. Gomez, 62, Filipino, joined AUB in 1997. He is currently the Executive Vice President and Head of Branch Banking. He was a director at Asia United Leasing and Finance Corporation (AULFC) and Rural Bank of Angeles (RBA) last 2015. He was a treasurer of the consumer banking group at Citytrust Banking Corporation. He 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. Mr. Gomez was also 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. Antonio V. Agcaoili, Jr.

Mr. Antonio V. Agcaoili, Jr., 53, 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.

5. Sandy W. Tan

Mr. Sandy W. Tan, 66, Filipino, joined AUB in 1999. He is the Senior Vice President and currently an Area Head. He has worked at Security Bank and Trust Corporation, starting as vice president in 1991 and later served as a senior vice president until he left the company in 1999. He was also a vice president at Solidbank Corp.

Mr. Tan holds a B.S. degree in Mathematics from the Far Eastern University.

6. Eduardo I. Conde

Mr. Eduardo I. Conde, 65, Filipino, joined AUB in 2010. He is the Senior Vice President and Head of Consumer Lending. He served as Senior Vice President for a similar group at Union Bank of the Philippines from 1993 to 2010. Prior to that, he worked at BA Finance Corporation, where he began as a loans officer (commercial finance) from 1974 to 1977 and then became assistant vice president and branch manager from 1977 to 1982. In 1982, he became the assistant vice president and head of the Credit Administration Group, a post he held until 1989. He was then appointed vice president and head of the Branch Administration and Collection Group, a position he held until 1992 when he moved to Union Bank of the Philippines. Mr. Conde began his banking career at United Coconut Planters Bank as a loans administration officer from 1970 to 1974. He is currently an MBA candidate at the Ateneo Graduate School of Business.

Mr. Conde holds a bachelor's degree in Political Science from the University of the Philippines.

7. Willy G. Ng

Mr. Willy G. Ng, 61, Filipino, joined AUB in 1997. He is the Senior Vice President and Head of Institutional Banking Group. 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.

8. Rosendo G. Sia

Mr. Rosendo G. Sia, 60, Filipino joined AUB in 2012. He is currently the Senior Vice President and Region Head of Visayas and Mindanao. He worked for Metrobank for 19 years, where he held various positions before ultimately becoming the senior vice president and region head of Mindanao for Metrobank. While managing the region's branches, Mr. Sia was also a member of Metrobank's credit committee, initially serving at the downtown center and eventually moving to the head office. He also had experience at several other banks during his career, including the Land Bank of the Philippines, where he was senior branch manager, the Danao City Development Bank, where he was a director, and the BSP, where he worked in the Supervision and Examination Division. Mr. Sia was also a director of the board of Charter Ping An Insurance Corporation (a Metrobank subsidiary), an auditor at Guzman, Bocaling & Co. and assistant chief accountant at Rizal Securities Corporation.

Mr. Sia is a Certified Public Accountant and holds a B.S.B.A. in Accounting from University of the East and an M.B.A. from De La Salle University Graduate School. He also undertook post-graduate studies at the Asian Institute of Management under the Metrobank Advance Program for Executive Excellence.

9. Florante C. Del Mundo

Mr. Florante C. Del Mundo, 58, Filipino, joined AUB in 1998. He is currently the Senior Vice President and Head of Internal Audit. He served as Vice President and Head of Internal Audit at Union Bank of the Philippines. He was also an assistant vice president at 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.

10. Rosario M. Dayrit

Ms. Rosario M. Dayrit, 52, 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.

11. Andrew A. Chua

Mr. Andrew A. Chua, 49, Filipino, joined AUB in 1998. He is currently the Senior Vice President and Head of Trust. Before joining AUB, he served as 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.

12. Wilfredo E. Rodriguez, Jr.

Mr. Wilfredo E. Rodriguez, Jr., 46, Filipino, joined AUB in 1998. He is the Senior Vice President and Head of Information Technology. He served as Head of Systems Development from 2004 to 2008 before being appointed to his current post. 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.

13. Catherine C. Uy

Ms. Catherine C. Uy, 46, Filipino, joined AUB in 2005 as Assistant Vice President and Chinatown Sales Director. She is currently the Senior Vice President and Head of Chinatown Area. 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.

14. Victorio C. Sison

Mr. Vic, 71, Filipino, has over 46 years of work experience. 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, Vic 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.

15. Atty. Ria Carmela R. Cruz

Atty. Ria Carmela R. Cruz, 31, Filipino, is the Bank's Assistant Corporate Secretary duly elected on 21 February 2014. She concurrently serves as Assistant Corporate Secretary of listed companies Crown Asia Chemicals Corporation (March 2014 to present), TKC Steel Corporation (April 2014 to present), Coal Asia Holdings Incorporated (May 2014 to present), and private companies Goodyear Steel Pipe Corporation (February 2014 to present), Campanilla Mineral Resources, Inc. (June 2014 to present), Goodway Marketing Corporation (July 2014 to present), Philippine Calcium Industries Co., Inc. (July 2014 to present), British Wire Industries Corporation (August 2014 to present). Ms. Cruz is also the Corporate Secretary of Philequity Management, Inc. (March 2014 to present) and Sisco Steel Corporation (August 2014 to present).

Atty. Cruz is an associate at Tan Venturanza Valdez Law Offices. She holds a Juris Doctor degree and a Bachelor of Art Degree in Public Administration, cum laude, both from the University of the Philippines. She was admitted to the Philippine Bar in 2011.

2. Significant Employees

No single person is expected to make a significant contribution to the business since AUB considers the collective efforts of all its employees as instrumental to the overall success of AUB's performance.

3. Family Relationships

One of the directors, Mr. Jonathan Ng, is the son of the Chairman, Mr. Jacinto Ng, Sr.

4. Involvement in Certain Legal Proceedings of Directors and Executive Officers

Mr. Abraham T. Co, President of AUB, has been named (in his capacity as President) as a defendant in two criminal proceedings 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 in one of these proceedings by a final judgment of the Philippine Supreme Court in February 2012, and the second proceeding is still on

trial. AUB believes these charges and complaints are all without merit and are considered as nuisance suits in order to delay legitimate foreclosure proceedings.

The case was elevated by the complainant Calamba Regional Trial Court last August 12, 2015 from the Metropolitan Trial Court. The petition of the complainant was accordingly denied. As of November 4, 2015, the petitioner was given 15 days to elevate the matter to Court of Appeals. Meantime, the proceedings before Metropolitan Trial Court shall proceed.

None of AUB's directors, nominees for election as director, or executive officers have in the five year period prior to the date of this Prospectus: (1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) subjected to 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 their involvement in any type of business, securities, commodities or banking activities; or (4) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

ITEM 10. EXECUTIVE COMPENSATION

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, 2015, 2014 and 2013.

Summary Compensation Table

<i>In PhP millions</i>	Year	Salary	Bonus	Aggregate Compensation
Total of CEO and the four most highly compensated executive officers	2015	22.101	7.367	29.468
	2014	20.585	6.862	27.447
	2013	18.175	6.058	24.233
Aggregate compensation of all other officers and Directors as a group	2015	92.822	29.401	117.602
	2014	91.462	27.559	119.021
	2013	73.951	23.430	93.722

**2015 included Abraham T. Co, CEO, Isabelita M. Papa, Manuel A. Gomez, Antonio V. Agcaoili, Jr. and Herminia C. Musico.*

***2014 included Abraham T. Co, CEO, Isabelita M. Papa, Manuel A. Gomez, Antonio V. Agcaoili, Jr. and Vicente J. A. Sarza.*

****2013 included Abraham T. Co, CEO, Isabelita M. Papa, Manuel A. Gomez, Antonio V. Agcaoili Jr, and Eduardo I. Conde.*

The Directors of AUB are entitled to a per diem of P60,000 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 4.62 million, 3.60 million and 3.66 million in 2015, 2014 and 2013, 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, 2015, there are no warrants or options held by the Bank's officers and directors.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

A. Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

The table below sets forth any record and/or beneficial owner of more than 5% of AUB's voting securities as of December 31, 2015.

Title of Class	Name and Address of Record Owner and Relationship with issuer	Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Republic Biscuit Corporation ⁽¹⁾ 58 Gen. Luis St. Novaliches, Quezon City, Philippines	(see footnote)	Filipino	158,399,535	32.64%
Common	Kuo Yu Philippines Holdings Corporation ⁽²⁾ Joy~Nostalg Center 17 ADB Avenue, Ortigas Center Pasig City, Philippines	(see footnote)	Filipino	90,000,000	18.54%
Common	PCD Nominee Corporation ⁽³⁾ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	73,971,177	15.24%
Common	Lambda Holdings Corporation ⁽⁴⁾ G/F Cedar Mansion II J. Escriva Drive, Ortigas Center, Pasig City Philippines	(see footnote)	Filipino	71,999,850	14.84%

(1) 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%). Jacinto L. Ng, Sr. and Jonathan C. Ng are members of the Board of Directors of the Bank. Mr. Jacob C. Ng, a Vice-President of AUB, was appointed Chief of Staff to the President effective April 23, 2015.

(2) Mr. Lin Hong Dow owns 3.79% of the total outstanding capital stock (equivalent to 3.85% of common shares) of Kuo Yu Philippines Holdings Corporation while Hung An Hotel Consultant & Management Co. Ltd. (100% owned by Mr. Lin Hong Dow) owns 94.73% (equivalent to 96.15% of common shares). Mr. George Chua owns 1.48% of the total outstanding capital stock (equivalent to around 100% of preferred stock). Mr. George T. Chua is a Director of the Bank.

- (3) *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%). Messrs. Jonathan C. Ng and George T. Chua are members of the Board of Directors of the Bank.*
- (4) *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. The only participant of PCD who owns more than 5% of the Company's outstanding capital is Lucky Securities, Inc. Account (total of 9.69%).*

2. Security Ownership of Management

The table below sets forth the shares owned by directors and executive officers as of December 31, 2015.

Title of Class	Name of Beneficial Owner	Amount of beneficial ownership	Nature of beneficial ownership	Citizenship	Percent of class
Common Stock	Jacinto Lao Ng, Sr.	150	Direct	Filipino	0.00%
Common Stock	Jacinto Lao Ng, Sr.	12,600	Indirect	Filipino	0.00%
Common Stock	Ramon Y. Sy	31,515	Direct	Filipino	0.01%
Common Stock	Abraham T. Co	150	Direct	Filipino	0.00%
Common Stock	Jonathan C. Ng	15	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%
Common Stock	Justice Adolfo S. Azcuna	15	Direct	Filipino	0.00%
Common Stock	Dr. Benjamin E. Diokno	15,015	Direct	Filipino	0.00%
Common Stock	Atty. A. Bayani K. Tan ³	39,736	Direct	Filipino	0.01%
Common Stock	Antonio V. Agcaoili	78,000	Direct	Filipino	0.02%
Common Stock	Manuel A. Gomez	9,840	Direct	Filipino	0.00%
Common Stock	Isabelita M. Papa	10,500	Direct	Filipino	0.00%
Common Stock	Andrew C. Chua	37,500	Direct	Filipino	0.01%
Common Stock	Eduardo I. Conde	31,500	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	Wilfredo E. Rodriguez Jr.	24,000	Indirect	Filipino	0.00%
Common Stock	Rosendo G. Sia	30,000	Direct	Filipino	0.01%
Common Stock	Sandy W. Tan	24,750	Direct	Filipino	0.01%
Common Stock	Catherine C. Uy	39,780	Direct	Filipino	0.01%
Common Stock	Ria Carmela R. Cruz	0	Direct	Filipino	0.00%
TOTAL		566,701			0.12%

**Total number of beneficial shares in this table does not include the indirect beneficial shares in Rebisco Corporation, Kuo Yu Philippines Holdings Corporation, and Lambda Holdings Corporation.*

3. Voting Trust Holders of 5% or More

There were no persons holding more than 5% of AUB's common stock under a voting trust or similar agreement.

4. Changes in Control

As of March 31, 2016, there are no arrangements which may result in a change in control of the no of registrant.

³ Atty. A. Bayani K. Tan is a Director and Corporate Secretary of the Bank, having obtained the Bangko Sentral ng Pilipinas approval for holding such positions on December 29, 2014.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

This item requires extensive disclosure of transactions (or series of similar transactions) with or involving the company or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

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.

For more information on the Parent Company's related-party transactions, please refer to Note 30 of the Group's AFS.

PART IV – CORPORATE GOVERNANCE

ITEM 13. ANNUAL CORPORATE GOVERNANCE REPORT

Please refer to the attached Consolidated ACGR with 2015 updates.


SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on 12 April 2016.

By:


ABRAHAM T. CO
 President/Principal Executive Officer/
 Principal Operating Officer


SOLEDAD O. REYES
 Vice President/Officer-In-Charge of
 Financial Control Group



ATTY. RIA CARMELA R. CRUZ
 Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this **14 APR 2016** day of April 2016, affiants exhibiting to me their Passports as their Competent Evidence of Identity, as follows:

Name	Passport No.	Date & Place of Issue
Abraham T. Co	EB0239319	18 May 2010/Manila
Soledad O. Reyes	EB4306652	20 Dec. 2011/Manila
Ria Carmela R. Cruz	EC3352347	3 February 2015/ DFA, NCR East

Notary Public

Doc. No. 221
 Page No. 45
 Book No. 63
 Series of 2016


ATTY. RICHARD L. ANOLIN
 NOTARY PUBLIC until December 31, 2016
 FOR CITY OF MANILA PHILIPPINES
 IBP LIFETIME NO. 05179/02.25.05/MLA.
 PTR NO. 4922461 01/05/16 Mla.
 Roll No. 33596
 MCLE COMPLIANCE NO. IV-00238501 8/16/14
 RODULFO ANOLIN AND ASSOCIATES LAW OFFICE
 2/F YMCA OF MANILA BLDG.
 #350 ANTONIO VILLEGAS ST.,
 ERMITA MANILA TEL. 525-1181 36
 EMAIL ADD: attyrichardanolin@yahoo.com

PART V – EXHIBITS AND SCHEDULES

Where any financial statement or exhibit is incorporated by reference, the incorporation by reference shall be set forth in the list required by this item. Identify in the list each management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form.

ITEM14A. EXHIBITS AND REPORTS ON SEC FORM 17-C

The table below sets forth the events reported under SEC Form 17-C for the year ended December 31, 2015 and the first quarter of 2016.

NO.	REPORT DATE	DESCRIPTION OF DISCLOSURE
1	Jan 22, 2016	Resignation of Senior Officer & Changes in Composition of Board-Level Committees
2	Nov 27, 2015	AUB SEC Form 17-C Resignation, Retirement & Appointment Senior Officers
3	Nov 12, 2015	AUB sees 43.8% jump in loans as of Q3
4	Nov 12, 2015	AUB Tier 2 offer oversubscribed
5	Nov 3, 2015	AUB to strengthen capital base in drive to be among leading banks
6	Oct 15, 2015	AUB SEC 17-C Amended PSE Disclosure on Dec Stock Div 2015.10.15
7	Aug 28, 2015	Acquisition of a 100% stake by Asia United Bank Corporation in Pinoy Express PTE., Limited.
8	Aug 28, 2015	AUB SEC 17-C Board Meeting for August 2015
9	Aug 19, 2015	AUB hikes its net interest income by 17% but net income “flattish
10	Jul 31, 2015	AUB Receives High Rating
11	Jul 23, 2015	AUB SEC Form 17-C Appointment of Senior Officer
12	Jul 22, 2015	AUB SEC 17-C Amended AOI & By-Laws Approved 2015.07.16
13	Jun 30, 2015	AUB SEC 17-C Clarification of News Reports
14	Jun 29, 2015	AUB SEC 17-C Results of Stockholders and Organizational Meeting
15	May 15, 2015	AUB SEC 17-C Board Meeting for May 2015
16	May 8, 2015	AUB SEC 17-C Audit Committee Self-Assessment

ITEM14B. INDEX TO EXHIBITS

The table below presents the index to additional exhibits, excluding Item 14a and the supplementary schedules attached to the Group's Audited Financial Statements.

Exhibit No.	Description	Page No.
29	Additional Exhibits	
29-1	List of Products and Services	63
29-2	Organizational Structure	65
29-3	Supplemental Risk Management Discussion	66
29-4	Bank-Owned Properties excluding ROPA	83
29-5	Leased Properties	84
29-6	Consolidated Statements of Condition (Comparative)	93
29-7	Consolidated Statements of Income (Comparative)	95

ASIA UNITED BANK CORPORATION
EXHIBIT 29-1 – LIST OF PRODUCTS AND SERVICES (1 of 2)
AS OF DECEMBER 31, 2015

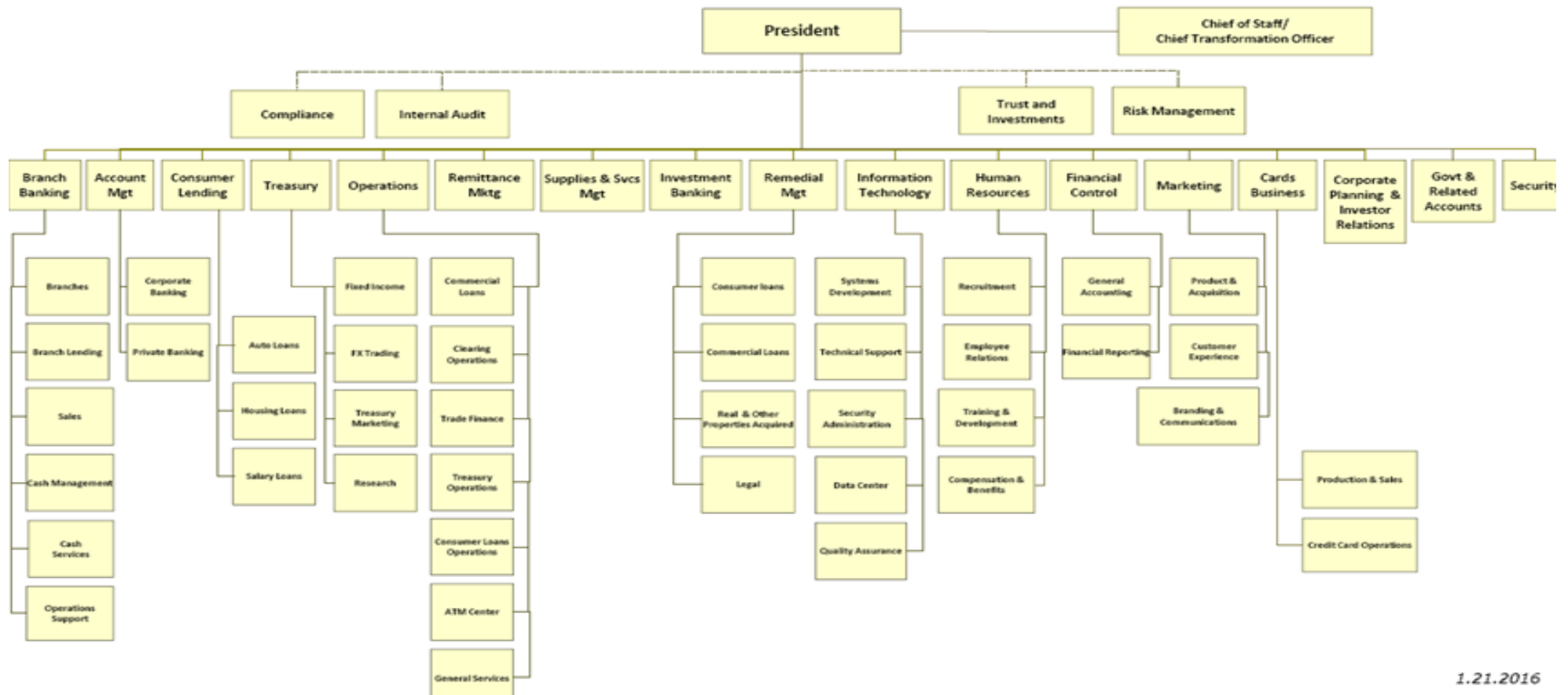
Deposit Account Products	Credit and Loan Facilities		Treasury Services
<ul style="list-style-type: none"> • Preferred Peso Checking • Preferred Peso Checking Plus • Preferred Peso Savings • Preferred Savings Plus • Preferred Time Deposit • Preferred Money Max 5 • Preferred Dollar Savings • Preferred Dollar Time Deposit • Preferred Renminbi Account (Foreign Currency Savings Account) • Starter Savings • Starter Checking • Advantage Check 	<ul style="list-style-type: none"> • Short-Term Working Capital Loans • Trade Financing Facilities • Domestic Letters of Credit with Trust Receipt Facility • Import Letters of Credit with Trust Receipt Facility • Packing Credit or Export Loans versus LCs or POs • Domestic Bills Purchase Line • Foreign Loan/Financing Packages • Corporate Salary Loan Program • BSP US\$/Peso Rediscounted Loans • Specialized Lending Facilities • DBP-Funded Industrial Guarantee Loan (IGLF) • Japan Export-Import Bank Facility (JEXIM) • Japan Export-Import Bank Facility (JEXIM) 	<ul style="list-style-type: none"> • Industrial and Support Services • Expansion Program (ISSEP II) • Environmental Infrastructure Support • Credit Program (EISCP I) • SSS-Funded • SSS-GSIS Financing Program • Financing Program for Tourism • Hospital Financing Program • Financing Program for Educational Institutions • Housing Loan Program • Development Program • Syndicated Medium & Long-Term Loans • Documents Against Acceptance (DA) • Documents Against Payment (DP) • Open Account (TT) • AUB Easy MasterCard • Second Hand Auto Loan • High-End Motorbike Loan 	<ul style="list-style-type: none"> • Fixed-Income Trading and Distribution • Local Currency Treasury Bills/ Treasury Notes/ Bonds • Fixed Floating Rate Corporate Notes • Short and Long-Term Commercial Papers • US\$-denominated Certificates of Deposit • US\$-denominated US Treasuries • US\$-denominated Eurobonds/Notes • US\$-denominated Credit-Linked Notes • Foreign Exchange Trading • Spot Trading • Currency Swaps and Forwards • Cash (Notes) Handling

ASIA UNITED BANK CORPORATION
EXHIBIT 29-1 – LIST OF PRODUCTS AND SERVICES (2 of 2)
AS OF DECEMBER 31, 2015

Cash Management Services	Auxiliary Services	Trust and Investment Services	International Banking Services
<ul style="list-style-type: none"> • AUB BizKit Checking Account • Payroll Organizer • CheckMaker • CheckBanker • SSS Remitter • BalanceChecker • e-Banker • Manager's Check Writing Facility 	<ul style="list-style-type: none"> • Preferred ATM • AUB RediMoney • Preferred PhoneBanking • Preferred Online Banking • Safe Deposit Box • Deposit Pick-up Service • Manager's Check/Gift Checks • Fund Transfer (TT/DD) • Electronic and Clearing Conduit Solutions • Renminbi Domestic Transfer Service 	<ul style="list-style-type: none"> • Employee Benefit Trust • Provident Fund • Pension Fund • Fund Management • Individual/Corporate Portfolio Management • Pre-Need Fund Management • Unit Investment Trust Fund Management • AUB Peso Investment Fund • AUB Equity Investment Fund • AUB Gold Dollar Fund • Estate Planning • Guardianship • Living Trust • AUB Gold Chest Plan • Testimonial Trust 	<ul style="list-style-type: none"> • Letters of Credit / Collection of Clean and Documentary Bill • Foreign and Domestic Remittance • Purchase and Sale of Foreign Exchange
	Special Corporate Services <ul style="list-style-type: none"> • Escrow Agency • Custodianship Services • Mortgage Trust Indentures 		

ASIA UNITED BANK CORPORATION
EXHIBIT 29-2 – ORGANIZATIONAL STRUCTURE
PARENT COMPANY
AS OF JANUARY 21, 2016

AUB Functional Organization



1.21.2016

ASIA UNITED BANK CORPORATION
EXHIBIT 29-3 - SUPPLEMENTAL RISK MANAGEMENT DISCUSSION
AS OF DECEMBER 31, 2015

AUB is exposed to risks that are inherent to any banking business, including credit risk, market risk and operational risk. AUB's risk management objective is to adequately and consistently identify, measure, control and monitor the various risks that arise from its business activities and to ensure that all of its operations strictly adhere to the policies and procedures which are established to address these risks.

Risk Management Framework

AUB adopts a top-down risk management framework, with the Board of Directors setting policy, defining the overall institutional tolerance for risk and creating the framework that allocates responsibilities and institutes controls for compliance with policies. The responsibility for implementation of these risk management procedures resides at all levels of the Bank and its subsidiaries, with all employees receiving training on their role in both the risk and internal control processes.

Board of Directors – Risk Management Committee (“RMC”) and Assets and Liabilities Committee (“ALCO”)

The Board of Directors is apprised of the decisions and matters for its attention by the RMC, which advises the Board on setting and monitoring adherence to limits that reflect AUB's maximum tolerance for each major risk, including credit risk, market risk, interest rate risk, foreign exchange risk, liquidity risk and operational risk. AUB's RMC is actively involved in planning, reviewing, approving and assessing all risks involved. AUB's ALCO is responsible for managing AUB's statement of financial position, including its liquidity, interest rate and foreign exchange related risks. In addition, ALCO formulates investment and financial policies by determining the asset allocation and funding mix strategies that are likely to yield the targeted financial results.

Risk Management Unit (“RMU”)

The RMC directly oversees the RMU, which is an independent unit within the Bank that is principally tasked with quantifying risks using established methodologies such as value-at-risk (“VaR”), stress testing, back testing and capital sensitivity to risk. The RMU reports its findings and makes recommendations to the RMC to assist the Board in setting overall risk management policy that ensures an appropriate balance between risk and return.

The RMU is responsible for the following tasks:

- identifying, analyzing and measuring risks from AUB's trading, position-taking, lending, borrowing and other transactional activities, and recommending risk management policies accordingly;
- recommending policies and procedures to mitigate risk in any identified areas;
- conducting stress tests on AUB's trading portfolios, which are documented and reported to the RMC and the Board;
- participating in ALCO meetings for recommending trading limits to the RMC and developing risk reduction strategies;
- establishing standards and procedures for monitoring and reporting compliance;
- assigning credit risk ratings and assisting traders in recommending credit limits for financial counterparties to the RMC;
- ensuring that automated systems adequately measure risks, prepare risk identification reports and VaR calculators;
- analyzing exposures and making recommendations to the RMC with respect to limits and enhancements to the risk limit structure; and
- monitoring and reporting compliance with approved limits.

In addition, the Operations and Information Technology Risk Manager represents the RMU in the Product Committee, which is responsible for setting product development policies and guidelines. Vulnerabilities in the existing risk management framework are identified, evaluated and reviewed by the risk manager of the affected area (either credit, market or operational), and appropriate policies and procedures are implemented to ensure that risks are addressed and documented properly in product manuals.

Treasury Operations and Market Risk Officers

Treasury Operations is responsible for reviewing daily mark-to-market valuation, which is calculated by an automated process. Market risk officers within the RMU are responsible for performing VaR calculations for all of AUB's risk positions using independent data sources; ensuring compliance with internal limits and reporting all limit exceptions to the RMC.

Senior Management

The senior management is responsible for implementing the Board-approved risk strategy, ensuring that procedures and policy are applied consistently throughout the Bank and that all levels of staff are informed of their responsibilities with respect to risk management. Senior management is also responsible for developing the specific policies, processes and procedures for managing risks in all of AUB's products, activities and systems according to the Board-approved framework.

Internal Audit Function

Finally, the Bank's Audit Committee assumes the internal audit function, which is responsible for monitoring the performance and adequacy of AUB's risk management functions and ensuring compliance with the internal risk management policies through periodic reviews and spot checks. It also identifies internal control deficiencies and assists in reviewing new and existing products and instruments to ensure sufficient internal controls.

Types of Risks

AUB is exposed to risks that are inherent to any banking business, including liquidity risk, market risk, foreign currency risk, credit risk, and operational risk.

Credit Risk

Credit risk is the risk that the counterparty in a transaction will not be able to pay obligations in full or on time as contracted, subjecting the Bank to financial loss. AUB is exposed to credit risk through its lending, trade finance, Treasury investments, over-the-counter derivatives trading and other activities undertaken by AUB.

AUB has established a credit quality review process, which includes regular collateral revisions, to enable early identification of possible changes in the creditworthiness of counterparties. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a corresponding risk rating. These credit reviews are conducted during weekly Credit Committee Meetings and Executive Committee Meetings.

AUB's risk management process also includes the review of excessive risk concentration. The RMU reviews AUB's loan portfolio in line with AUB's policy of not having significant unwarranted exposure to individual counterparties. This policy is in line with the BSP's prohibitions on maintaining a financial exposure to any single person or group of connected persons in excess of 25% of its net worth. As with the single-borrower limit, AUB's exposure to a particular industry is limited to 25% of the total loan portfolio. AUB also has limits on excessive exposure to counterparties engaged in similar business activities or activities in the same

geographical region, borrowers that have a similar economic profile, a particular type of credit facility or a particular type of security.

Credit Approval Process

AUB has developed a sound credit granting process which takes into account, among other factors, the purpose of the credit and sources of repayment, the integrity and reputation of the borrower, the current risk profile (including the nature and aggregate amounts of risk) of the borrower and its sensitivity to economic and market developments, the borrower's repayment history and current capacity to repay based on historical financials and cash flow projects, the legal capacity of a borrower to assume liability, the borrower's business expertise, the proposed terms and conditions of the credit, including covenants designed to limit future indebtedness, and the applicability and enforceability of collateral or guarantees under various scenarios.

For commercial loans, AUB applies its Internal Credit Risk Rating System ("ICRRS"), which has been in place since 2005 in compliance with BSP regulations. The ICCRS involves a two-pronged analysis, assessing both the (1) borrower risk rating, or the creditworthiness of the particular borrower, and (2) facility risk rating, or the risk level of a specific facility taking into account the security, collateral and credit covenants.

For consumer loans, AUB applies a credit risk ratings based on historical payment patterns and default history of the borrower.

The table below presents the classification of credit rating to credit quality and a description for each credit rating:

Credit Quality		ICRRS Grade	Description
High	Internal credit rating:	Good 1	<ul style="list-style-type: none"> • The borrower exhibits adequate protection parameters, but there are foreseen adverse conditions or circumstances that will, in all likelihood, lead to a weakened capacity of the borrower to pay its debt obligations upon maturity. • The borrower's earning performance and capacity to pay maturing obligations are more vulnerable to possible occurrences than those rated Strong. • This type of borrower, where the probability of default is still quite low, bears characteristics of some degree of stability and substance.
		Aaa	• Highest quality, with minimal credit risk
		Aa1-Aa3	• High quality and is subject to very low credit risk
		Baa1-Baa2	• Subject to moderate credit risk
		Baa3	• Considered medium-grade and as such may possess certain speculative characteristics
Standard	Internal credit rating:	Good 2	<ul style="list-style-type: none"> • The probability of default is somewhat greater than those rated as Good 1. This probability is reflected in volatility of earnings and overall performance. • Borrowers in this category normally have less access to public financial markets. • Borrowers should be able to withstand normal business cycles, but any prolonged unfavorable

			<p>economic period would create deterioration beyond acceptable levels.</p> <ul style="list-style-type: none"> The borrower and its principals still have good credit standing with the creditors and trade suppliers, without any history of past due.
Credit Quality		ICRRS Grade	Description
		Good 3	<ul style="list-style-type: none"> The borrower has very limited access to external funding sources. The risk elements for AUB are sufficiently pronounced, although borrowers should still be able to withstand normal business cycles. Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels.
	External:	Ba1	<ul style="list-style-type: none"> Have speculative elements and is subject to substantial credit risk
		Ba2-Ba3 B1	<ul style="list-style-type: none"> Considered speculative and is subject to high credit risk (Actual exposure limited to foreign exchange denominated issues of the Republic of the Philippines hence the Standard Classification)
Substandard	Internal credit rating:	Watchlist	<ul style="list-style-type: none"> The borrower is vulnerable to non-payment but payments are still being made. The borrower has a minimal level of, and doubtful sources for, alternative funding to cover possible shortfalls of existing liquidity to pay off maturing obligations.
		Doubtful	<ul style="list-style-type: none"> The borrower is unable or unwilling to service debt over an extended period of time and near future prospects of orderly debt service is doubtful.

**Note: The credit quality of other financial instrument exposures, such as trading and investment securities, are managed by reference to external ratings and supplemented by individual assessments. External ratings were taken from the ratings by Standard & Poor's, Moody's, Fitch and Phil Rating System on exposures to Sovereigns, Banks, LGU's, Government Corporates, and Corporates.*

Credit Risk Monitoring

AUB implements a credit quality review process to enable early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. The credit quality review process allows AUB to assess potential loss and take corrective actions to mitigate losses that may arise from the risks to which it is exposed.

Credit Risk Mitigations are in the form of guarantees and acceptance of collaterals such as deposits, real estate mortgage, chattel mortgage and shares of stocks or club memberships.

Using regulatory Standard approach, AUB's Consolidated Credit Risk-Weighted Assets as of Dec 2014 is as follows:

Credit Risk-Weighted Assets in million Php	
Total Risk Weighted On-Balance Sheet Assets (Schedule A)	111,801.3
Total Risk-Weighted Off-Balance Sheet Assets (Schedule B)	1,596.8
Total Counterparty Risk-Weighted Assets in the Banking Book (Derivatives and Repo-style Transactions) (Schedule C)	2,620.7
Total Risk-Weighted Amount of Credit Linked Notes in the Banking Book (Schedule D)	1,626.1
Total Gross Risk-Weighted Assets	117,644.9

Schedule A (In million Php)		
On-Balance Sheet Assets		
	Total Credit Risk Exposure	Total Credit
	After Risk Mitigation	Risk Weighted Assets
Cash on Hand	-	
Checks and other Cash Items	13.3	-
Due from BSP	-	
Due from other Bank	-	1,862.9
Financial Assets Designated at Fair Value	-	-
Available for Sale (AFS) Financial Assets	-	18,175.3
Held-to-Maturity (HTM) Financial Assets	-	2,204.4
Unquoted Debt Securities Classified as Loans	-	-
Loans and Receivables	-	87,107.6
Sales Contract Receivable (SCR)	-	130.2
Real and Other Properties Acquired	-	-
Total Exposures Excluding Other Assets	13.3	109,480.4
Other Assets	-	-
Total Exposures Including Other Assets	13.3	109,480.4
Total Risk-Weighted On-Balance Sheet		109,480.4
Assets not covered by Credit Risk Mitigants		
Total Risk-Weighted On-Balance Sheet		-
Assets covered by Credit Risk Mitigants		
Total Risk Weighted On Balance Sheet Assets		109,480.4

Schedule B (In million Php)		
Off-Balance Sheet Assets		
	Credit Equivalent Amount	Total Credit
		Risk Weighted Assets
Direct credit substitutes	131.8	131.8
Transaction-related contingencies	1,199.9	1,199.9
Trade-related contingencies arising from movement of goods	265.1	265.1
Other commitments which can be	-	

unconditionally cancelled at any time by the bank		
Total	1,596.8	1,596.8

Schedule C (In million Php)		
Counterparty Risk-Weighted Assets		
in the Banking Book	Credit Equivalent Amount	Total Credit
		Risk Weighted Assets
Exchange Rate Contracts	71	70
Counterparty Exposures Arising from Financial Assets Sold/Lent under Repurchase Agreements, Certificates of Assignment/Participation with Recourse, Securities Lending and Borrowing Agreements	5,101	2,550.5
Total Counterparty Risk-Weighted Assets in the Banking Book		2,620.7

Schedule D (In million Php)	
Total Risk-Weighted Amount of Credit Linked Notes	
in the Banking Book	
Amount of Protection (Fair Value of CLN)	1,626.1
Risk Weighted Amount	1,626.1

As at December 31, 2014, the entire US\$48.0 million of outstanding face value of structured notes are instruments where the bank is a protection seller on the creditworthiness of the Republic of the Philippines.

Liquidity Risk

Liquidity risk is the risk that there could be insufficient funds available to adequately meet the credit demands of AUB's customers and repay deposits on maturity. AUB manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure short-term funding requirements are met and by maintaining a balanced loan portfolio which is repriced on a regular basis. In addition, AUB seeks to maintain sufficient liquidity to take advantage of interest rate and exchange rate opportunities when they arise.

Market Risk

Market risk is the potential loss in the value of investments and other asset and liability portfolios, including financial instruments. The Bank uses both standardized approach (following the BSP's CAR template) and Value at Risk (VaR) in its market risk management process and capital allocation.

VaR is used to assess the interest rate risk inherent in the Bank's treasury portfolio. The Bank's model uses historical distribution to assess the maximum possible loss that would incur in a ten-day holding period within a 99% confidence interval. Currently, the Bank's capital charge for interest rate risk in the trading book is based on the standardized approach that is composed of a specific and general market risk charge.

Interest rate risk in the banking book refers to mismatch in the repricing schedules in the Bank's accrual books. The Bank uses Earning at Risk (EaR) to assess the interest rate risk inherent in its balance sheet.

Repricing gaps (repricing assets less repricing liabilities) are measured for every time bucket. Interest rate volatility (projected using historical movement of interest spot rates for the given maturity at a 99% confidence interval) is applied to the repricing gaps to calculate EaR or Balance Sheet Value-at-Risk (BS VaR).

The Parent Company's repricing gap is calculated by distributing the accounts into tenor buckets according to the time remaining to the next contractual repricing date or maturity date (for fixed rate transactions) and then obtaining the difference between the total of the repricing (interest sensitive) assets and repricing (interest sensitive) liabilities. For transactional (non-maturity) products, the observed frequency of repricing is assumed. For 2015 Demand and Savings deposits were assumed to reprice in more than a year.

The interest rate risk in the Banking Book is reported by the Risk Management Unit (RMU) to the Risk Management Committee and the Board on a monthly basis. The Parent Company calculates and monitors its exposure to fluctuations in interest rates by measuring the impact of interest rate movements on the Parent Company's net worth. The procedure involves applying / (multiplying and annualizing) volatilities of the various tenors of the PHIREF (for Peso Books) and LIBOR (for \$ Books) to its net interest positions for the first year. The Parent Company uses the "twist" model which assumes that net interest positions will always be on the disadvantageous side of the yield curve. For 2015, the risk of decrease in economic value using this model is P33 million.

Foreign currency risk is the risk (variability in value) borne by an asset or liability denominated in a foreign currency due to variability of foreign exchange rates. As a means of measuring its foreign currency risk, the Bank also uses the VaR to assess the maximum possible loss that it would incur in a ten-day holding period within a 99% confidence interval.

The Bank's capital charge for foreign currency risk is based on the standardized approach that is composed of a specific and general market risk charge.

Market Risk-Weighted Assets	
in million Php	
Interest Rate Exposures	33,657.0
Foreign Exchange Exposures	1,750.5
Sub-total (Sum of A1 to A4)	35,407.6
Using Internal Models Approach	-
TOTAL MARKET RISK-WEIGHTED ASSETS	35,407.6

Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, employees, operating systems and external events. Operational risk is inherent in all areas of business, and AUB has identified information system security, business continuity, compliance and legal risk as its major areas of operational risk. To manage operational risk, AUB's operating units regularly perform risk and control self-assessments ("RCSAs") wherein each unit analyzes its key processes and identifies risks inherent in its operations, as well as the controls necessary to mitigate such risks. Risks are ranked "high", "medium", or "low" in accordance with existing guidelines, which assess the impact and likelihood that the risk will materialize.

AUB uses the Basic Indicator Approach in calculating Operational Risk Weighted Assets:

Operational Risk-Weighted Assets	
in million Php	
Average Capital Requirement for last 3 years	583.4
Adjusted Capital Charge	729.3
Operational Risk-Weighted Amount	7,292.6

Information System Security

Information security and the protection of confidential and sensitive customer data are critical to AUB. AUB has implemented an information security program which complies with regulatory guidelines and industry best practices. Among other security measures, the information security program requires entitlement reviews for AUB's various application systems to ensure that access to data is restricted to authorized employees only and that access is provided on a need-to-know basis. Various critical logs are reviewed regularly to ensure that AUB's information assets are adequately protected. AUB's information security program is reviewed and enhanced periodically to address emerging threats to customers' information.

Operational Controls and Procedures

In addition to RCSAs, key risk indicators ("KRIs") are used to alert the Bank of impending problems in a timely fashion. KRIs enable monitoring of the Bank's control culture and operational risk profile, in addition to triggering risk mitigating actions. The Bank captures and monitors KRIs on a monthly basis.

Operational loss events are reported in a central database and are reported to the RMC monthly. Comprehensive information about these events is collected, including information on the amount of loss, occurrence, discovery date, business area and product involved, root causes and risk drivers.

Business Continuity Function

AUB's business continuity planning is led by its Operational Risk Management Unit, a sub-unit within the Bank's Risk Management Unit. The Operational Risk Management Unit coordinates Bank-wide preparedness and mitigation strategies for business continuity risks by regularly updating its business continuity plan and performing tests of recovery procedures. The primary objective of the business continuity plan is to provide defined guidelines that enable different business units to handle software and hardware, communications, facilities degradation and failure and certain adverse personnel situations that may result from accidental or deliberate circumstances. To this end, each unit of the Bank performs an annual "business impact analysis", which identifies the critical activities that support key products and services within the unit, interdependencies with other units and outside parties, recovery time and point objectives, resources required to support minimum activity levels, the priorities for recovery and the potential loss arising from failures in key business activities.

AUB's primary data center, located at Joy~Nostalg Tower in Ortigas Center, Pasig City, contains redundant data communications connections, multiple active power and cooling distribution paths and security devices to ensure seamless functioning of AUB's IT infrastructure and to protect against disruptions in internet connectivity. AUB also maintains a disaster recovery data center located with the capability to host critical banking applications in the event of a shut-down at the primary site. AUB conducts semi-annual business continuity plan tests for critical applications to ensure continuity of its operations in the event of disaster.

Compliance Risk

The Board and the Senior Management of AUB strongly believe that compliance is a line-driven function and, as such, is the direct responsibility of each line manager. All AUB employees are trained to be personally responsible for familiarizing themselves with the laws, regulations, policies and ethical standards applicable or related to their respective assignments and responsibilities at the Bank. In relation to this corporate policy, the Board approved the adoption and implementation of the compliance program, subject to final approval by the Monetary Board, in a meeting of the Board on July 17, 1998.

Legal Risk

AUB has established and maintains policies and procedures for identifying and avoiding the sources and causes of legal risk with the aim of preventing financial loss, criminal or civil litigation and/or administrative sanctions.

AUB engages several external legal counsels to assist in the handling of legal matters requiring legal advisory, documentation, litigation and other similar legal services. The expertise and specialization of these external counsels are assessed, verified and taken into consideration in the assignment and endorsement of legal cases to ensure that AUB receives effective, timely and proper legal assistance at all times. Specific guidelines are formulated to control endorsement of cases, monitoring of case status, review and approval of billings, as well performance review.

Capital Management

Capital Adequacy Ratio (CAR)

The capital adequacy ratio (CAR) of the Group and Parent Company, as reported to the BSP, as at December 31, 2015, 2014, and 2013 are shown in the table below:

	Consolidated			Parent Company		
				(in millions)		
	2015	2014	2013	2015	2014	2013
Tier 1 capital	16,305	18,763	19,038	15,634	18,222	19,232
CET1 Capital	16,305	18,763	–	15,634	18,222	–
Tier 2 capital	5,874	685	462	5,866	680	456
Total regulatory capital	22,179	19,448	19,500	21,500	18,902	19,688
Less required deductions	–	–	–	–	–	611
Total qualifying capital	22,179	19,448	19,500	21,500	18,902	19,077
Risk weighted assets	160,345	124,712	106,103	157,131	121,405	104,304
Capital ratios						
Total regulatory capital expressed as percentage of total risk weighted assets	13.83%	15.59%	18.38%	13.68%	15.57%	18.29%
Total CET1 expressed as percentage of total risk weighted assets	10.17%	15.05%	–	9.95%	15.01%	–
Total tier 1 expressed as percentage of total risk weighted assets	10.17%	15.05%	17.94%	9.95%	15.01%	18.15%

As at December 31, 2015, 2014, and 2013, the Group and the Parent Company were in compliance with the minimum CAR.

Qualifying Capital

In computing the CAR, the regulatory qualifying capital is analyzed into two tiers which are: (i) Tier 1 Capital, and (ii) Tier 2 Capital. Tier 1 Capital and Tier 2 Capital are defined as follows:

	Inclusions	Deductions
Tier 1 capital	Paid-up common stock, paid-up perpetual and non-cumulative preferred stock, common and perpetual, non-cumulative preferred stock dividends distributable, surplus, surplus reserves, undivided profits (for domestic banks only), unsecured subordinated debt (with prior BSP approval), and minority interest in the equity of subsidiary financial allied undertakings.	Treasury shares, unrealized losses on underwritten listed equity securities purchased, unbooked valuation reserves, and other capital adjustments based on the latest report of examination, outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI), goodwill, and deferred income tax.
Tier 1 capital	Perpetual and cumulative preferred stock, limited life redeemable preferred stock with or without the replacement requirement subject to BSP conditions, dividends distributable, appraisal increment reserve - bank premises, as authorized by the Monetary Board (MB), net unrealized gains on underwritten listed equity securities purchased, general loan loss provision, unsecured subordinated debt with a minimum original maturity of at least ten years (with prior BSP approval), unsecured subordinated debt with a minimum original maturity of at least five years (with prior BSP approval), and deposit for stock subscription on common stock, perpetual and non-cumulative preferred stock, perpetual and cumulative preferred stock subscription, and limited life redeemable preferred stock subscription with the replacement requirement upon redemption.	Perpetual and cumulative preferred stock treasury shares, limited life redeemable preferred stock treasury shares with the replacement requirement upon redemption, sinking fund for redemption of limited life redeemable preferred stock with the replacement requirement upon redemption, limited life redeemable preferred stock treasury shares without the replacement requirement upon redemption, and sinking fund for redemption of limited life redeemable preferred stock without the replacement requirement upon redemption.

The breakdown of the Group's and Parent Company's qualifying capital follows:

	Consolidated		Parent Company	
	(in millions)			
	2015	2014	2015	2014
Tier 1 capital	16,305	18,763	15,634	18,222
Paid-up common stock	4,853	3,235	4,853	3,235
Additional paid-in capital	6,623	6,623	6,623	6,623
Retained earnings	9,975	9,613	9,892	9,951
Undivided profits	1,682	1,728	1,603	1,684
Net unrealized gains or losses on AFS securities	(3,304)	(1,415)	(3,294)	(1,416)
Cumulative foreign currency translation	29	(15)	29	(15)
Minority interest in subsidiary financial allied undertakings which are less than wholly-owned (for consolidation basis)	141	139	-	-
Total tier 1 capital	19,897	19,906	19,602	20,067
Deductions				
Total outstanding unsecured credit accommodations, both direct and indirect, to DOSRI (net of specific provisions, if any), and unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates (net of specific provisions, if any) referred to in Circular No. 560	43	45	43	45
Deferred income tax (net of allowance for impairment, if any)	194	-	312	253
Goodwill (net of allowance for impairment, if any)	1,464	255	935	-
Other Intangible Assets	1,891	306	1,890	535
Total deductions	3,592	1,142	3,181	833
Tier 1 capital	16,305	19,038	15,634	18,222
Tier 2 capital				
General loan loss provision (limited to 1.00% of credit risk-weighted assets)	912	685	905	680
Instruments issued by the bank that are eligible as Tier 2 capital	4,962	-	4,962	-
Total tier 2 capital	5,874	685	5,866	680
Deductions	-	-	-	-
Tier 2 capital	5,874	685	5,866	680
Total regulatory capital	22,179	19,448	21,500	18,902
Required deductions				
Investments in equity of unconsolidated subsidiary banks and quasi banks, and other financial allied undertakings (excluding subsidiary	-	-	788	1,011

securities dealers/brokers and insurance companies), after deducting related goodwill

Total qualifying capital	22,179	19,448	21,500	18,902
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Risk Weighted Assets

Risk-weighted assets are determined by assigning defined risk weights to amounts of on-balance sheet exposures and to the credit equivalent amounts of off-balance sheet exposures. Certain items are deducted from risk-weighted assets, such as the excess of general loan loss provision over the amount permitted to be included in Tier 2 capital. The risk weights vary from 0.00% to 150.00% depending on the type of exposure, with the risk weights of off-balance sheet exposures being subjected further to credit conversion factors.

The Group's total risk-weighted assets, as reported to the BSP, as at December 31, 2015 and 2014 are shown in the table below:

Consolidated				
	Credit risk-weighted assets	Market risk-weighted assets	Operational risk-weighted assets	Total
2015	117,645	35,408	7,293	160,345
2014	95,328	23,620	2,266	121,214

Parent				
	Credit risk-weighted assets	Market risk-weighted assets	Operational risk-weighted assets	Total
2015	114,806	35,408	6,916	157,129
2014	92,236	23,621	5,549	121,405

Below is a summary of risk weights and selected exposure types:

Risk weight	Exposure/Asset Type*
0.00%	Cash on hand, claims collateralized by securities issued by the national government, BSP; loans covered by the Trade and Investment Development Corporation of the Philippines; real estate mortgages covered by the Home Guarantee Corporation
20.00%	COCI, claims guaranteed by Philippine incorporated banks/quasi-banks with the highest credit quality; claims guaranteed by foreign incorporated banks with the highest credit quality; loans to exporters to the extent guaranteed by Small Business Guarantee and Finance Corporation
50.00%	Housing loans fully secured by first mortgage on residential property; Local Government Unit (LGU) bonds which are covered by Deed of Assignment of Internal Revenue allotment of the LGU and guaranteed by the LGU Guarantee Corporation
75.00%	Direct loans of defined Small Medium Enterprise (SME) and microfinance loans portfolio; non-performing housing loans fully secured by first mortgage
100.00%	All other assets (e.g., real estate assets) excluding those deducted from capital (e.g., deferred income tax)
150.00%	All non-performing loans (except non-performing housing loans fully secured by first mortgage) and all non-performing debt securities

*Not all inclusive

With respect to off-balance sheet exposures, the exposure amount is multiplied by a credit conversion factor (CCF), ranging from 0.00% to 100.00%, to arrive at the credit equivalent amount, before the risk weight factor is multiplied to arrive at the risk-weighted exposure. Direct credit substitutes (e.g., guarantees) have a CCF of 100.00%, while items not involving credit risk has a CCF of 0.00%.

In the case of derivatives, the credit equivalent amount (against which the risk weight factor is multiplied to arrive at the risk-weighted exposure) is generally the sum of the current credit exposure or replacement cost (the positive fair value or zero if the fair value is negative or zero) and an estimate of the potential future credit exposure or add-on. The add-on ranges from 0.00% to 1.50% (interest rate-related) and from 1.00% to 7.50% (exchange rate-related), depending on the residual maturity of the contract. For credit-linked notes and similar instruments, the risk-weighted exposure is the higher of the exposure based on the risk weight of the issuer's collateral or the reference entity or entities.

The summary of the credit risk-weighted assets, as reported to the BSP, as at December 31, 2015 and 2014 are shown in the table below:

	Consolidated		Parent Company	
	2015	2014	2015	2014
	(in millions)			
Total risk weighted on-balance sheet assets	111,801	88,892	108,962	85,780
Total risk weighted off-balance sheet assets	1,597	2,617	1,597	2,617
Total counterparty risk-weighted assets in the banking book (derivatives and repo-style transactions)	2,611	1,745	2,621	1,745
Total Counterparty Risk-Weighted Assets in the Trading Book (Derivatives and Repo-style Transactions)		-		-
Total risk-weighted amount of credit linked notes in the banking book	1,626	2,074	1,626	2,704
Total Risk-Weighted Securitization Exposures		-		-
Total credit risk-weighted assets	117,635	95,328	114,806	92,236

The breakdown of the credit risk-weighted assets, as reported to the BSP, as at December 31, 2015 and 2014 are shown in the table below:

	Consolidated		Parent	
	2015	2014	2015	2014
Cash on hand	3,665	3,902	3,653	3,894
Checks and other cash items	13	89	13	89
Due from BSP	20,329	17,890	20,303	17,864
Due from other banks	1,277	2,140	864	1,523

Financial assets designated at fair value through profit or loss	27	105	-	-
AFS investments	16,746	20,515	16,593	20,513
Held-to-Maturity (HTM) Financial Assets	3,707	1,641	3,705	1,641
Unquoted Debt Securities Classified as Loans	291	294	291	294
Loans and receivables	95,356	68,471	94,260	67,507
Sales contract receivable (SCR)	187	240	173	219
Real and other properties acquired	722	813	619	689
Total exposures excluding other assets	142,318	116,101	140,475	114,235
Other Assets	3,132	1,942	2,286	1,070
Total exposures, including other assets	145,450	118,043	142,761	115,305
Total risk-weighted on-balance sheet assets not covered by CRM				
Total risk-weighted on-balance sheet assets covered by CRM	-	-	-	-

	Consolidated		Parent	
	2015	2014	2015	2014
TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS	111,801	88,892	108,962	85,780
Guarantees issued	132	322	132	322
Transaction-related contingencies	1,200	2,064	1,200	2,064
Trade-related contingencies arising from movement of goods (e.g., documentary credits collateralized by the underlying shipments) and commitments with an original maturity of up to one (1) year	265	231	265	231
TOTAL RISK-WEIGHTED OFF BALANCE SHEET ASSETS	1,597	2,617	1,597	2,617
Derivative exposures	71	158	71	158
Risk-weighted amount	70	128	70	128

The summary of the market risk-weighted assets, as reported to the BSP, as at December 31, 2015 and 2014 are shown in the table below:

	Consolidated		Parent Company	
	(in millions)			
	2015	2014	2015	2014
Using standardized approach				
Interest rate exposures	33,657	22,750	33,657	22,750
Foreign exchange exposures	1,751	870	1,751	870
Total market risk-weighted assets	35,408	23,621	35,408	23,621

The breakdown of the market risk-weighted assets, as reported to the BSP, as at December 31, 2015 and 2014 are shown in the table below:

	Consolidated		Parent	
	2015	2014	2015	2014
Specific risk	1,279	680	1,279	680
General market risk				
Philippine Peso	215	240	215	240
U.S. Dollar	1,198	900	1,198	900
Subtotal	1,414	1,140	1,414	1,140
Total Capital Charge For Interest Rate Exposurs	2,693	1,820	2,693	1,820
Adjusted Capital Charge For Interest Rate Exposures ¹	3,366	2,275	3,366	2,275
TOTAL RISK-WEIGHTED INTEREST RATE EXPOSURES ²	33,657	22,750	33,657	22,750

¹ Capital charge is multiplied by 125% to be consistent with BSP required minimum CAR of 10%, which is 25% higher than the Basel minimum of 8%.

² Adjusted capital charge is multiplied by 10 (i.e. the reciprocal of the minimum capital ratio of 10%).

The summary of the Group's operational risk-weighted assets, as reported to the BSP, as at December 31, 2015 and 2014 are shown in the table below:

Consolidated											
Basic indicator approach (BIA)	Capital charge factor	Gross income				Capital requirement				Adjusted capital charge	Risk weighted amount
		Year 3	Year 2	Last year	Year 3	Year 2	Last year	Average			
2015	15%	3,279	3,278	5,111	492	492	767	583	729	7,293	
2014	15%	2,664	3,279	3,278	400	492	492	461	576	5,763	
Parent											
Basic indicator approach (BIA)	Capital charge factor	Gross income				Capital requirement				Adjusted capital charge	Risk weighted amount
		Year 3	Year 2	Last year	Year 3	Year 2	Last year	Average			
2015	15%	3,190	3,091	4,788	478	464	718	553	692	6,918	
2014	15%	2,598	3,190	3,091	390	478	464	444	555	5,549	

	Exposures, Net of Specific Provisions	Exposures Covered by CRM, Gross of Materiality Threshold	Exposures not Covered by CRM	Risk Weights						
				0%	20%	50%	75%	100%	150%	TOTAL
2015 Consolidated (Amounts in P0.000 million)										
Cash,Checks and Other Cash Items	3,676		3,676	3,663	13					3,676
Sovereigns	34,636	3,227	31,409	25,194	-	3,713	-	2,502		31,409
Banks	4,622	-	4,622	-	-	258	-	4,364		4,622
Interbank Loans	3,721	-	3,721	-	3,547	175				3,721
Local Government Units	-		-							-
Government Corporations	-		-							-
Corporates	79,872	226	79,646	-	-	24	-	79,459	163	79,646
Housing Loans	3,255		3,255			2,627		628		3,255
Individuals	5,457	208	5,249					5,249		5,249
MSME equivalent Portfolio	7,971		7,971					7,971		7,971
Defaulted exposures- Housing Loans	22		22					22		22
Defaulted exposures- Others	2,024		2,024						2,024	2,024
ROPA	722		722						722	722
Other Assets	3,132		3,132					3,132		3,132
Total Exposures including Other Assets	149,111	3,661	145,450	28,857	3,560	6,797	-	103,328	2,909	145,450
Total Risk Weighted On-Balance Sheet Assets					712	3,398	-	103,328	4,363	111,801
Total Risk-Weighted Off-Balance Sheet Assets										1596.826
Total Counterparty Risk-Weighted Assets in the Banking Book										2620.69
Total Risk-Weighted Amount of Credit Linked Notes in the Banking Book										1,626
Total CreditRisk-Weighted Assets										117,645

Risk -weighted on-balance sheet assets covered by credit risk mitigants consisted of collateralized transactions and guarantees by the Philippine National Government (PNG) and those with highest credit rating. Third party credit assessments were based on the external ratings by Standard & Poor's, Moody's, Fitch and Phil Rating System on exposures to Sovereigns, Banks, LGU's, Government Corporates, and Corporates.

Asia United Bank has no securitization structures.

For more information on AUB's risk management objectives, policies, and other matters, please refer to Note 4 of the Group's Audited Consolidated Financial Statements.

ASIA UNITED BANK CORPORATION
EXHIBIT 29-4 – BANK-OWNED PROPERTIES EXCLUDING ROPA
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS
1	Antipolo	M. L Quezon Street, Brgy San Roque, Antipolo City
2	Camarin	Beside ResidenzaHomes,in front of Villa Magdalena 111, Camarin Road, Caloocan City
3	J. Abad Santos	Unit D. Dynasty Tower ,J.Abad Santos Avenue corner Bambang, Manila
4	JN Tower	Joy Nostalg Center # 17 ADB Avenue, Ortigas Center, Pasig City
5	Pasay	2303 Taft Avenue, Pasay City

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (1 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
1	168 Mall	Unit # 622-623, 6 th Floor , 168 Shopping Mall , Soler St., Binondo, Manila	49,728	6/24/2014	5	8/23/2019
2	3rd Avenue	154 - 158 Rizal Avenue Extension Grace Park, Kalookan City	136,137	8/9/2010	10	8/8/2020
3	6780 Ayala	Ground Floor, 6780 Ayala Avenue Building, 6780 Avenue Makati City	126,773	9/15/2014	5	9/14/2019
4	999 Mall	999 Shopping Mall 3rd Level 3P1 - 3P8 Along Soler St. Binondo Manila	178,702	12/21/2015	5	12/20/2020
5	Alabang Zapote	Fabricare Building 591 Unit 104 Alabang Zapote Rd Almanza Las Pinas City	63,840	5/2/2014	5	7/2/2019
6	Angeles	351 Miranda St. Brgy. Sto. Rosario, Angeles City	105,263	12/1/2014	10	1/31/2025
7	Angeles Fontana	S-18 Fontana Clubhouse, Fontana Leisure Park Clark Freeport Zone, Phil.	37,184	11/1/2014	5	1/1/2020
8	Annapolis	Unit 102, Intrawest Center, 33 Annapolis St., Greenhills, San Juan, MM	276,360	7/16/2013	5	7/15/2018
9	Antique	RMU 2 Building T.A. Fornier Street, San Jose, Antique	67,200	6/1/2013	10	5/31/2023
10	Arranque	692-694 T. Alonzo corner Soler St., Sta. Cruz, Manila	246,960	1/1/2012	5	12/31/2016
11	Aurora Blvd	Unit A G/F NO.41 Aurora, Doña Emelda Quezon City	64,680	11/20/2012	7	1/21/2020
12	Ayala	G/F, Unit 1D, Multinational Bancorporation Center, 6805 Ayala Avenue	240,242	3/1/2012	5	2/29/2017
13	Ayala - Alabang	G/F BMW Center Commerce Avenue, Madrigal Business Park, Ayala-Alabang, Muntinlupa City	256,814	7/1/2011	5	6/30/2016
14	Baclaran	Park Ave. cor. Kapitan Ambo Street Pasay City, Parka Shopping Center	213,877	3/1/2012	8	4/30/2020
15	Bacolod	JS Building Lacson St. corner Galo St. Bacolod City	49,392	6/1/2012	5	5/31/2017
16	Bacolod Burgos	Ground Floor ESJ Center. Lot 1 Blk 5, Burgos St., Bacolod City	40,500	12/1/2013	5	1/31/2019
17	Bacoar	286 Rotonda Highway, Panapaan 5, Bacoar, Cavite	77,987	7/15/2012	10	7/15/2022
18	Baguio	Ground Floor YMCA Building, Post Office Loop, Baguio City	159,936	7/16/2014	5	8/31/2019
19	Balibago	101-102 Springfront Hotel Bldg., McArthur Highway, Balibago Angeles	73,382	4/1/2013	10	3/31/2023
20	Baliuag	Li Bldg, #282 DRT highway, Bagong Nayan, Baliuag	78,360	8/1/2012	5	7/31/2017
21	Banawe	549 Banawe Street (between Samat Street and Calamba Street) Quezon City	96,314	3/1/2012	5	4/30/2017
22	Bangkal	1685 Evangelista St., Bangkal Makati	108,239	1/3/2013	5	2/2/2018
23	Batangas	CHI-Caritas Health Shield Inc. Padre Burgos St., Batangas City	83,697	5/1/2012	10	4/30/2022
24	Better Living-Paranaque (Bicutan)	N.68 Doña Soledad Ave., Better Living, Parañaque City	101,136	3/15/2013	10	3/14/2023
25	BF Aguirre	Academy One Bldg., 293 Cor Governor Santos St Phase 3 Aguirre Ave, BF Homes Sucat Paranaque City	91,884	10/20/2014	5	12/19/2019
26	BF Homes Parañaque	Grd. flr., M.A Gonzy bldg., #41, Presidents ave., BF Homes, Paranaque city	105,840	8/16/2013	5	8/15/2018

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (2 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
27	BGC Picadilly	Ground floor Picadilly Star Bldg. 4th ave. corner 27th St. Fort Bonifacio, Taguig City	459,512	9/1/2014	5	8/31/2019
28	BGC Taguig	G/F Net2 Square, 3rd Ave. cor. 28th Street Crescent Park West, Bonifacio Global City, Taguig	330,044	8/1/2011	5	7/31/2016
29	Binan	E+S Biñan Sales Center Building Old Natiional Highway Bo. San Antonio Binan Laguna	71,481	7/27/2014	5	7/26/2019
30	Binondo	564 Quintin Paredes St., Binondo,, Manila	313,214	11/16/2006	10	11/15/2016
31	Bocaue	107 McArthur Highway,Wakas, Bocaue, Bulacan	58,800	2/1/2013	2	3/31/2018
32	Boni Ave. Mandaluyong	700 C Boni Ave Brgy Malamig Mandaluyong City	112,000	10/15/2014	5	11/30/2019
33	Boracay	Boracay Tropix Station 2 Situe Manggayad Brgy Balabag Malay Aklan	112,000	12/17/2014	5	12/17/2019
34	Butuan	# 271 A. D. Curato corner P. Burgos Streets, Butuan City	88,421	4/1/2013	5	5/31/2018
35	Cabanatuan	Ground Floor, JRS Building, Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City	70,560	7/16/2013	5	9/15/2018
36	Cagayan De Oro	Puregold Claro M. Recto Ave. Lapasan, Cagayan de Oro City	68,902	12/23/2013	5	12/22/2018
37	Calamba	National Highway cor Jasmine St Brgy Uno, Calamba City Laguna	94,752	4/15/2014	10	6/14/2024
38	Calapan	Gaisano Capital Calapan, Tawiran, National Road, Calapan, Oriental Mindoro	48,638	9/14/2013	5	9/13/2018
39	Calbayog	J.D. Avelino St. cor. Gomez Extension, Calbayog City, Samar besides Shell Gas Station/ across Rosales bridge, Maharlika highway	88,200	4/1/2013	10	3/31/2023
40	Candon	Ground Floor, BHF Building, National Highway, corner Abaya St., San Isidro, Candon City, Ilocos Sur	84,237	7/20/2013	5	9/20/2018
41	Catarman	390 J. P. Rizal St., Brgy.Lapu-Lapu, Catarman, Northern Samar	69,216	6/1/2013	10	5/31/2023
42	Catbalogan	San Francisco St., Cor. Rizal Avenue, Catbalogan, Samar	88,200	4/1/2013	10	3/31/2023
43	Cauayan	Maharlika Highway, San Fermin Cauayan City	80,532	11/30/2013	10	11/29/2023
44	Cavite - Peza	G/F Red Ribbon Building General Trias, Cavite	71,310	1/17/2012	5	1/16/2017
45	CDO - Carmen	Unit 101, 102 & 103 Gaisano Building, Max Suniel St., Carmen, Cagayan de Oro City	105,380	8/1/2013	5	9/30/2018
46	CDO - Cogon	Osmeña St. cor. Hayes St., Cogon, Cagayan de Oro City	88,200	8/1/2013	5	9/30/2018
47	CDO - Velez	Don Apolinar Velez St. cor. Gen. A. Luna St., CDO	97,020	7/1/2013	10	8/31/2023

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (3 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
48	Cebu A.S. Fortuna	853 TW & Company Inc. Bldg., AS Fortuna St. Mandaue City Cebu	91,476	3/1/2015	5	2/28/2020
49	Cebu Ayala Business Park	# 3 Archbishop Reyes ave. Kamputhaw Lahug Cebu City	180,824	10/1/2010	10	9/30/2020
50	Cebu F. Gonzales	Lianting Center, Pres. Sergio Osmena Blvd, corner F. Gonzales St., Cebu City	123,480	2/1/2008	5	12/31/2014
51	Cebu Jones	Units 3,6,5,6 Harrison Place, Osmeña Blvd. corner Urgello St., Cebu City	177,652	5/23/2011	5	5/22/2016
52	Cebu Linao Talisay	Southcoast Center National Highway Linao Talisay Cebu	86,240	9/15/2014	10	11/14/2024
53	Cebu Mango	Dyno Finance Center Juana Osmena, Cebu City	120,073	10/1/2012	5	9/30/2017
54	Cebu Salinas	MIT Building 117 Gorordo Avenue Lahug, Cebu City	112,799	7/1/2011	5	6/30/2016
55	Chino Roces	2176 Chino Roces Ave., Makati City	143,237	11/17/2013	10	11/16/2023
56	Clarkfield	Pavilion 12, Berthaphil Clark Center, Jose Abad Santos Avenue, Clark Freeport Zone, Pampanga	\$1,440	7/1/2014	10	8/31/2024
57	Concepcion Marikina	43 C Bayanbayanan Avenue, Concepcion I, Marikina City, Metro Manila	94,080	7/1/2013	5	8/31/2018
58	Congressional	177 Congressional Ave. Bahay Toro Diliman, Quezon City	164,238	7/15/2010	5	7/14/2015
59	Cubao	G/F Harvester Corporate Cenetr 158 P. Tuazon Blvd. corner 7th and 8th Avenue	135,191	8/11/2014	5	8/10/2019
60	D Tuazon	62 D. Tuazon Street Brgy Lourdes, Quezon City	100,800	11/1/2014	5	10/31/2019
61	Dagupan	Cathnolic Trade Center AB Fernandez Avenue, Dagupan City	61,600	3/1/2008	15	6/1/2023
62	Dasmariñas	Congressional Road, Burol Main, Dasmariñas Cavite	86,787	2/10/2011	10	2/9/2021
63	Davao	Central Plaza I, J.P. Laurel Ave., Davao City	137,465	3/1/2015	5	2/28/2020
64	Davao - Agdao	127 Lapulapu St., Corner Dacudao Avenue, Agdao District, Davao City	76,632	1/1/2014	10	3/30/2024
65	Davao - Buhangin	KM 5 Buhangin Road, Buhangin District, Davao City, Davao del Sur	60,268	5/1/2013	10	7/31/2023
66	Davao - Damosa	8 Unit Commercial Bldg. Mamay Road Lanang Davao City	88,200	8/1/2013	5	9/30/2018
67	Davao - Matina	G/F Karpentrade Building, McArthur Highway, Matina, Davao City	117,600	5/15/2013	10	7/15/2023
68	Davao - Monte Verde	G/F Lao Bldg., Suazo corner Monte Verde Sts., Davao City	57,026	5/1/2006	10	4/30/2016
69	Davao - Toril	Commercial/Hotel Bldg., Saavedra St. Cor. Guardians St., Toril Davao	52,327	8/1/2013	5	9/30/2018
70	Davao Digos	FS De Leon bldg Rizal Avenue, Digos City, Davao del Sur	70,623	10/1/2014	5	11/30/2019
71	Davao Rizal	G/F DGGG Building C. Bangoy St. Corner JP Rizal Streets, Davao City	78,848	2/1/2014	7	4/1/2021
72	Del Monte	269 Del Monte Avenue, Bgy. Manresa, Quezon City	270,163	7/1/2009	10	6/30/2019
73	Dipolog	Quezon Avenue, Brgy. Niputak, Dipolog City	123,789	7/1/2013	10	6/30/2023

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (4 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
74	Divisoria	Pasilio GT,3rd Floor Divisoria Mall ,M. de Santos M. De santos St. Binondo, Manila	313,600	2/15/2015	5	4/14/2020
75	Don Antonio Commonwealth	Holy Spirit Ave. Don Antonio Heights, Brgy. Holy Spirit, Quezon City	94,601	4/5/2014	5	4/4/2019
76	Dumaguete	Dr. V. Locsin Street, Poblacion 003, Dumaguete City	117,600	7/1/2013	10	6/30/2023
77	Echague	#111-113 Carlos Palanca St.,brgy 306, Echague Quiapo Manila	100,800	9/15/2014	10	11/14/2024
78	Edsa - Caloocan	500 E delos Santos Ave. Caloocan City	282,240	1/16/2014	10	1/15/2024
79	Elcano	#615 Elcano St., Binondo, Manila	142,619	8/15/2011	10	8/14/2021
80	Ermita	G/F, Ermita Center, Roxas Boulevard corner Sta. Monica St., Ermita, Manila	156,020	9/1/2010	5	8/31/2015
81	Ermita - Kalaw	G/F E. Antonio Building,T.M. Kalaw Street corner J. Bocobo Street, Manila	175,388	1/1/2013	5	12/31/2017
82	Fairview	31-G Lucky Fortune Bldg. Fairview Avenue,Quezon City	58,807	10/16/2012	5	10/15/2017
83	G. Araneta Palanza	124 G. AranetaPalanza St., Quezon City	107,520	9/1/2014	10	10/31/2024
84	G. Araneta Santol	193 G. Araneta Ave. Quezon City	134,400	6/1/2014	5	7/31/2019
85	Gapan	Ground Floor KL Building, Gen. Tinio St., San Vicente, Gapan City	84,000	11/1/2013	5	12/31/2018
86	General Santos	Belinda Enterprise Bldg., Santiago Boulevard, General Santos City 9500	96,897	7/1/2011	5	6/30/2016
87	General Santos- Aparente	One Roma Square, Aparente Avenue, Brgy. Heights, General Santos City	38,896	7/1/2011	10	6/30/2021
88	Gil Puyat/Buendia	G/F Morning Star Bldg., Gil Puyat Ave., Makati City	362,464	3/16/2013	1	3/31/2018
89	Greenfield District Mandaluyong	Unit L1-115a Pavillion Mall , Greenfield District Ortigas, Mandaluyong City	129,408	4/1/2013	3	3/31/2016
90	Greenhills Theater Mall	Greenhills Theater Mall, Greenhills, Shopping Center	402,842	1/1/2014	6	12/31/2019
91	Guiguinto	La Aldea subdivision Along McArthur Highway Guiguinto Bulacan	67,200	3/1/2015	5	4/30/2020
92	Herrera	G/F Cristina Condominium, Herrera St. cor Sotto St., Legaspi Village, Makati City	132,000	5/1/2014	3	4/30/2017
93	Iligan	Roxas Avenue cor Zamora Street, Iligan City	106,400	9/1/2013	10	10/31/2023
94	Iloilo	Ong Bun Building, Ledesma Street cor Quezon Street, Iloilo City	105,280	8/1/2013	10	9/30/2023
95	Iloilo – Iznart	Unit # 30 Ground Floor, Amigo Mall, Iznart Street corner Delgado Street, Iloilo City	59,418	8/10/2013	5	9/23/2018
96	Imus	Km. 21 Gen Aguinaldo Hi-way, Bayan Luma, Imus Cavite	185,285	4/15/2010	10	4/14/2020

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (5 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
97	Intramuros	G/F FEMII Bldg., A. Soriano Ave., Intramuros, Manila City	101,142	7/30/2011	5	8/1/2016
98	JP Rizal Makati	Unit A Upper Ground Level 817 J.P Rizal Street cor. Layug St., Makati City	40,000	7/7/2014	5	9/5/2019
99	Kalibo	Casa Isidra Bldg., XIX Martyrs Street, Poblacion, Kalibo, Aklan	63,158	7/1/2013	10	8/15/2023
100	Kalookan	249 Yao Building Rizal Avenue Extension corner 7th Avenue, Caloocan City	377,649	8/1/2014	5	7/31/2019
101	Kalookan 6th Ave	G/F Howard Towers 6th St. cor. Rizal Ave. Extension, Caloocan City	120,651	1/1/2015	5	12/31/2019
102	Kamias Anonas	Unit 1B,1C& 1D, 135 Kamias Road , Brgy. Sikatuna, Quezon City	65,000	4/16/2014	5	5/15/2019
103	Kidapawan	G/F Dayao Building, Quezon Boulevard, Kidapawan City	70,560	12/15/2013	5	12/15/2018
104	Koronadal	Agreda Bldg. Rafael Alunan Ave. Koronadal	55,742	4/15/2013	5	6/15/2018
105	La Union	Nationa Hi-way, Quezon Ave. San Fernando City, La Union	81,682	1/15/2011	10	1/14/2021
106	Lagro	G/G JB Crystal Bldg., Quirino Highway Lagro, Quezon City	76,160	7/1/2014	5	8/31/2019
107	Laoag	Unit D, Avenue Square, Rizal St. Laoag City Ilocos Norte	70,560	4/1/2013	10	3/31/2023
108	Las Piñas	303 Real St., Pamplona 3, Alabang Zapote Road, Las Pinas City	129,980	5/16/2006	10	5/15/2016
109	Legazpi City	G/F Graceland Bldg., Circumferential Road, Legaspi City	140,946	6/16/2006	10	6/15/2016
110	Lemery	G/F, LEC Building, Ilustre Avenue, Lemery, Batangas	74,274	10/1/2013	5	11/30/2018
111	Lipa	Upper Ground Lot 757- A B. Morada Road, Lipa City	78,798	10/1/2007	10	9/30/2017
112	Lucena	Magallanes corner Enriquez Sts., Lucena City	92,135	1/1/2012	10	12/31/2021
113	Lucena Diversion	Lot 33-B , Diversion Road, Brgy. Gulang Gulang , Lucena City	81,536	2/1/2014	5	3/31/2019
114	Maasin	Tomas Oppus Street, Tunga-Tunga, Maasin City, Southern Leyte	94,080	4/1/2013	5	3/31/2018
115	Makati Avenue	Ground Floor, Travellers Inn Condominium, 7880 Makati Avenue, Makati City	135,240	8/5/2013	5	8/4/2018
116	Malabon	121 Governor Pascual Avenue Acacia, Malabon City	202,174	4/15/2015	10	6/15/2025
117	Malabon Gen Luna	#5 Gen Luna Street, San Agustin Malabon City	60,000	7/10/2014	5	9/9/2019
118	Malanday, Val	KM 17 McArthur Highway, Dalandanan Valenzuela City	111,132	11/1/2012	5	12/15/2017
119	Malaybalay	Sayre (National) Highway, Malaybalay City, Bukidnon	55,263	4/1/2013	10	6/30/2023
120	Malinta	177 Paso de Blas, Valenzuela City	83,387	9/16/2007	10	9/15/2017
121	Malolos	Kilometers 44/45 Mac Arthur Highway, Barangay Longos, Malolos City	58,327	6/1/2013	5	7/31/2018
122	Mandaue	AWPM Realty Dev. Corp. Bldg., MC Briones St., Nat'l Highway, Mandaue	96,032	9/1/2011	3	8/31/2014
123	Marikina	76 G. Fernando Avenue New Marikina Subdivision, Brgy San Roque, Marikina City	67,882	6/1/2012	5	5/1/2017
124	Marilao	VAG Complex , NLEX Northbound Service Road, BrgyPatubig , Marilao, Bulacan	67,200	3/1/2014	5	4/30/2019

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (6 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
125	Masangkay	No. 1046-50 G. Masangkay St., Binondo, Manila	137,743	8/15/2010	10	8/14/2020
126	Masinag	Kingsville Arcade, Marcos Highway, Mayamot, Antipolo City	147,715	2/1/2012	3	1/31/2016
127	Mayhaligue	Mayhaligue One Miho Condominium 1260 Masangkay St., Sta. Cruz Manila	128,973	6/1/2010	10	5/31/2020
128	Mayon Retiro	Ground Floor, 175 Mayon Street, Sta. Mesa Heights Quezon City	123,200	5/15/2014	5	7/15/2019
129	Meycauayan	El Camino Road, Las Villas de Sto. Nino, Camalig Meycauayan City, Bulacan	76,447	10/1/2008	5	9/30/2013
130	Meycauayan II/Malhacan	DSG BLDG. Malhacan, Meycauayan City, Bulacan	123,480	2/6/2013	10	2/5/2023
131	N. Domingo	126 A & L BLDG.N.Domingo St., Brgy. Pedro Cruz, San Juan	82,677	7/1/2012	5	6/30/2017
132	Naga	Elias Angeles St. Naga City	137,597	3/1/2011	5	2/28/2016
133	Naga Centro	Ground Floor, Naga City People's Mall, CBD I, Naga City	24,696	9/1/2013	5	8/28/2018
134	Navotas	Unit 1,G/F Melandrea III Bldg.,Virgo Drive Corner North Bay Blvd South, Navotas City	70,544	7/16/2014	5	7/15/2019
135	New Manila	1052 E. Rodriguez Sr. Avenue, Quezon City	155,585	9/1/2012	5	8/31/2017
136	Novaliches	847 Quirino Highway, Barangay Gulod, Novaliches, Quezon City	188,810	2/1/2014	5	1/31/2019
137	Novaliches - Sauyo	603 R & J BLDG.QuirinoHighway,BagbagNovaliches, Quezon City	83,175	2/1/2013	10	2/1/2023
138	Nueva Ecija San Jose	Maharlika High Way ,Brgy. Malasin, San Jose City, Nueva Ecija	67,200	11/1/2013	5	12/31/2018
139	Nuvo City Libis	Ground floor, Unit D Aspire Tower, 150 E. Rodriguez Jr corCalleIndustriaBagumbayan Quezon City	176,400	10/16/2013	5	12/15/2018
140	Olongapo	1260 Rizal Avenue, East Tapinac Olongapo City	100,800	5/2/2014	5	7/1/2019
141	Ormoc	432 2F HSSC Bldg., Real St. Ormoc City	106,848	6/15/2013	5	8/15/2018
142	Ortigas	Ground Floor VAG Bldg. Ortigas Avenue, Greenhills, San Juan	278,741	12/15/2009	10	12/14/2019
143	Ortigas - Emerald	Unit 3A Emerald Mansion, Don F Ortigas Jr. Road,Ortigas Center, Brgy San Antonio, Pasig City	154,011	7/1/2015	4	7/31/2019
144	Ozamiz	JP Rizal Ave. corner Juan Luna St., Ozamiz City	105,263	7/1/2013	10	9/30/2023
145	Padre Rada	588 Padre Rada St., Corner Ylaya St., Tondo, Manila	112,000	6/24/2014	10	8/22/2024
146	Pagadian	Rizal Avenue, Santiago District, Pagadian City	86,900	6/1/2013	5	5/31/2018
147	Parc Royale	G/F Parc Royale Bldg., Dona Julia Vargas Ave., Ortigas Center, Pasig City	400,753	5/1/2015	5	4/30/2020

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (7 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
148	Pasay - Macapagal	Unit 104, Oceanaire Condominium, Pearl Drive, Road 23, Central Business Park 1, Pasay City MM	162,400	2/12/2015	5	4/30/2020
149	Pasay Road	G/F Evekel Bldg. 855 A. Arnaiz Ave. , Legaspi Village, Makati City	99,960	2/1/2014	5	2/1/2019
150	Paseo de Roxas	G/F 111 Paseo de Roxas Bldg., Paseo De Roxas corner Legaspi St., Makati City	184,672	12/1/2012	5	1/31/2018
151	Pasig	97 C. Raymundo Ave., Caniogan, Pasig City	44,925	4/1/2007	10	3/31/2017
152	Paso De Blas	Lower Ground Unit N1A Puregold-Paso De Blas Valenzuela City	112,698	2/21/2012	5	2/20/2017
153	Pasong Tamo Extension	Ground Floor UPRC3 Bldg. , 2289 Chino Roces Extension , Makati City	132,250	1/31/2014	5	2/1/2019
154	Pasong Tamo Ponte	G/F 1087 Lupacco Bldg. , Chino Roces Avenue Makati City	102,194	4/25/2014	5	6/24/2019
155	Pioneer	G/F Cromagen Building, 8007 Pioneer Street, Kapitolyo, Pasig City	106,687	8/1/2012	5	9/30/2017
156	Puerto Princesa	Ma. Elena M. Hagedorn Bldg 178 Rizal Ave. Puerto Princesa	91,728	6/1/2013	5	8/31/2018
157	Quezon Avenue	G/F SPMI No.358, Quezon Ave., Brgy Dona Josefa, Quezon City	118,130	5/1/2011	10	4/30/2021
158	Quezon Avenue - South Triangle	Unit 6-A DN Steel Center, 1372 Quezon Avenue Brgy South Triangle Quezon City	115,315	1/1/2014	10	12/30/2024
159	Raon - Quiapo	# 618 Sales St., Raon, Quiapo, Manila	98,560	7/15/2013	10	9/15/2023
160	Roosevelt - Gen Lim	27-35 Roosevelt ave. cor. Gen Lim Street, QC	112,200	9/25/2014	5	9/24/2019
161	Roosevelt Frisco	232-A Grd. Flr., and Mezzanine floor, Unit 1 & 2, Gercon bldg., Roosevelt ave., Quezon city	85,000	5/1/2014	5	7/31/2019
162	Roxas	Roxas Bldg. Lot 370-B, Brgy IX, Roxas Avenue, Roxas City	73,500	5/1/2013	10	6/30/2023
163	Roxas Blvd - Vito Cruz	3001 Traders Hotel , Vito Cruz cor. Roxas Blvd., Pasay City	150,000	6/1/2014	10	5/31/2024
164	Rufino	G/F Feliza Bldg., 108 V.A. Rufino St. Legaspi Village, Makati City	130,111	9/1/2012	5	8/31/2017
165	Salcedo Village	G/F Grand Soho Bldg. 131 H.V. dela Costa, Makati City	119,366	5/1/2010	10	4/30/2020
166	Samson Road - Kalookan	No. 149 - C, D, E Samson Road, Caloocan City	163,078	5/1/2007	10	4/30/2017
167	San Fernando	Dolores McArthur Hiway San Fernando, Pampanga	84,000	7/1/2014	7	6/30/2021
168	San Jose Del Monte	G/F Giron Building along Quirino Highway, Tungkong Mangga San Jose del Monte City Bulacan	55,978	3/15/2014	5	6/15/2019
169	San Juan	450 P.Guevarra St. corner Wilson St., San Juan	128,041	8/1/2012	5	7/31/2017
170	San Pablo	M Paulino St., San pablo City, Laguna	81,984	3/1/2014	5	4/30/2019

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (8 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
171	Santiago	New Public Market, Maharlika Highway, Santiago City	87,000	3/16/2014	5	4/30/2019
172	Shaw JRU	Room 101 Ground Floor SCT Building 3, 142 Shaw Boulevard, Mandaluyong City	63,504	4/16/2014	5	4/15/2019
173	Solis, Tondo	2498 Juan Luna St., Corner Solis St., Tondo, Manila	155,765	10/15/2013	10	12/15/2023
174	South Super Highway Buendia	G/F Sayoc Building, 100 Gil Puyat Ave., Palanan, Makati City	78,792	3/17/2014	5	3/16/2019
175	St. Ignatius	145 Katipunan Ave., St. Ignatius, Quezon City	117,718	11/15/2012	10	1/15/2023
176	Sta Cruz, Laguna	G/F JBR Building P. Guevara St, Brgy. Poblacion 2 , Sta. Cruz Laguna	73,500	10/1/2013	5	11/30/2018
177	Sta. Cruz, Manila	369-373 Oversea Mansion 1, Plaza Sta Cruz, Manila	176,400	10/15/2013	10	12/15/2023
178	Sta. Maria	No. 44 Corazon De Jesus St., Poblacion, Sta. Maria, Province of Bulacan	88,906	6/1/2013	5	8/31/2018
179	Sta. Rosa - Laguna	G03 San Jose building Santa Rosa states 2 sub brgy Santo Domingo Santa Rosa Laguna	123,173	9/1/2014	5	10/31/2019
180	Sucut	Ground Floor LT Bldg. 8281 Dr. A Santos Avenue, Sucut, Paranaque City	98,784	7/15/2011	10	7/14/2021
181	Surigao	#00014 Rizal St., Zatisplace, Washington, Surigao City	82,285	2/1/2014	10	3/31/2024
182	Tacloban	Lucky Hardware Bldg. Along Burgos Street near corner Rizal Avenue, Tacloban City	71,050	11/1/2011	5	10/31/2016
183	Tagaytay - Rotonda	Plaza San Nicolas de Tolentino, Silang Crossing Rotonda Tagaytay City	64,680	7/12/2014	5	9/11/2019
184	Tagbilaran	C.P.G North Avenue, Cogon District, Tagbilaran City , Bohol	82,425	8/10/2012	5	8/10/2017
185	Tagum	Gaisano Mall, Briz District, National Highway, Maguipo East, Tagum City	96,161	9/1/2012	5	8/31/2017
186	Tarlac	US. Bldg. Mc Arthur Highway, Sto Cristo, Tarlac City	94,500	8/1/2013	5	7/31/2018
187	Tektite	Unit 1 & 2 of G06, Ground Floor West Tower, Philippine Stock Exchange Center Condominium, Exchange Road, Ortigas Center, Pasig City	112,134	8/15/2013	5	9/14/2018
188	Timog	Unit 102, Toyoma Group Center Blg Brgy. Laging Handa , Quezon City	158,018	9/15/2010	10	9/14/2020
189	Timog - Ybardolaza	# 77 Ushio Plaza II Timog Avenue, Quezon City	145,593	7/1/2013	10	8/31/2023
190	Tordesillas	Ground Floor Two Lafayette Square Condominium, 105 Tordesillas St., Salcedo Village, Makati City	138,914	3/10/2014	5	4/9/2019
191	Trece Martirez	M.E Magno Arcade 9061 Rd Governor's Drive Brgy. San Agustin Trece Martirez City	73,920	3/15/2014	10	5/15/2024
192	Tuguegarao	G/F Elinas Building Gomez Street Centro 7, Tuguegarao City	58,026	7/1/2013	5	7/31/2018

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (9 of 9)
PARENT COMPANY
AS OF DECEMBER 31, 2015

NO.	BRANCH NAME	ADDRESS	RENTAL (PhP)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
193	Tutuban	PNR Tutuban Station, Tutuban Center Mall C.M.Recto, Tondo Manila	102,552	4/1/2013	12	3/31/2018
194	UN Avenue	G/F Pearl Manila Hotel, Taft Avenue, anila	163,859	5/14/2011	10	5/13/2021
195	Urdaneta	Ground Floor, DBO Building, MaArthur Highway Urdaneta City, Pangasinan	89,600	7/1/2014	10	6/30/2024
196	Valencia, Bukidnon	P-7 Sayre Highway Poblacion Valencia City 8709 Bukidnon	52,500	4/15/2013	12	7/15/2025
197	Valenzuela	209 - 211 MacArthur Highway, Karuhatan, Valenzuela	65,560	8/1/2008	15	7/31/2023
198	Vigan	Ground floor, Luisa bldg. 74-78, Quezon Ave., Vigan city, Ilocos Sur	82,894	6/1/2013	5	7/31/2018
199	Visayas Avenue	N0. 43 Visayas Avenue, Brgy Vavra, Quezon City	165,439	8/1/2015	10	9/29/2025
200	Wackwack	584 SCT Bld Shaw Blvd Mandaluyong City	80,080	5/15/2013	5	5/14/2018
201	West Avenue	G/F Westria Residences, #77 West Avenue, Quezon City	109,907	6/16/2013	5	6/15/2018
202	Xavier - San Juan	81 Xavier Residences , # 81 Xavier St.,San Juan City, Metro Manila	62,538	11/1/2013	5	10/31/2018
203	Zamboanga	Astoria Printing prst BLG Mayor Halton St., Zamboanga City, Zamboanga del Sur	37,268	9/15/2007	15	12/14/2022
204	Zamboanga - Climaco	Gov. Lim Ave. Cor. Mayor Climaco Avenue, Zamboanga City	85,848	6/1/2013	10	8/31/2023

ASIA UNITED BANK CORPORATION
EXHIBIT 29-6 – CONSOLIDATED STATEMENTS OF CONDITION
COMPARATIVE – LAST 3 FISCAL YEARS (1 of 2)

	2015	2014	2013	2015 vs. 2014		2014 vs. 2013		2013 vs. 2012	
				+/-	%	+/-	%	+/-	%
ASSETS									
Cash and Other Cash Items	3,677,773,338	3,991,679,237	2,240,332,304	(313,905,899)	-7.9%	1,751,346,933	78.2%	510,419,967	29.5%
Due from Bangko Sentral ng Pilipinas (Note 17)	20,328,620,151	17,890,183,433	18,800,513,129	2,438,436,718	13.6%	(910,329,696)	-4.8%	9,306,845,752	98.0%
Due from Other Banks	1,268,034,018	2,050,350,720	1,223,631,617	(782,316,702)	-38.2%	826,719,103	67.6%	(334,455,984)	-21.5%
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (Note 7)	3,721,179,506	351,558,544	74,570,015	3,369,620,962	958.5%	276,988,529	371.5%	67,875,047	1013.8%
Financial Assets at Fair Value Through Profit or Loss (Note 8)	418,485,519	517,030,158	3,910,064,368	(98,544,639)	-19.1%	(3,393,034,210)	-86.8%	2,468,089,215	171.2%
Available-for-Sale Investments (Note 8)	17,550,688,718	17,956,621,223	24,327,231,846	(405,932,505)	-2.3%	(6,370,610,623)	-26.2%	13,533,448,167	125.4%
Held-to-Maturity Investments (Note 8)	5,621,546,010	1,610,602,372	-	4,010,943,638	249.0%	1,610,602,372	-	-	-
Loans and Receivables (Notes 9 and 30)	93,457,900,095	72,737,078,452	47,689,832,850	20,720,821,643	28.5%	25,047,245,602	52.5%	13,821,014,553	40.8%
Property and Equipment (Note 11)	1,929,603,134	2,169,472,980	1,593,002,963	(239,869,846)	-11.1%	576,470,017	36.2%	653,562,115	69.6%
Investment Properties (Note 12)	783,721,300	828,205,496	1,136,020,399	(44,484,196)	-5.4%	(307,814,903)	-27.1%	(284,775,841)	-20.0%
Deferred Tax Assets (Note 28)	293,549,446	192,765,321	251,850,242	100,784,125	52.3%	(59,084,921)	-23.5%	(28,398,147)	-10.1%
Goodwill (Note 13)	2,104,551,657	1,960,524,451	1,883,533,972	144,027,206	7.3%	76,990,479	4.1%	-	-
Intangible Assets (Note 14)	1,957,423,776	1,954,005,199	1,523,233,936	3,418,577	0.2%	430,771,263	28.3%	22,494,244	1.5%
Other Assets (Note 15)	443,242,841	582,951,696	392,115,812	(139,708,855)	-24.0%	190,835,884	48.7%	311,465,097	386.2%
	153,556,319,509	124,793,029,282	105,045,933,453	28,763,290,227	23.0%	19,747,095,829	18.8%	40,047,584,185	61.6%

ASIA UNITED BANK CORPORATION
EXHIBIT 29-6 – CONSOLIDATED STATEMENTS OF CONDITION
COMPARATIVE – LAST 3 FISCAL YEARS (2 of 2)

	2015	2014	2013	2015 vs. 2014		2014 vs. 2013		2013 vs. 2012	
				+/-	%	+/-	%	+/-	%
LIABILITIES AND EQUITY									
Liabilities									
Deposit Liabilities (Notes 17 and 30)	117,244,235,575	95,200,534,589	73,934,276,499	22,043,700,986	23.2%	21,266,258,090	28.8%	26,619,425,218	56.3%
Bills Payable and Securities Sold Under Repurchase Agreement (Note 18)	7,610,917,363	5,504,142,355	8,903,964,245	2,106,775,008	38.3%	(3,399,821,890)	-38.2%	6,429,618,427	259.9%
Subordinated Debt (Note 19)	4,961,893,269	-	-	4,961,893,269	-	-	-	-	-
Manager's Checks	291,313,938	245,145,334	541,148,291	46,168,604	18.8%	(296,002,957)	-54.7%	350,849,065	184.4%
Income Tax Payable	75,191,660	12,039,927	2,903,796	63,151,733	524.5%	9,136,131	314.6%	(404,582)	-12.2%
Accrued Taxes, Interest and Other Expenses (Note 20)	587,849,529	549,482,992	407,654,301	38,366,537	7.0%	141,828,691	34.8%	79,307,874	24.2%
Derivative Liabilities (Note 8)	214,352,427	217,593,087	597,230,825	(3,240,660)	-1.5%	(379,637,738)	-63.6%	538,393,577	915.1%
Deferred Tax Liabilities (Note 28)	-	-	5,370,008	-	-	(5,370,008)	-100.0%	5,370,008	-
Other Liabilities (Note 21)	2,699,554,711	2,871,302,293	2,601,174,117	(171,747,582)	-6.0%	270,128,176	10.4%	(450,594,486)	-14.8%
Total Liabilities	133,685,308,472	104,600,240,577	86,993,722,082	29,085,067,895	27.8%	17,606,518,495	20.2%	33,571,965,101	62.8%
Equity									
Equity Attributable to Equity Holders of the Parent Company									
Capital stock (Note 23)	4,853,105,380	3,235,403,600	3,235,403,600	1,617,701,780	50.0%	-	-	835,403,600	34.8%
APIC (Note 23)	6,622,818,961	6,622,818,961	6,622,818,961	-	-	-	-	6,622,818,961	-
Surplus reserves (Note 29)	50,413,494	48,739,570	47,701,066	1,673,924	3.4%	1,038,504	2.2%	1,807,535	3.9%
Surplus (Note 29)	11,478,524,946	11,576,586,140	9,942,099,808	(98,061,194)	-0.8%	1,634,486,332	16.4%	1,444,993,147	17.0%
Cumulative translation adjustment	28,749,892	(14,506,817)	(29,649,927)	43,256,709	298.2%	15,143,110	51.1%	36,433,127	55.1%
Net unrealized gain (loss) on available-for-sale investments (Note 8)	(3,303,779,649)	(1,414,904,328)	(1,887,546,297)	(1,888,875,321)	-133.5%	472,641,969	25.0%	(2,421,247,677)	-453.7%
	19,729,833,024	20,054,137,126	17,930,827,211	(324,304,102)	-1.6%	2,123,309,915	11.8%	6,520,208,693	57.1%
Non-controlling Interest	141,178,013	138,651,579	121,384,160	2,526,434	1.8%	17,267,419	14.2%	(44,589,609)	-26.9%
Total Equity	19,871,011,037	20,192,788,705	18,052,211,371	(321,777,668)	-1.6%	2,140,577,334	11.9%	6,475,619,084	55.9%
	153,556,319,509	124,793,029,282	105,045,933,453	28,763,290,227	23.0%	19,747,095,829	18.8%	40,047,584,185	61.6%

ASIA UNITED BANK CORPORATION
EXHIBIT 29-7 – CONSOLIDATED STATEMENTS OF INCOME
COMPARATIVE – LAST 3 FISCAL YEARS (1 of 2)

	2015	2014	2013	2015 vs. 2014		2014 vs. 2013		2013 vs. 2012	
				+/-	%	+/-	%	+/-	%
INTEREST INCOME									
Loans and receivables (Notes 9 and 30)	4,717,869,421	3,498,313,450	2,204,938,886	1,219,555,971	34.9%	1,293,374,564	58.7%	280,507,407	14.6%
Trading and investment securities (Note 8)	1,238,735,201	1,527,215,117	1,323,521,547	(288,479,916)	-18.9%	203,693,570	15.4%	615,633,745	87.0%
Interbank loans receivable and securities purchased under resale agreements (Note 7)	24,390,688	28,456,505	48,293,101	(4,065,817)	-14.3%	(19,836,596)	-41.1%	8,279,059	20.7%
Deposit with banks and others	72,468,900	90,245,487	85,291,384	(17,776,587)	-19.7%	4,954,103	5.8%	50,524,200	145.3%
Others (Note 21)	57,762,658	52,187,552	48,515,038	5,575,106	10.7%	3,672,514	7.6%	48,515,038	0.0%
	6,111,226,868	5,196,418,111	3,710,559,956	914,808,757	17.6%	1,485,858,155	40.0%	1,003,459,449	37.1%
INTEREST EXPENSE									
Deposit liabilities (Notes 17 and 30)	1,162,178,383	918,398,031	734,929,392	243,780,352	26.5%	183,468,639	25.0%	(49,761,569)	-6.3%
Bills payable and other borrowings (Note 18 and 19)	180,197,021	138,829,744	97,095,618	41,367,277	29.8%	41,734,126	43.0%	45,951,791	89.8%
	1,342,375,404	1,057,227,775	832,025,010	285,147,629	27.0%	225,202,765	27.1%	(3,809,778)	-0.5%
NET INTEREST INCOME	4,768,851,464	4,139,190,336	2,878,534,946	629,661,128	15.2%	1,260,655,390	43.8%	1,007,269,227	53.8%
Trading and securities gain - net (Note 8)	91,683,200	343,040,143	680,396,664	(251,356,943)	-73.3%	(337,356,521)	-49.6%	(488,902,397)	-41.8%
Service charges, fees and commissions (Note 26)	744,314,207	769,944,914	502,161,239	(25,630,707)	-3.3%	267,783,675	53.3%	139,502,611	38.5%
Foreign exchange gain (loss) – net	26,170,003	126,984,689	(124,245,423)	(100,814,686)	-79.4%	251,230,112	202.2%	(253,133,464)	-196.4%
Trust income (Note 29)	42,522,299	34,277,662	38,445,705	8,244,637	24.1%	(4,168,043)	-10.8%	1,916,429	5.2%
Miscellaneous (Notes 8, 10, 11, 12, and 24)	471,909,108	857,375,017	537,229,225	(385,465,909)	-45.0%	320,145,792	59.6%	432,538,509	413.2%
TOTAL OPERATING INCOME	6,145,450,281	6,270,812,761	4,512,522,356	(125,362,480)	-2.0%	1,758,290,405	39.0%	839,190,915	22.8%

ASIA UNITED BANK CORPORATION
EXHIBIT 29-7 – CONSOLIDATED STATEMENTS OF INCOME
COMPARATIVE – LAST 3 FISCAL YEARS (2 of 2)

	2015	2014	2013	2015 vs. 2014		2014 vs. 2013		2013 vs. 2012	
				+/-	%	+/-	%	+/-	%
Compensation and fringe benefits (Notes 25 and 30)	1,202,057,113	1,080,157,645	850,111,892	121,899,468	11.3%	230,045,753	27.1%	221,862,942	35.3%
Provision for credit and impairment losses (Note 16)	605,381,231	966,056,940	310,925,992	(360,675,709)	-37.3%	655,130,948	210.7%	(114,542,982)	-26.9%
Taxes and licenses	390,703,150	326,511,105	270,424,521	64,192,045	19.7%	239,039,739	88.4%	23,702,135	9.6%
Depreciation and amortization (Notes 11 and 12)	649,922,244	509,464,260	306,489,912	140,457,984	27.6%	20,021,193	6.5%	109,277,474	55.4%
Insurance	250,629,867	211,564,827	146,384,519	39,065,040	18.5%	65,180,308	44.5%	45,027,496	44.4%
Rent (Note 24)	299,278,992	251,712,234	181,064,159	47,566,758	18.9%	70,648,075	39.0%	49,474,258	37.6%
Security, messengerial and janitorial	129,449,921	113,886,748	106,930,198	15,563,173	13.7%	6,956,550	6.5%	20,530,656	23.8%
Postage, telephone, cables and telegrams	69,412,215	59,108,040	47,130,245	10,304,175	17.4%	11,977,795	25.4%	11,004,669	30.5%
Management and other professional fees	31,738,566	36,929,650	41,322,155	(5,191,084)	-14.1%	(4,392,505)	-10.6%	14,587,845	54.6%
Transportation and travel	120,310,655	119,620,968	95,458,328	689,687	0.6%	24,162,640	25.3%	23,488,302	32.6%
Freight expenses	121,578,727	155,956,647	111,635,417	(34,377,920)	-22.0%	44,321,230	39.7%	40,957,771	58.0%
Power, light and water	60,415,810	60,055,933	50,590,190	359,877	0.6%	9,465,743	18.7%	6,875,633	15.7%
Repairs and maintenance	64,599,296	46,360,783	38,527,191	18,238,513	39.3%	7,833,592	20.3%	10,771,513	38.8%
Amortization of intangibles (Note 14)	24,324,923	18,376,109	14,664,076	5,948,814	32.4%	3,712,033	25.3%	5,652,353	62.7%
Miscellaneous (Note 27)	365,430,204	386,867,476	296,223,971	(21,437,272)	-5.5%	90,643,505	30.6%	92,405,674	45.3%
TOTAL OPERATING EXPENSES	4,385,232,914	4,342,629,365	2,867,882,766	42,603,549	1.0%	1,474,746,599	51.4%	561,075,739	24.3%
INCOME BEFORE INCOME TAX	1,760,217,367	1,928,183,396	1,644,639,590	(167,966,029)	-8.7%	283,543,806	17.2%	278,115,176	20.4%
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 28)	241,616,156	239,191,395	169,633,768	2,424,761	1.0%	69,557,627	41.0%	239,886,419	-341.5%
NET INCOME	1,518,601,211	1,688,992,001	1,475,005,822	(170,390,790)	-10.1%	213,986,179	14.5%	38,228,757	2.7%