

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)

KRISTEL D. GUTO
Corporate Planning & Investor
Relations Officer

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

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

108

As of 03/31/2017

Total No. of Stockholders
Owning at Least One Board Lot

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS

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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, 2016
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-Nostal 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	164,460,038
Closing share price on March 31, 2017	PhP 47.15
Market value of the voting stock held by non-affiliates*	PhP 7,754,290,792

**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
1	Asia United Bank Corporation	AUB
2	Asia United Leasing Finance Corporation	AULFC
3	Audited Financial Statements	AFS
4	Bangko Sentral ng Pilipinas	BSP
5	Cavite United Rural Bank	CURB
6	Rural Bank of Angeles	RBA
7	Philippine Accounting Standards	PAS
8	RediMoney Express PTE Limited	RediMoney Express

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, 2016 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%
RediMoney Express PTE Limited (formerly Pinoy Express PTE Ltd)	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		
	2016	2015 (as restated)	2014 (as restated)	2016	2015 (as restated)	2014 (as restated)
Total Assets (in PhP billions)	165.501	153.556	124.793	163.121	151.412	122.629
% growth	7.8%	23.1%	18.8%	7.7%	23.5%	18.4%
Net Income (in PhP billions)	2.305	1.519	1.689	2.282	1.516	1.681
% growth	51.8%	-10.1%	14.5%	50.5%	-9.8%	17.9%
Branches	239	230	219	216	208	204
% growth	3.9%	5.0%	26.6%	3.8%	2.0%	25.2%

In 2014, the Philippines managed to 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.

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.

In 2015, the bank reached out to more customers by opening 4 new branches to end 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 as of December 31, 2014 to P153.556 billion as of December 31, 2015 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.

In 2016, the group rebounded with a 51.8% growth in net income to P2.305 billion from P1.519 billion a year ago. This is due to the 19.1% increase in Net Interest Margin and 37.1% increase in non-interest income mainly from Trading and Securities gain, and Foreign Exchange gain

Specific to the interest margin, the group's total interest income rose to P7.268 billion, 18.9% higher versus the 2015 level. This was aided by a 21.5% growth in interest income from commercial loans and consumer loans such as auto, housing and salary loans.

Total assets increased to P165.501 billion as of December 31, 2016, 7.8% higher than the asset level in 2015.

During the year, the Group reached out to more customers by expanding its consolidated distribution network to 239 branches, with the Parent bank ending the year with 216 branches.

AUB's achievements from 2014 to 2016 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! In addition to that AUB also launched in all service channels the Foreign Currency Savings Account, an interest-bearing third currency (Euro, Japanese Yen and Chinese Yuan/Renminbi) denominated passbook account, which allows deposits and withdrawals anytime.

In 2016, AUB also launched 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. Another product AUB launched was the AUB Redimoney Remittance MasterCard. This new card can be used in all MasterCard ATMs worldwide and for purchases in over 24 million establishments.

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 2017 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, 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 trust activities, remittances, investment banking, and gains on foreclosed properties.

2016 Operational Highlights

Branch Banking

AUB's branch and ATM network 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 2016, the Parent bank has 216 branch networks nationwide. The 8 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.

In 2016, despite the challenges on term funding, and starting the year with a lower capital position due to high Net Unrealized loss on Available-for-sale investments, the group still managed to grow its portfolio from P56.731 billion to P77.295 billion.

Moving forward, the group will focus on the following activities:

Building up a robust pipeline of lending leads by improving coverage of the Bank's base of existing customers, and together with the Bank's branch banking group, assist in deepening and expanding the base of customer relationships of the Bank. To this end, the Bank will increase its ability to lend to provincial accounts where commercial and industrial activity is growing at a faster clip than in Metro Manila

Together with the Bank's frontliners, improve coordination and cross-selling of the Bank's products to increase account profitability

Maintain good asset quality by thorough account evaluation, watchful account management, as well as maintaining a well-diversified portfolio of accounts broadly spread across a range of productive sectors and across fast-growing geographic areas

In coordination with the Remedial Management Group, assist in the speedy resolution of problem credits and accounts

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. As of late 2015, AUB had its own Credit with the launching of AUB Easy MasterCard as the Bank's first credit card product. AUB Easy is the first credit card in the market that allows the cardholders to choose how often to pay, exactly when to pay and how much to pay. During the first quarter of 2016, the Cards Business launched its higher limit/premium credit cards, the AUB Classic, Gold and Platinum MasterCard targeting the Bank's branch banking clients. By the end of 2016, the Business ended with a 20,000 cardholder base.

The bank's wider geographical presence helped boost its consumer lending operations in 2016. Among the various loan market segments, AUB's real estate loans increased as the group offered competitive rates to level with the aggressive product offering and marketing approach of competitor Banks.

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. The increased presence nationwide and intensive cross-selling initiatives by account officers also increased the group's salary loans and pension loans.

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.

Investments in Treasury assets are projected to have a 9.4% compounded annual growth over the next 5 years. As a percentage of total bank assets, the proportion of Treasury Assets is expected to decline gradually to 17.60%, as the bank's lending business receives a larger share of the balance sheet growth in the coming years.

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 2016 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 five-year ranking category and second in the one-year ranking category with gains of 27.62% and 2.19%, respectively. 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 three-year category for medium-term bonds, with a return of 5.43%.

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 2016. The Fund delivered returns of 4.37%, 16.41%, and 29.76% for the one-year, three-year, and five-year rankings, respectively. The fund was recognized as the 2016 Best Managed Fund of the Year for the Bond Fund Medium-Term Dollar category of the CFA Society Philippines.

The AUB Equity Investment Fund (AUB EIF) also remained one of the top ten gainers in 2016 for the three- and five-year ranking categories with recorded gains of 13.16% and 43.9%, 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 2016 for the three-year ranking category. It recorded a three-year return of 4.32% for 2016.

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

Remittance

AUB continues to serve the remittance 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.

Although AUB's remittance business decreased to US\$633 million in 2016 from US\$788 million the previous year, the group is positive to grow its volume, projecting 13.7% compounded annual growth in the next five years. The launch of Redimoney Prepaid Mastercard during the last quarter of 2016 will also add to the volume as the group is expecting to see usage by 2017. The group is also seeing additional volume from several new partners targeted for their worldwide reach.

The bank's remittance business also benefited from the system enhancements made, including strengthening the remittance collection via SSS and Pag-ibig Online Collection Payments, collection system for overseas payments on real estate loan of OFWs 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>	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Commercial	1,808	24%	1,490	24%	1,660	26%
Consumer	1,320	17%	1,094	18%	977	16%
Treasury	390	5%	264	4%	813	13%
Branch Banking	3,789	50%	3,038	49%	2,535	40%
Others	262	4%	260	5%	286	5%
Total	7,569	100%	6,146	100%	6,271	100%

Net Income

<i>In millions except percentages</i>	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Commercial	918	40%	712	47%	978	58%
Consumer	460	20%	423	28%	377	22%
Treasury	(198)	-9%	(173)	-11%	10	1%
Branch Banking	1,069	46%	510	34%	293	17%
Others	56	3%	47	2%	31	2%
Total	2,305	100%	1,519	100%	1,689	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 14 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.

RediMoney Express PTE Ltd. (formerly Pinoy Express PTE Limited [Singapore]) 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 Board of Directors of Pinoy Express PTE Ltd., has approved the change of its corporate name to “RediMoney Express PTE Ltd.” subject to the necessary regulatory approvals. The change in the corporate name of Pinoy Express is consistent with AUB’s efforts to align all its remittance activities to be operated under the “Redimoney” brand.

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

<i>in PhP millions except for percentages</i>	2016	2015	2014
Rural Bank of Angeles			
Total Assets	1,268.18	1,007.02	997.33
Net Income	35.45	37.08	23.18
Return on Assets	3.01%	4.13%	2.75%
Net Interest Margin	13.89%	9.87%	8.28%
Cavite United Rural Bank			
Total Assets	392.92	317.81	265.09
Net Income	69.64	67.03	36.01
Return on Assets	18.87%	23.00%	14.52%
Net Interest Margin	11.74%	15.86%	18.74%
Asia United Leasing and Finance Corporation and subsidiary			
Consolidated Total Assets	1,672.40	1,577.86	1,649.33
Consolidated Net Income	39.25	3.46	17.72
Return on Assets	2.42%	0.22%	1.07%
Net Interest Margin	2.42%	0.81%	(14.00%)
RediMoney Express PTE Ltd			
Total Assets	68.42	77.99	
Net Income	0.37	(1.30)	
Return on Assets	0.50%	-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, 2016.

All Universal/Commercial Banks

<i>In million pesos</i>	UKB/KB	AUB Consolidated	Rank	AUB's Share of Total
Total Assets	13,342,768	165,501	15	1.24%
Total Loans	6,689,577	98,092	13	1.47%
Total Deposits	10,268,778	129,705	15	1.26%
Capital Accounts	1,352,701	23,606	12	1.75%

Domestic Universal/Commercial Banks

<i>In million pesos</i>	UKB/KB	AUB Consolidated	Rank	AUB's Share of Total
Total Assets	12,304,263	165,501	13	1.35%
Total Loans	6,354,338	98,092	13	1.54%
Total Deposits	9,617,378	129,705	14	1.35%
Capital Accounts	1,233,781	23,606	12	1.91%

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 GintongHatid 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. 866 Submission of Reports by Banks acting as Underwriters, Brokers, Dealers and Transfer Agents of Securities (s.2015)

BSP Circular No. 877 Amendments to the Guidelines on the Issuance of Long-Term Negotiable Certificates of Time Deposits

BSP Circular No. 880 Reportorial Requirements on Personal Equity and Retirement Account (PERA)

BSP Circular No. 887 Further Amendments to the Regulations on the Approval Confirmation of the Election Appointment of Directors & Officers

BSP Circular No. 895 Guidelines on Related Party Transactions of banks & their non-bank financial subsidiaries

BSP Circular No. 905 Implementation of BASEL III Framework on Liquidity Standards – Liquidity Coverage Ratio and Disclosure Standards

BSP Circular No. 906 Amendment to Regulations on Reserves Against TOFA-Others

BSP Circular No. 913 Revised Features of Monetary Operations under the Interest Rate Corridor (IRC) System

BSP Circular No. 920 Personal Management Trust

BSP Circular No. 923 Report on Repurchase Agreements of Banks/Quasi-Banks

BSP Circular No. 924 Clearing of Checks via Electronic Presentment

BSP Circular No. 927 Amendment to BSP Circular No. 910, Series of 2016, Increasing the Allowable Amount to be Exchanged by Overseas Filipinos (OFs) Under the NDS Banknote Exchange Facility from Php 10,000.00 to Php 50,000.00

BSP Circular No. 928 Amendments to the Regulations Governing Fees on Retail Bank Products/Services and Dormant Deposit Accounts

BSP Circular No. 931 New Service Fees for Banks' Deposit and Withdrawal Transactions and Amendments to Operational Processes under the Enhanced Cash Management Services and Guidelines on Clean Note and Coin Policy

BSP Circular No. 934 Amendments on the Treatment of Other Comprehensive Income in the Computation of BASEL III Risk-based Capital

BSP Circular No. 936 Guidelines on the Implementation of EMV Card Fraud Liability Shift Framework

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.

	AUB Consolidated		
	2016	2015	2014
Headcount	2,234	2,123	2,078
<i>% growth vs. last year</i>	<i>5.2%</i>	<i>2.2%</i>	<i>17.4%</i>
Officers	967	955	977
Staff	1,267	1,168	1,101
Total Headcount	2,234	2,123	2,078
<i>% of Officers to total</i>	<i>43.3%</i>	<i>45.0%</i>	<i>47.0%</i>

Talent acquisition, engagement and development remain to be the top three priorities as the bank moves forward.

AUB continues to strengthen its relationship with top colleges and universities to build its workforce. In addition, and as part of its corporate social responsibility mandate, student internship across different functional areas is done on an annual basis to provide a glimpse of corporate life and prepare future graduates for employment. Various in-house development programs are run on a regular basis to identify high potential and high performing staff to assume critical officer requirements in credit, sales and operations. An Account Officer Development Program was launched for the corporate and consumer units to hone the Account Officers' credit skills given the mandate to build and maintain a healthy loan portfolio. As part of succession management initiatives, the bank conducted two executive development programs in 2016 to broaden leaders' perspective as part of career development. These learning sessions were complemented by the AUB Institute, which has proven to be a valuable online tool in educating our people on bank products and services.

To reinforce control and operational efficiency and mitigate risks, a quality assurance unit was created in the branch banking group to support the need of the branches in the areas of

operations, regulatory requirements and customer servicing. This ensures the standard execution of policies and procedures across the branch network.

The challenge of capacity building remains a strategic priority. AUB remains committed to reinforcing employees' professional and personal development, and providing competitive compensation packages and wellness programs to sustain engagement.

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 ²	5,077,484,420	6,956,124,439	6,956,124,439
Information Technology Infrastructure ³	578,640,019	120,000,000	120,000,000
Payment of Branch Licenses ⁴	890,000.00	0.00	0.00
TOTAL	7,436,124,439	7,436,124,439	7,436,124,439

There were no payments for branch licenses for the years ended December 31, 2016 and 2015 as the bank used its existing branch licenses, including those obtained from its acquisitions of Cooperative Bank of Cavite Inc. And Asiatrust Development Bank in 2012 and from its acquisition of Cooperative Bank of Pampanga in 2015. The Bank opened 81 new branches from the time of its IPO in May 2013 up to September 30, 2014.

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

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

³ Used 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.

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

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, 2016, 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, 2016, AUB paid an aggregate of P298.976 million in rental payments under these leases.

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

In 2017, AUB plans to lease 15 more properties that will be used for the 15 new branches that it will open this 2017.

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 2016, 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:

		Share Price (PhP)		
Year	Quarter	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
2016	Q1	46.35	45.15	46.30
	Q2	47.35	46.50	47.35
	Q3	47.50	47.00	47.30
	Q4	47.95	47.50	47.95

The high and low sales prices of AUB at the Philippine Stock Exchange on April 11, 2017 were P48.85 and P48.80, respectively, with a closing price of P48.85.

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, 2016, AUB has 106 shareholders owning at least 1 board lot.

The total number of issued and outstanding shares is 485,310,538. 18.96% is owned by foreign entities, which is below the maximum limit of 40% for foreign ownership. In addition, 33.89% 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, 2016, 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	72,442,195	14.93%
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	15,468,263	3.19%
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	Ainsley James Ayroso Fu	15,000	0.00%
17	Jack D. Tan	15,000	0.00%
18	William T. Co	15,000	0.00%

19	Joaquin Q. Tan	15,000	0.00%
20	Co, Rufino L. or Co, Lucita Y.	15,000	0.00%
	Total Top 20, including PCD Nominee Accounts	485,124,588	99.97%
	Others	185,950	0.03%
	Total AUB	485,310,538	100.00%

3. Dividends

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

Pursuant to Republic Act 8791 and as provided for in the Manual of Regulations for Banks, AUB cannot declare dividends greater than its accumulated net profits then on hand, deducting there from its losses and bad debts. AUB cannot likewise declare dividends if at the time of its declaration it has not complied with the following:

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

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

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

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 2015, AUB saw 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.

In 2016, AUB is already making headways in its retail products such as, auto loans, mortgages, salary loans, and remittances. The bank continued to leverage on technology, making banking with AUB a seamless experience for customers regardless of the delivery channels they choose, whether they transact in the branches, ATMs, or through mobile and internet banking.

Moving forward, AUB will continue to show strong growth in its core lending business to corporates and SMEs.

The Group's branch network by end-2016 consisted of 239 branches and 6 micro-banking offices. The Parent Company opened only 8 new branches in 2016 to enable the branch banking personnel to focus on maximizing the deposits and lending potential of existing branches. For 2017, the parent company plans to open 15 new branches in restrictive and progressive areas where opportunities are greater. Beyond 2017, the bank shall open up to 10 branches a year.

The table below sets forth the Group's 2017 target and 2016 actual number of branches and headcount.

	2017	2016 Actual	+/-	% Change
Branches*				
Parent Company	231	216	15	6.9%
Subsidiary Banks	26	23	3	13.0%
Total Group	257	239	18	7.5%
Headcount				
Parent Company	2,110	1,936	174	9.0%
Subsidiary Banks	344	298	46	15.4%
Total Group	2,454	2,234	220	9.8%

*includes Micro-banking Offices

AUB plans to continue to grow its balance sheet size and profitability by double-digits in 2017. 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 (2016, 2015, 2014)

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, 2016 and 2015 and Statements of Income for the years ended December 31, 2016, 2015 and 2014, and the changes thereto as of and for the years then ended.

Analysis of Changes in Financial Condition – 2016 vs. 2015

As of December 31, 2016, the Group's total assets reached P165.501 billion, up by P11.945 billion (+7.78%) from P153.556 billion as of December 31, 2015. The predominant area of asset growth was in Due from BSP and Net Loans and Receivables, which increased by P12.526 billion and P4.634 billion, respectively.

In particular, Cash and Other Cash Items increased by 12.1% from P3.678 billion as of December 31, 2015 to P4.123 billion as of December 31, 2016. The increase is due to additional cash in vault of branches from increased deposits plus additional cash from 8 new branches from the Parent Bank for 2016.

Amounts Due from BSP increased by 61.6% from P20.329 billion as of December 31, 2015 to P32.855 billion as of December 31, 2016. This is on account of the Group's higher reserves coming from the growth in peso deposits. In contrast, amounts due from other banks decreased by 18.2% from P1.268 billion as of December 31, 2015 to P1.037 billion as of December 31, 2016 in line with the top management directives to reduce cash in bank.

Interbank Loans Receivable increased by 24.4% from P3.721 billion as of December 31, 2015 to P4.631 billion as of December 31, 2016 due to continued deposit growth.

Total Treasury Assets decreased by 24.5% from P23.591 billion as of December 31, 2015 to P17.801 billion as of December 31, 2016. Main contributor to the decrease is the P15.459 billion decrease in Available for Sale investments (AFS). AFS investments decreased by 88.1% from P17.551 billion as of December 31, 2015 to P2.091 billion as of December 31, 2016. This decrease was due the Bank's effort to rebalance securities holdings.

The decrease in AFS was partially offset by the increase in other Treasury assets. In particular, Financial Assets at Fair Value Through Profit or Loss also increased by 57.6% from P418.486 million as of December 31, 2015 to P659.382 million as of December 31, 2016. Held to Maturity

Investments (HTM) also increased by 167.7% from P5.622 billion as of December 31, 2015 to P15.050 billion as of December 31, 2016 to enhance the Bank's ability to provide a more stable income flow.

Loans and Receivables increased by 5.0% from P93.458 billion as of December 31, 2015 to P98.092 billion as of December 31, 2016. The growth in the bank's commercial loans is the primary contributor with P3.867 billion additional volume from P77.295 billion as of December 31, 2015 to P81.162 billion as of December 31, 2016. 2016 also show a more aggressive consumer lending activities for the Group with 24.2% increase in volume from P10.158 billion as of December 31, 2015 to P12.616 billion as of December 31, 2016. This is a result of the bank's continued efforts in maximizing its cross-selling potential for both commercial and consumer loans across all product types, including Credit Cards, Housing Loans, Auto Loans, and Salary Loans.

Property and Equipment decreased by 18.3% from P1.930 billion as of December 31, 2015 to P1.577 billion as of December 31, 2016. The bank added less Property and Equipment mainly due to the slowdown in branch expansion, opening only 8 branches for the Parent Bank in 2016. Total addition for 2016 is 7.3% lower than a year ago with P415.132 million in 2016 from P448.001 billion in 2015. Significant change is seen on the disposal of Equipment for Lease with P399.046 million in 2016 from only P137.500 million in 2015 due to sale of BMW motor vehicles by AULFC as part of the group's agreement with Asian Carmakers Corp.

No significant change on intangible assets, which consist of payments for branch licenses and software costs, showing only an increase of 0.9% from P1.957 billion as of December 31, 2015 to P1.974 billion as of December 31, 2016.

The Group's total liabilities increased by 6.0% from P133.685 billion as of December 31, 2015 to P141.732 billion as of December 31, 2016.

In particular, total deposits increased by 10.6% from P117.244 billion as of December 31, 2015 to P129.705 billion as of December 31, 2016 as a result of the Group's more intensified deposit-generation campaign for branch banking and other business segments.

Bills Purchased and Securities Sold Under Repurchase Agreement decreased 60.0% from P7.611 billion as of December 31, 2015 down to P3.044 billion as of December 31, 2016 as alternative funding sources improved.

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.

The Bank's surplus, excluding surplus reserves, increased by 15.9% from P11.479 billion as of December 31, 2015 to P13.301 billion as of December 31, 2016. Increase of P1.823 billion comes from the Group's P2.305 billion Net Income for the year partially offset by P485.311 million total cash dividend distributed last September 1, 2016 and October 6, 2016.

The bank's Net Unrealized Loss on Available-for-Sale Investments recovered from a P3.304 billion unrealized loss as of December 31, 2015 to P1.332 billion unrealized loss as of December 31, 2016 due to the overall improvement of bond market conditions.

Analysis of Results of Operations – 2016 vs. 2015

Coming from a 10.1% net income reduction in 2015, the Group rebounded with a net income of P2.305 billion in 2016, 51.8% higher than P1.519 billion a year ago. The increase is due to the increase in interest earning assets and increase in gains from Trading and Securities, and Foreign Exchange.

Interest Income

In particular, AUB's consolidated total interest income increased by 18.9% to P7.268 billion for the year ended December 31, 2016 from P6.111 billion for the year ended December 31, 2015. Interest income from loans and receivables increased by 21.5% to P5.734 billion for the year ended December 31, 2016 from P4.718 billion for the year ended December 31, 2015. The Group succeeded in increasing its lending activities to corporates and the retail market, recording a P4.634 billion increase Year-on-year, to improve the Group's profitability.

Interest income on trading and investment securities held under the HTM, AHS and HFT classification declined slightly by P19.110 million (-1.5%) year-on-year due to a reduced treasury assets. On the other hand, interest income on Interbank Loans Receivable increased by 480.5% from P24.391 million as of December 31, 2015 to P141.588 million as of December 31, 2016 due to a more conservative strategy given the impending Fed rate increase.

Interest income from Deposits with Banks and Others also increased by 50.3% to P108.921 million for the year ended December 31, 2016 from P72.469 million for the year ended December 31, 2015. 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 18.2% to P1.586 billion for the year ended December 31, 2016 from P1.342 billion for the year ended December 31, 2015. Despite the 10.6% increase Deposit Liabilities, no significant movement was seen on the corresponding interest expense, decreasing slightly by 0.3% from P1.162 billion for 2015 to P1.159 billion for year 2016. The P2.911 million decrease is primarily due to the decrease in high-cost Time deposits.

Interest expense on Bills Payable, Subordinated Debt and Other Borrowings increased by 137.0% from P180.197 million as of December 31, 2015 to P427.113 million as of December 31, 2016 due to cost of Tier II Subordinated Debt.

Net Interest Income

Net interest income increased by 19.1% to P5.681 billion for the year ended December 31, 2016 from P4.769 billion for the year ended December 31, 2015. The Group's net interest margin ratio increased to 4.44% in 2016 versus 4.33% in 2015 as the Group continues to manage and provide competitive rates on interest-earning assets against the interest-bearing deposits.

Non-Interest Income

AUB's non-interest income increased by 37.1% to P1.887 billion for the year ended December 31, 2016 from P1.377 billion for the year ended December 31, 2015.

In particular, non-interest gain from Trading and Securities contributed hugely to the bank's income which ended the year 2016 with P434.283 million, an increase of P342.600 million from P91.683 million for the year ended December 31, 2015. The increase is mainly attributed to bond rally during the year.

Service Charges, Fees, and Commissions also increased by 5.8% to P787.193 million for the year ended December 31, 2016 from P744.314 million for the year ended December 31, 2015 as a result of increase in the group's business transactions.

Foreign exchange gain also increased by 269.8% from P26.170 million as of December 31, 2015 to P96.781 million as of December 31, 2016 due to increase in trading volume.

Trust Income rose 10.1% to P46.802 million for the year ended December 31, 2016 from P42.522 million for the year ended December 31, 2015 in line with the increase of Trust investment volume.

Miscellaneous income increased by 10.7% to P522.228 million for the year ended December 31, 2016 from P471.909 million for the year ended December 31, 2015 coming from gains on sale of Property and Equipment and gains on sale of Investment Properties.

Operating Expenses

AUB's total operating expenses, including Provision for Credit and Impairment Losses, increased by P526.045 million (+12.0%) to P4.911 billion for the year ended December 31, 2016 from P4.385 billion for the year ended December 31, 2015.

The Provision for Credit and Impairment Losses increased by P397.723 million (+65.7%) on account of increased provision on AFS Securities (+P237.615 million), and on Loans and Receivables (+P131.809 million). Compensation and Fringe Benefits increased by P71.552 million (+6.0%) largely due to the increase in both branch-based and Head Office personnel. Other branch-related expenses such as Taxes and Licenses; Insurance; Rent; Postage, Telephone, Cables and Telegrams; Repairs and Maintenance; and Amortization of Intangibles also increased due to the branch network expansion and growth in banking transactions. On the other hand, Freight Expenses decreased by P6.437 million (-5.3%) because of the lower volume of courier based remittances in 2016.

Due to the high increase in the group's Operating income (+23.2%) from P6.145 billion for year ended December 31, 2015 to P7.569 billion for year ended December 31, 2016, the Group's operating expense ratio (net of provision for losses) decreased to 51.6% from 61.5%.

Provision for (Benefit from) Income Tax

On account of a higher taxable income in 2016 versus year-ago, AUB recorded a 46.1% increase in its Provision for Income Tax to P352.928 million for the year ended December 31, 2016 from P241.616 million for the year ended December 31, 2015.

Net Income

To summarize, AUB posted a net income of P2.305 billion in 2016, 51.8% higher than P1.519 billion a year ago. The group's total operating income increased by 23.2% to P7.569 billion due to the 19.1% increase in Net Interest income and 37.1% increase in non-interest income. The

Group was able to manage cost more effectively as the cost to income ratio decreased to 51.6% versus 61.5% a year ago.

The Group's net income for the year ended December 31, 2016 translated to a Return on Assets of 1.43% and a Return on Equity of 10.53%.

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, 2014. 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 ~~ex~~ 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%.

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.

	2016	2015	2014
Return on average assets	1.43	1.09	1.46
Return on average equity	10.53	7.62	8.85
Net interest margin	4.44	4.33	4.57
Cost-to-income ratio	51.64	61.51	53.85
Asset growth	7.78	23.05	18.80

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 2017 to 2021, 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>	2016	2015	2014
Trust Department accounts(Note 29)	16,419	12,475	10,845
Standby letters of credit	1,567	2,400	4,129
Unused commercial letters of credit	1,144	1,119	980
Outstanding guarantees issued	357	338	495
Inward bills for collection	254	380	178
Late deposits / payments received	100	93	34
Outward bills for collection	6	17	0
Others	2	1	4
Total	19,849	16,823	16,665

iv. Material Commitments for Capital Expenditures

In 2017, 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 are consistent with those of the previous financial year except for the adoption of the following amended standards, which became effective beginning January 1, 2016. Unless otherwise indicated, adoption of these amended standards did not have material impact to the Group.

- PFRS 11, *Joint Arrangements: Accounting for Acquisitions of Interests*
- Philippine Accounting Standards (PAS) 16 and PAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization*
- PAS 16 and PAS 41, *Agriculture: Bearer Plants*
- PAS 1, *Disclosure Initiative*
- PFRS 10, PFRS 12, and PAS 28, *Investment Entities: Applying the Consolidation Exception*
- *Annual Improvements to PFRSs (2012 - 2014 Cycle)*
 - Amendment to PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations, Changes in Methods of Disposal*
 - Amendment to PFRS 7, *Financial Instruments: Disclosures, Servicing Contracts*
 - Amendment to PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
 - Amendment to PAS 19, *Employee Benefits, Discount Rate: Regional Market Issue*
 - Amendment to PAS 34, *Interim Financial Reporting, Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Amendments to PAS 27, *Separate Financial Statements, Equity Method in Separate Financial Statements*

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

To comply with BSP Circular No. 915, *Amendments on Accounting Guidelines for Prudential Reporting to the BSP*, the Parent Company changed its method of accounting for its investments in subsidiaries from the cost method to the equity method. The change in the accounting policy was applied retrospectively, with impact to the Parent Company's statements of condition, statements of income and statements of comprehensive income.

For more information, please refer to Note 2 of the Group's Audited Financial Statements.

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, 2016 and 2015 and for the years ended December 31, 2016, 2015, and 2014 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, 2016 and 2015 and for the years ended December 31, 2016, 2015, and 2014 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.

	2016	2015	2014
Audit and audit-related fees*	2.16	2.11	1.85
Tax fees	0.00	0.00	0.00
All other fees	0.00	2.80	1.05
Total	2.16	4.99	2.90

**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 2017.

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 24, 2016.

a. Directors

The following table presents the list of Directors, including Independent Directors, and Executive Officers as of March 31, 2017. Their business experience, education, and other directorships held in reporting companies are written thereafter.

No.	Name	Age	Citizenship	Position
1	Jacinto L. Ng, Sr.	75	Filipino	Chairman of the Board
2	Ramon Y. Sy	86	Filipino	Vice-Chairman of the Board
3	Abraham T. Co	68	Filipino	President and Chief Executive Officer / Director
4	Lin Hong Dow	58	Taiwanese	Director
5	Atty. Lily K. Gruba	67	Filipino	Director
6	George T. Chua	62	Filipino	Director
7	Atty. Maria Gracia M. Pulido-Tan	61	Filipino	Independent Director
8	Justice Adolfo S. Azcuna	78	Filipino	Independent Director
9	Jacob C. Ng	40	Filipino	Director
	Jonathan C. Ng	46	Filipino	Director until 20 December 2016
	Benjamin E. Diokno, Ph. D	69	Filipino	Independent Director until 28 June 2016
	Atty. A Bayani K. Tan	61	Filipino	Director and Corporate Secretary until 22 July 2016

1. Jacinto L. Ng, Sr.

Mr. Jacinto L. Ng, Sr., 75, 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, 86, 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, 68, 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. Lin Hong Dow

Mr. Lin Hong Dow, or Mr. Eric Lin (English name), 58, Taiwanese, was a Director of AUB from 1997 until 2013. He was re-appointed as Director this December 2016. Also, he is the Chairman of Kuo Yu Development Co. since 1990, and he is the President of the Chinese Taipei Olympic Committee since 2014.

He holds a degree in Civil Engineering from Private Kainan Commercial & Technical School.

5. Atty. Lily K. Gruba

Atty. Lily K. Gruba, 67, 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, 62, 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. Atty. Maria Gracia M. Pulido-Tan

Atty. Maria Gracia M. Pulido-Tan, 61, Filipino, was first elected as Independent Director of AUB and its subsidiary, Rural Bank of Angeles in July 2007 and served until 2011. She was re-elected as Independent Director of AUB this July 2016 after serving as Chairperson of the Commission on Audit from 2011 to 2015. She serves as a member of the Board of Trustees of International Budget Partnership in Washington D.C., USA. She is also a Director of Trifels, Inc. and Galileo Software Services, Inc. She is also an arbitrator for the Construction Industry Arbitration Council; an International Consultant for World Bank, Washington D.C., USA; a member of the Panel of Arbitrators of the International Centre for Settlement of Investment Disputes (ICSID), Washington D.C., USA; a member and Vice Chairman of the United Nations Independent Audit Advisory Committee, New York, USA; and a professorial lecturer of the University of the Philippines College of Law. Prior to joining AUB in 2007, she was a Director of United Coconut Planters Bank, a Founding and Senior Partner of Tan & Venturanza Law Offices, a Tax Specialist of KPMG Peat Warwick Main & Co., and an associate of Sycip Salazar Feliciano & Hernandez. She held various positions in Asian Development Bank from 2005 to January 2016, a Legal Consultant for the Canadian International Development Agency/Bearing Point Inc. Philippines from 2007 to 2008 as well as for the Ways and Means Committee of the Philippine Senate in 2006, an Undersecretary of the Department of Finance from 2003 to 2005, and a Commissioner for the Presidential Commission on Good Government from 2002 to 2003. She is a columnist for the Manila Bulletin, and is also a Tax Consultant and Legal Adviser to various private clients among others.

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

8. Justice Adolfo S. Azcuna

Justice Adolfo S. Azcuna, 78, 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. Jacob C. Ng

Mr. Jacob C. Ng, 40, Filipino, was elected as Director of AUB in July 2016. He is also the First Vice President, Chief Transformation Officer, and Head of Consumer Lending Group. In addition, he serves as a Director of AULFC and Rural Bank of Angeles. Mr. Ng was Program Manager for Citibank from 2005 to 2007, a Business Management Team Leader for Earth+Style Development Corporation from 2000 to 2002, and a Customer Management Officer for Extraordinary Development Corporation from 1998 to 2000.

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

10. Jonathan C. Ng

Mr. Jonathan C. Ng, 46, 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.

Mr. Ng served as Director of AUB until 20 December 2016.

11. Benjamin E. Diokno, Ph. D.

Mr. Benjamin E. Diokno, 69, Filipino, was an Independent Director of AUB since August 2011. He was 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.

Mr. Diokno served as Independent Director until 28 June 2016 before being appointed as the Secretary for the Department of Budget and Management.

12. Atty. A. Bayani K. Tan

Atty. A. Bayani K. Tan, 61, Filipino, was a Director and the Corporate Secretary of the Corporation (since February 2014 as Corporate Secretary⁵, since June 2014 as Director⁶, 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

⁵ As approved by BangkoSentral ng Pilipinas on December 29, 2014

⁶ Ibid.

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, 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.

Atty. 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.

Atty. Tan served as Director and Corporate Secretary of AUB until 22 July 2016.

b. Senior Officers

The table below presents the list of AUB's Executive Officers as of March 31, 2017. Their business experience, education, and other directorships held in reporting companies are written thereafter.

No.	Name	Age	Citizenship	Position
1	Abraham T. Co	68	Filipino	President / Director
2	Isabelita M. Papa	68	Filipino	Executive Vice President
3	Manuel A. Gomez	63	Filipino	Executive Vice President
4	Antonio V. Agcaoili, Jr.	54	Filipino	Executive Vice President
5	Sandy W. Tan	67	Filipino	Senior Vice President
6	Willy G. Ng	63	Filipino	Senior Vice President
7	Florante C. Del Mundo	59	Filipino	Senior Vice President
8	Rosario M. Dayrit	53	Filipino	Senior Vice President
9	Andrew A. Chua	51	Filipino	Senior Vice President
10	Wilfredo E. Rodriguez, Jr.	47	Filipino	Senior Vice President
11	Catherine C. Uy	47	Filipino	Senior Vice President
12	Victorio C. Sison	72	Filipino	Senior Vice President
13	Andrew T. Yap	48	Filipino	Senior Vice President

14	Lela S. Quijano	48	Filipino	Senior Vice President
15	Amelia S. Sison	50	Filipino	Senior Vice President
16	Herminia C. Musico	63	Filipino	Treasurer
17	Cynthia P. Santos	63	Filipino	Chief Compliance Officer
18	Soledad O. Reyes	45	Filipino	Chief Finance Officer
19	Kristel D. Guto	34	Filipino	Corporate Planning and Investor Relations Officer / PSE and SEC Compliance Officer and Corporate Information Officer
20	Atty. Jason C. Nalupta	45	Filipino	Corporate Secretary
21	Atty. Christine Marie D. Aragon	29	Filipino	Assistant Corporate Secretary
	Atty. Ria Carmela R. Cruz	32	Filipino	Assistant Corporate Secretary until 24 February 2017

1. Abraham T. Co

Mr. Abraham T. Co, 68, 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.

2. Isabelita M. Papa

Ms. Isabelita M. Papa, 68, 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, 63, 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., 54, 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, 67, 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. Willy G. Ng

Mr. Willy G. Ng, 62, 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.

7. Florante C. Del Mundo

Mr. Florante C. Del Mundo, 59, 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.

8. Rosario M. Dayrit

Ms. Rosario M. Dayrit, 53, 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.

9. Andrew A. Chua

Mr. Andrew A. Chua, 51, 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.

10. Wilfredo E. Rodriguez, Jr.

Mr. Wilfredo E. Rodriguez, Jr., 47, 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.

11. Catherine C. Uy

Ms. Catherine C. Uy, 47, 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.

12. Victorio C. Sison

Mr. Sison, 72, 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, he was with subsidiaries PNB National Warehousing Corporation (a construction and warehousing company) and PNB-Philippine Exchange Company (an insurance and financing company), for 18 years, handling administrative and finance functions.

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

13. Andrew T. Yap

Mr. Andrew T. Yap, 48, Filipino, joined AUB in 2008. He is currently the Senior Vice President and Head of Account Management Group. He started at AUB as First Vice President and Head of Investment Banking Group from 2008 to 2015 before becoming Head of Account Management Group. Mr. Yap worked at SGV & Co in 1990, and moved to Metro Pacific Company in 1991. He worked as an Account Executive for Steniel Manufacturing Company in 1992, and moved to Lechon Family Company as Managing Partner in 1993 until 1995. He moved to AB Capital & Investment Company working with the Investment Banking Division until 1996. He transferred to ING Bank N.V. – Manila Branch under Corporate Finance in 1996 until 2008 before joining AUB.

Mr. Yap holds a Bachelor's degree in Business Management – Honors Program from the Ateneo de Manila University.

14. Lela S. Quijano

Ms. Lela S. Quijano, 48, Filipino, joined AUB in 2003 as Assistant Vice President. She is currently the Senior Vice President and Head of Remedial Management Group. Ms. Quijano started her career as Associate Auditor for ABN AMRO Savings (formerly BA Savings Bank) in 1989. She moved to Solidbank Corporation as Manager in 1993 until 2000. She then transferred to Philippine Savings Bank and became Senior Manager in 2001 until 2002. She became Assistant Vice President of Chinatrust Bank in 2002 until 2003 before transferring to AUB.

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

15. Amelia S. Sison

Ms. Amelia S. Sison, 50, Filipino, joined AUB in 2002. She is currently the Senior Vice President and Region Head. She started in AUB as a Branch Manager in 2002 until 2011. In

2012, she became Area Head. And in 2014, she became First Vice President. Ms. Sison started her career in BPI in 1992. She transferred to International Exchange Bank as Sales Officer in 1997. She then moved to Union Bank of the Philippines as Business Manager in 2001 until 2002.

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

16. Herminia C. Musico

Ms. Herminia C. Musico, 63, Filipino, joined AUB in 1997. She was elected Treasurer in 2017, is currently on Management Contract with the AUB Financial Controllers Group and is currently a Director and Treasurer of Cavite United Rural Bank (CURB) and Director of Rural Bank of Angeles (RBA). She started in AUB as the Assistant Vice President/Head of Financial Controllers Group. She began her career as a Senior Auditor at SGV & Co. in 1975. She also worked at various other companies before joining AUB.

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

17. Cynthia P. Santos

Ms. Cynthia P. Santos, 63, Filipino, joined AUB in 2015. She is currently the First Vice President, Chief Compliance Officer and Group Head of the Compliance Unit. Prior to her appointment as Chief Compliance Officer, she was the head of Corporate Planning and Investor Relations, and the SEC and PSE Compliance Officer and Corporate Information Officer. She has more than 15 years of banking experience with RCBC, the latest role of which was First SVP of Overseas Filipino Banking/Telemoney Group Head. She was also President and Director of RCBC North America, Inc., and director of RCBC Telemoney Europe, SpA, and RCBC International Finance Ltd. Prior to this, she was SVP / Head of the Corporate Planning Group for 5 years. Ms. Santos likewise held senior positions with Rizal Equities, Inc.; Yamaichi Securities (Philippines), Inc.; and C. Virata & Associates, Inc. (Management Consultancy); and worked with government for 11 years.

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

18. Soledad O. Reyes

Ms. Soledad O. Reyes, 45, Filipino, joined AUB in 2000. She is currently the Vice President, Chief Finance Officer, and Group Head of Financial Controllers Group. She first started her career in the banking field in Asian Bank Corporation in 1993 until 2000 where she held various positions under Treasury Accounting prior to AUB.

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

19. Kristel D. Guto

Ms. Kristel D. Guto, 34, Filipino, joined AUB in 2011. She is currently the Corporate Planning and Investor Relations Officer, and the SEC and PSE Compliance Officer and Corporate Information Officer. She started as a Management Trainee in 2011, and then became the

Branch Banking Operations Officer in that same year. In 2015, she was appointed as Corporate Planning Officer. Prior to AUB, she worked for Innodata, Inc. from 2004 until 2010 as a Physics Information Analyst.

Ms. Guto holds a degree in Bachelor of Science in Applied Physics and a Masters Degree in Business Administration both from the University of the Philippines.

20. Atty. Jason C. Nalupta

Atty. Jason C. Nalupta, Filipino, 45, is the Corporate Secretary of the Corporation. He is also currently the Corporate Secretary or Assistant Corporate Secretary of listed firms A. Brown Company, Inc., Pacific Online Systems Corporation, and Crown Asia Chemicals Corporation. He is also a Director and/or Corporate Secretary or Assistant Corporate Secretary of private companies Belle Corporation; Sino Cargoworks Agencies, Inc.; Falcon Resources, Inc.; Mercury Ventures, Inc.; Total Gaming Technologies, Inc.; Parallax Resources, Inc.; SLW Development Corporation; Metropolitan Leisure & Tourism Corporation; Sagesoft Solutions, Inc.; Radenta Technologies, Inc.; Xirrus, Inc.; Glyphstudios, Inc.; Grabagility, Inc.; Manila Goldcoast Development Corporation; Lucky Circle Corporation; Loto Pacific Leisure Corporation; Basic Leisure Networks, Inc.; Stage Craft International, Inc.; and Sta. Clara International Corporation. He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate, securities, and business laws.

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

21. Atty. Christine Marie D. Aragones

Atty. Christine Marie D. Aragones, Filipino, 29, is the Assistant Corporate Secretary of the Corporation. She is also currently the Corporate Secretary or Assistant Corporate Secretary of the following corporations: Vantage Equities, Inc.; PhilEquity Management, Inc.; Avery Integrated Hub Inc.; E-Business Services, Inc.; eBiz Financial Services, Inc.; iCurrencies, Inc.; Expresspay, Inc.; Green Asia Resources; Goodyear Steel Pipe Corporation; Mintank Logistics Inc.; and Saiei Online English Inc. She is a lawyer at Tan Venturanza Valdez Law Offices specializing in corporate, securities, and tax laws.

Atty. Aragones earned her Juris Doctor degree in law, as well as her Bachelor of Arts degree in Philosophy, from the Ateneo de Manila Law School in 2013 and the Ateneo de Manila University in 2009, respectively. Atty. Aragones was admitted to the Philippine Bar in 2014.

22. Atty. Ria Carmela R. Cruz

Atty. Ria Carmela R. Cruz, 32, 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.

Atty. Cruz was the Assistant Corporate Secretary until 24 February 2017.

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

Mr. Jacob Ng, one of the current directors, and Mr. Jonathan Ng, former director, are sons 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, 2016, 2015 and 2014.

Summary Compensation Table

<i>In PhP millions</i>	Year	Salary	Bonus	Aggregate Compensation
Total of CEO and the four most highly compensated executive officers	2016	23.435	7.812	31.247
	2015	22.101	7.367	29.468
	2014	20.585	6.862	27.447
Aggregate compensation of all other officers and Directors as a group	2016	88.873	29.624	118.497
	2015	92.822	29.401	117.602
	2014	91.462	27.559	119.021

**2016 included Abraham T. Co, CEO, Isabelita M. Papa, Manuel A. Gomez, Antonio V. Agcaoili, Jr. and Herminia C. Musico.*

***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.*

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 4.20 million, 4.62 million, and 3.60 million in 2016, 2015, and 2014, 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, 2016, 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, 2016.

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 ⁷ 58 Gen. Luis St. Novaliches, Quezon City, Philippines	(see footnote)	Filipino	158,399,535	32.64%
Common	Kuo Yu Philippines Holdings Corporation ⁸ Joy~Nostalg Center 17 ADB Avenue, Ortigas Center Pasig City, Philippines	(see footnote)	Filipino	90,000,000	18.54%
Common	PCD Nominee Corporation ⁹ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	72,442,195	14.93%
Common	Lambda Holdings Corporation ¹⁰ G/F Cedar Mansion II J. Escriva Drive, Ortigas Center, Pasig City Philippines	(see footnote)	Filipino	71,999,850	14.84%

⁷Republic 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.

⁸Mr. 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.

⁹PCD 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 7.58%).

¹⁰Lambda 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.

2. Security Ownership of Management

The table below sets forth the shares owned by directors and executive officers as of December 31, 2016.

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	Lin Hong Dow	15	Direct	Foreign	0.00%
Common Stock	Lin Hong Dow ¹¹	90,000,000	Indirect	Foreign	18.54%
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	Atty. Maria Gracia M. Pulido-Tan	100	Direct	Filipino	0.00%
Common Stock	Jacob C. Ng	9,450	Direct	Filipino	0.00%
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	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	Andrew T. Yap	10,000	Direct	Filipino	0.00%
Common Stock	Lela S. Quijano	0	Direct	Filipino	0.00%
Common Stock	Amelia S. Sison	1,815	Direct	Filipino	0.00%
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%
Common Stock	Victorio C. Sison	0	Direct	Filipino	0.00%
Common Stock	Atty. Jason C. Nalupta	0	Direct	Filipino	0.00%
Common Stock	Cynthia P. Santos	0	Direct	Filipino	0.00%
Common Stock	Kristel D. Guto	0	Direct	Filipino	0.00%
TOTAL¹²		90,451,115			18.64%

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, 2017, there are no arrangements which may result in a change in control of the no of registrant.

¹¹This is the Indirect Shares of Kuo Yu Philippines Holdings Corporation.

¹²Total number of beneficial shares in this table does not include the indirect beneficial shares in Rebisco Corporation, and Lambda Holdings Corporation.

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

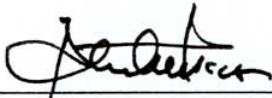
ITEM 13. ANNUAL CORPORATE GOVERNANCE REPORT

Please refer to the attached Consolidated ACGR with 2016 updates.

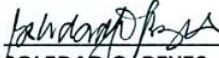
SIGNATURES

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, Philippines, on April 12, 2017.

By:



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



SOLEDAD O. REYES
Vice President / Chief Finance Officer
Financial Control Group



ATTY. CHRISTINE MARIE D. ARAGONES
Assistant Corporate Secretary

17 APR 2017

SUBSCRIBED AND SWORN to before me this _____ day of April, 2017 affiant(s) exhibiting to me his/her passport, as follows:

NAMES	DOCUMENT NO.	DATE OF ISSUE	PLACE OF ISSUE
Abraham T. Co	Passport No: EC2189730	Sept. 24, 2014	DFA MANILA
Soledad O. Reyes	Passport No: P1720410A	Jan 23, 2017	DFA NCR EAST
Atty. Christine Marie D. Aragon	Passport No: EB2083711	Mar. 12, 2011	DFA MANILA

Notary Public

RAMONCITO TOMAS F. PACIS

COMMISSION NO. 66 (2017-2018)

NOTARY PUBLIC FOR PASIG CITY

UNTIL DECEMBER 31, 2018

32ND FLOOR, JOY-NOSTALG CENTER,

#17 ADB AVENUE, ORTIGAS CENTER, PASIG CITY

ROLL NO. 40685

PTR NO. 2515216; 1/4/17; PASIG CITY

IBP NO. 1054169; 12/19/16; QUEZON CITY

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Book No.

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Series of

2017

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, 2016 and the first quarter of 2017.

No.	Report Date	Description of Disclosure
1	Feb. 24, 2017	Resignation and Election of Assistant Corporate Secretary and Treasurer
2	Dec. 20, 2016	AUB SEC 17-C Resignation and Election of Directors and Officers
3	Nov. 17, 2016	AUB SEC Form 17-C Change in Designation of Ms. Soledad Reyes
4	Nov. 14, 2016	Press Release: AUB's 9 months net income up 52%
5	Oct. 25, 2016	AUBC SEC Form 17-C Resignation and Appointments Directors and Senior Officers
6	Sept. 30, 2016	Press Release: AUB declares cash dividend
7	Aug. 26, 2016	SEC 17-C Declaration of Cash Dividends
8	Jul. 28, 2016	Press Release: AUB 1st-half income up 44%
9	Jul. 22, 2016	AUB SEC Form 17-C Resignation, Retirement & Appointment Senior Officers
10	Jul. 12, 2016	AUB SEC Form 17-C Resignation, Retirement & Appointment Senior Officers
11	Jun. 24, 2016	SEC 17-C Declaration of Cash Dividends
12	Jun. 24, 2016	AUB SEC 17-C Special Board Meeting for June 2016
13	Jun. 24, 2016	AUB SEC Form 17-C Resignation, Retirement & Appointment Senior Officers
14	Jun. 3, 2016	AUB SEC 17-C Change of Corporate Name of Subsidiary
15	May 27, 2016	AUB SEC Form 17-C Resignation, Retirement & Appointment Senior Officers
16	May 23, 2016	AUB SEC 17-C Audit Committee Self-Assessment
17	May 13, 2016	Press Release: AUB's 1st-qtr. net income jumps 27.6%
18	Apr. 22, 2016	AUB SEC Form 17-C Resignation, Retirement & Appointment Senior Officers
19	Apr. 8, 2016	AUBC SEC Form 17-C Interlocking Positions of Atty. A. Bayani K. Tan
20	Jan. 22, 2016	Resignation of Senior Officer & Changes in Composition of Board-Level Committees
21	Jan. 11, 2016	AUB Consolidated Changes on ACGR Report for 2015
22	Jan. 5, 2016	Directors' Attendance in Board Meetings for the year 2015

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	66
29-2	Organizational Structure	68
29-3	Supplemental Risk Management Discussion	69
29-4	Bank-Owned Properties excluding ROPA	85
29-5	Leased Properties	86
29-6	Consolidated Statements of Condition (Comparative)	94
29-7	Consolidated Statements of Income (Comparative)	96

ASIA UNITED BANK CORPORATION
EXHIBIT 29-1 – LIST OF PRODUCTS AND SERVICES (1 of 2)
AS OF DECEMBER 31, 2016

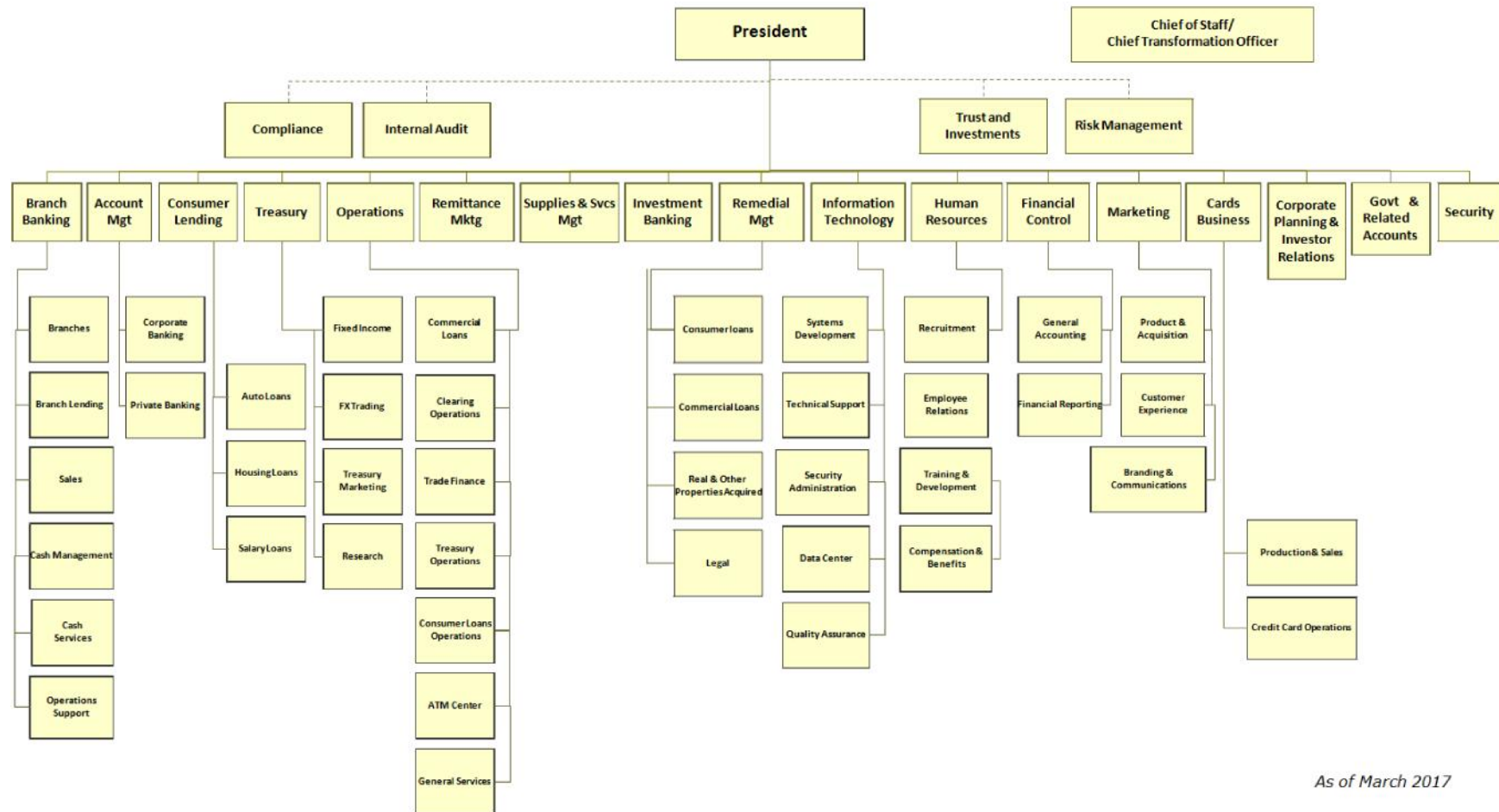
Deposit Account Products	Credit and Loan Facilities		Treasury Services
<ul style="list-style-type: none"> • Preferred Peso Checking • Preferred Peso Savings • Preferred Savings Plus • Preferred Time Deposit • Preferred Dollar Savings • Preferred Dollar Time Deposit • Preferred Renminbi Account (Foreign Currency Savings Account) • Starter Savings • 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) • AUB Easy MasterCard • AUB Classic MasterCard • AUB Gold MasterCard • AUB Platinum MasterCard 	<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) • 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, 2016

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 • e-Gov • BalanceChecker • e-Banker • Manager's Check Writing Facility 	<ul style="list-style-type: none"> • PreferredATM • 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 DECEMBER 31, 2016

AUB Functional Organization



ASIA UNITED BANK CORPORATION
EXHIBIT 29-3 - SUPPLEMENTAL RISK MANAGEMENT DISCUSSION
AS OF DECEMBER 31, 2016

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 ICRRS 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	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.
	External:	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	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> <p>The borrower and its principals still have good credit standing with the creditors and trade suppliers, without any history of past due.</p>
Credit Quality		ICRRS Grade	Description
		Good 3	<p>The borrower has very limited access to external funding sources.</p> <p>The risk elements for AUB are sufficiently pronounced, although borrowers should still be able to withstand normal business cycles.</p> <p>Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels.</p>
	External:	Ba1	Have speculative elements and is subject to substantial credit risk
		Ba2-Ba3 B1	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	<p>The borrower is vulnerable to non-payment but payments are still being made.</p> <p>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.</p>
		Doubtful	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 December 2016 is as follows:

Credit Risk-Weighted Assets in million Php	
Total Risk Weighted On-Balance Sheet Assets (Schedule A)	111,163.1
Total Risk-Weighted Off-Balance Sheet Assets (Schedule B)	1,274.2
Total Counterparty Risk-Weighted Assets in the Banking Book (Derivatives and Repo-style Transactions) (Schedule C)	627.5
Total Risk-Weighted Amount of Credit Linked Notes in the Banking Book (Schedule D)	745.8
Total Gross Risk-Weighted Assets	113,810.7

Schedule A (In million Php)		
On-Balance Sheet Assets		
	Total Credit Risk Exposure	Total Credit
	After Risk Mitigation	Risk Weighted Assets
Cash on Hand	4,110.6	-
Checks and other Cash Items	24.1	4.8
Due from BSP	32,855.0	-
Due from other Bank	1,045.1	800.8
Financial Assets Designated at Fair Value	28.3	28.3
Available for Sale (AFS) Financial Assets	2,182.1	2,238.1
Held-to-Maturity (HTM) Financial Assets	12,624.7	7,123.2
Unquoted Debt Securities Classified as Loans	288.4	288.4
Loans and Receivables	101,533.8	97,405.9
Sales Contract Receivable (SCR)	419.0	426.9
Real and Other Properties Acquired	628.4	942.6
Total Exposures Excluding Other Assets	155,739.4	109,259.0
Other Assets	1,904.1	1,904.1
Total Exposures Including Other Assets	157,643.5	111,163.1
Total Risk Weighted On Balance Sheet Assets		111,163.1

Schedule B (In million Php)		
Off-Balance Sheet Assets		
	Credit Equivalent Amount	Total Credit
		Risk Weighted Assets
Direct credit substitutes	238.1	238.1
Transaction-related contingencies	1,567.1	783.6
Trade-related contingencies arising from movement of goods	1,262.7	252.5
Other commitments which can be unconditionally cancelled at any time by the bank	32,096.7	-
Total	35,164.7	1,274.2

Schedule C (In million Php)		
Counterparty Risk-Weighted Assets		
in the Banking Book	Credit Equivalent Amount	Total Credit
		Risk Weighted Assets

Exchange Rate Contracts	43.2	37.2
Counterparty Exposures Arising from Financial Assets Sold/Lent under Repurchase Agreements, Certificates of Assignment/Participation with Recourse, Securities Lending and Borrowing Agreements	1,180.5	590.3
Total Counterparty Risk-Weighted Assets in the Banking Book	1,223.8	627.5

Schedule D (In million Php)	
Total Risk-Weighted Amount of Credit Linked Notes in the Banking Book	
Amount of Protection (Fair Value of CLN)	497.2
Risk Weighted Amount	745.8

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 2016 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 2016, the risk of decrease in economic value using this model is P112 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	9,799.8
Foreign Exchange Exposures	1,261.1
Sub-total (Sum of A1 to A4)	11,060.9
Using Internal Models Approach	-
TOTAL MARKET RISK-WEIGHTED ASSETS	11,060.9

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	709.6
Adjusted Capital Charge	887.0
Operational Risk-Weighted Amount	8,870.4

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)					
	2016	2015	2014	2016	2015	2014
Tier 1 capital	18,245	16,305	18,763	17,336	15,634	18,222
CET1 Capital	18,245	16,305	18,763	17,336	15,634	18,222
Tier 2 capital	5,960	5,874	685	5,943	5,866	680
Total regulatory capital	24,205	22,179	19,448	23,278	21,500	18,902
Less required deductions	-	-	-	-	-	-
Total qualifying capital	24,205	22,179	19,448	23,278	21,500	18,902
Risk weighted assets	133,742	160,345	124,712	129,855	157,131	121,405

Capital ratios

Total regulatory capital expressed as percentage of total risk weighted assets	18.10%	13.83%	15.59%	17.93%	13.68%	15.57%
Total CET1 expressed as percentage of total risk weighted assets	13.64%	10.17%	15.05%	13.35%	9.95%	15.01%
Total tier 1 expressed as percentage of total risk weighted assets	13.64%	10.17%	15.05%	13.35%	9.95%	15.01%

As at December 31, 2016, 2015, and 2014, 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 2 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.
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The breakdown of the Group's and Parent Company's qualifying capital follows:

	Consolidated		Parent Company	
	(in millions)			
	2016	2015	2016	2015
Tier 1 capital				
Paid-up common stock	4,853	4,853	4,853	4,853
Additional paid-in capital	6,623	6,623	6,623	6,623
Retained earnings	10,989	9,975	10,821	9,892
Undivided profits	2,371	1,682	2,272	1,603
Net unrealized gains or losses on AFS securities	(1,404)	(3,406)	(1,403)	(3,397)
Cumulative foreign currency translation	107	29	108	29
Minority interest in subsidiary financial allied undertakings which are less than wholly-owned (for consolidation basis)	166	141	-	-
Total tier 1 capital	23,705	19,897	23,274	19,602
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	46	43	46	43
Total outstanding unsecured loans, other credit accommodations and guarantees	-	-	100	-

granted to subsidiaries

Deferred income tax (net of allowance for impairment, if any)	369	194	488	312
Goodwill (net of allowance for impairment, if any)	1,563	1,464	1,035	935
Other Intangible Assets	1,887	1,891	1,886	1,890
Investments in equity of unconsolidated subsidiary banks and quasi banks, and other financial allied undertakings (excluding subsidiary securities dealers/brokers and insurance companies), after deducting related goodwill	1,595	-	2,383	788
Total deductions	5,460	3,592	5,939	3,969
Tier 1 capital	18,245	16,305	17,336	15,634
Tier 2 capital				
General loan loss provision (limited to 1.00% of credit risk-weighted assets)	998	912	981	905
Instruments issued by the bank that are eligible as Tier 2 capital	4,962	4,962	4,962	4,962
Total tier 2 capital	5,960	5,874	5,943	5,866
Deductions	-	-	-	-
Tier 2 capital	5,960	5,874	5,943	5,866
Total regulatory capital	24,205	22,179	23,278	21,500
Required deductions				
Total qualifying capital	24,205	22,179	23,278	21,500

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, 2016 and 2015 are shown in the table below:

Consolidated				
	Credit risk-weighted assets	Market risk-weighted assets	Operational risk-weighted assets	Total
2016	113,811	11,061	8,870	133,742
2015	117,645	35,408	7,293	160,345
Parent				
	Credit risk-weighted assets	Market risk-weighted assets	Operational risk-weighted assets	Total
2016	110,498	11,061	8,296	129,855
2015	114,806	35,408	6,918	157,131

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, 2016 and 2015 are shown in the table below:

	Consolidated		Parent Company	
	2016	2015	2016	2015
	(in millions)			
Total risk weighted on-balance sheet assets	111,163	111,801	107,850	108,962
Total risk weighted off-balance sheet assets	1,274	1,597	1,274	1,597
Total counterparty risk-weighted assets in the banking book (derivatives and repo-style transactions)	627	2,621	627	2,621
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	746	1,626	746	1,626
Total Risk-Weighted Securitization Exposures	-		-	
Total credit risk-weighted assets	113,811	117,645	110,498	114,806

The breakdown of the credit risk-weighted assets, as reported to the BSP, as at December 31, 2016 and 2015 are shown in the table below:

	Consolidated		Parent	
	2016	2015	2016	2015
Cash on hand	4,111	3,663	4,096	3,653
Checks and other cash items	24	13	24	13
Due from BSP	32,855	20,329	32,829	20,303
Due from other banks	1,045	1,277	729	864
Financial assets designated at fair value through profit or loss	28	27	-	-
AFS investments	2,182	16,746	1,066	16,593
Held-to-Maturity (HTM) Financial Assets	12,625	3,707	12,625	3,705
Unquoted Debt Securities Classified as Loans	288	291	288	291
Loans and receivables	101,534	95,356	99,855	94,260
Sales contract receivable (SCR)	419	187	384	173
Real and other properties acquired	628	722	489	619
Total exposures excluding other assets	155,739	142,318	152,387	140,475
Other Assets	1,904	3,132	2,142	2,286
Total exposures, including other assets	157,643	145,450	154,528	142,761

	Consolidated		Parent	
	2016	2015	2016	2015
TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS	111,163	111,801	107,850	108,962
Guarantees issued	238	132	238	132
Transaction-related contingencies	784	1,200	784	1,200
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	253	265	253	265
TOTAL RISK-WEIGHTED OFF BALANCE SHEET ASSETS	1,274	1,597	1,274	1,597
Derivative exposures	43	71	43	71

Risk-weighted amount	37	70	37	70
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The summary of the market risk-weighted assets, as reported to the BSP, as at December 31, 2016 and 2015 are shown in the table below:

	Consolidated		Parent Company	
	(in millions)			
	2016	2015	2016	2015
Using standardized approach				
Interest rate exposures	9,800	33,657	9,800	33,657
Foreign exchange exposures	1,261	1,751	1,261	1,751
Total market risk-weighted assets	11,061	35,408	11,061	35,408

The breakdown of the market risk-weighted assets, as reported to the BSP, as at December 31, 2016 and 2015 are shown in the table below:

	Consolidated		Parent	
	2016	2015	2016	2015
Specific risk	626	1,279	626	1,279
General market risk				
Philippine Peso	4	215	4	215
U.S. Dollar	149	1,198	149	1,198
Euro	5	-	5	-
Yuan Renminbi	0	-	0	-
Subtotal	158	1,414	158	1,414
Total Capital Charge For Interest Rate Exposures	784	2,693	784	2,693
Adjusted Capital Charge For Interest Rate Exposures ¹³	980	3,366	980	3,366
TOTAL RISK-WEIGHTED INTEREST RATE EXPOSURES ¹⁴	9,800	33,657	9,800	33,657

¹³ 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%.

¹⁴ 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, 2016 and 2015 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		
2016	15%	3,278	5,111	5,804	492	767	871	710	887	8,870
2015	15%	3,279	3,278	5,111	492	492	767	583	729	7,293

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		
2016	15%	3,091	4,788	5,396	464	718	809	664	830	8,296
2015	15%	3,190	3,091	4,788	478	464	718	553	692	6,918

	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
2016 Consolidated (Amounts in P0.000 million)										
Cash,Checks and Other Cash Items	4,135		4,135	4,111	24					4,135
Sovereigns	43,948	2,187	41,761	36,888	7	1,942	-	2,924		41,761
Banks	3,657	-	3,657	-	118	300	-	3,239		3,657
Interbank Loans	4,631	-	4,631	-	4,571	60				4,631
Local Government Units	-		-							-
Government Corporations	-		-							-
Corporates	79,889	66	79,823	-	-	1,209	-	78,352	262	79,823
Housing Loans	3,849		3,849			2,678		1,172		3,849
Individuals	7,406	197	7,209					7,209		7,209
MSME equivalent Portfolio	7,741		7,741					7,741		7,741
Defaulted exposures- Housing Loans	16		16					16		16
Defaulted exposures- Others	1,871		1,871						1,871	1,871
SCR	419		419					403	16	419
ROPA	628		628						628	628
Other Assets	1,904		1,904					1,904		1,904
Total Exposures including Other Assets	160,094	2,450	157,643	40,999	4,720	6,188	-	102,960	2,777	157,643
Total Risk Weighted On-Balance Sheet Assets				-	944	3,094	-	102,960	4,165	111,163
Total Risk-Weighted Off-Balance Sheet Assets										1,274
Total Counterparty Risk-Weighted Assets in the Banking Book										627
Total Risk-Weighted Amount of Credit Linked Notes in the Banking Book										746
Total CreditRisk-Weighted Assets										113,811

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, 2016

NO.	BRANCH NAME	ADDRESS
1	Antipolo	M. L Quezon Street, Brgy. San Roque, Antipolo City
2	Camarin	Beside Residenza Homes, 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 8)
PARENT COMPANY
AS OF DECEMBER 31, 2016

NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
1	168 Mall	Unit # 622-623 6/F 168 Shopping Mall Soler St., Binondo, Manila	52,214	6/24/2014	5	8/23/2019
2	3rd Avenue	154 - 158 Rizal Avenue Extension Grace Park, Kalookan City	147,028	8/9/2010	10	8/8/2020
3	6780 Ayala	G/F, 6780 Ayala Avenue Building, 6780 Avenue Makati City	133,111	9/15/2014	5	9/14/2019
4	999 MALL	999 Shopping Mall 3rd Level 3P1 - 3P8 Soler St. Binondo, Manila	191,211	12/21/2015	5	12/20/2020
5	Alabang Zapote	Fabricare Building 591 Unit 104 Alabang Zapote Rd. Almanza, Las Pinas City	70,224	5/2/2014	5	7/2/2019
6	Angeles - Fontana	S-18 Fontana Clubhouse Fontana Leisure Park, Clark Freeport Zone	39,043	11/1/2014	5	1/1/2020
7	Angeles City	351 Miranda St. Brgy. Sto. Rosario, Angeles City	117,895	12/1/2014	10	1/31/2025
8	Annapolis	Unit 102 Intrawest Center 33 Annapolis St., Greenhills, San Juan City	290,178	7/16/2013	5	7/15/2018
9	Arranque	692-694 T. Alonzo cor. Soler St. Sta. Cruz, Manila	259,308	1/1/2012	5	12/31/2016
10	Ayala	G/F Unit 1D, Mltinational Bancorporation Center, 6805 Ayala Avenue	252,254	3/1/2012	5	02/29/2017
11	Ayala - Alabang	G/F BMW Center Commerce Ave. Madrigal Business Park Ayala-Alabang, Muntinlupa City	276,074	7/1/2016	5	6/30/2021
12	Baclaran	Parka Shopping Center Park Ave. cor. Kapitan Ambo St. Pasay City	220,294	3/1/2012	8	4/30/2020
13	Bacolod	JS Building Lacson St. cor. Galo St., Bacolod City	51,862	6/1/2012	5	5/31/2017
14	Bacolod Burgos	G/F ESJ Center. Lot 1 Blk. 5 Burgos St., Bacolod City	42,525	12/1/2013	5	1/31/2019
15	Bacoar	286 Rotonda Highway, Panapaan 5, Bacoar, Cavite	81,887	7/15/2012	10	7/15/2022
16	Baguio	G/F YMCA Building Post Office Loop, Baguio City	167,933	7/16/2014	5	8/31/2019
17	Balibago	101-102 Springfront Hotel Bldg. McArthur Highway, Balibago, Angeles	77,052	4/1/2013	10	3/31/2023
18	Baliuag	Li Bldg. #282 DRT Highway, Bagong Nayan, Baliuag	82,278	8/1/2012	5	7/31/2017
19	Banawe	549 Banawe St., Quezon City	101,130	3/1/2012	5	4/30/2017
20	Bangkal	1685 Evangelista St., Bangkal Makati	113,650	1/3/2013	5	2/2/2018
21	Batangas	CHI-Caritas Health Shield Inc. Padre Burgos St., Batangas City	87,882	5/1/2012	10	4/30/2022
22	Better Living	N. 68 Doña Soledad Ave. Better Living, Parañaque City	106,193	3/15/2013	10	3/14/2023
23	BF Aguirre	Academy One Bldg. 293 c.or Governor Santos St. Phase 3 Aguirre Ave. BF Homes Sucat, Paranaque City	96,478	10/20/2014	5	12/19/2019
24	BF Homes	G/F M.A Gonzy Bldg. #41 Presidents Ave. BF Homes, Paranaque city	111,132	8/16/2013	5	8/15/2018
25	BGC - 32nd Street	2nd Ave. cor. 32nd St. Crescent Park West , Bonifacio Global City, Taguig	175,720	6/15/2016	5.5	12/31/2021
26	BGC - 39th Street	39/F Inoza Bldg. 40th St. North Bonifacio, Bonifacio Global City, Taguig	366,800	6/1/2016	10	8/31/2026
27	BGC - Picadilly	G/F Picadilly Star Bldg. 4th Ave. cor. 27th St. Fort Bonifacio, Taguig City	482,487	9/1/2014	5	8/31/2019
28	BGC - Taguig	G/F Net2 Square 3rd Ave. cor. 28th St. Crescent Park West, Bonifacio Global City, Taguig	356,447	8/1/2011	5	12/31/2016

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (2 of 8)
PARENT COMPANY
AS OF DECEMBER 31, 2016

NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
29	Binan	E+S Biñan Sales Center Bldg. Old Natiional Highway, Bo. San Antonio Binan, Laguna	75,055	7/27/2014	5	7/26/2019
30	Binondo	564 Quintin Paredes St. Binondo,, Manila	1,064,000	11/16/2016	10	11/16/2026
31	Blumentritt	G/F medical Arts Building #286 Blumentritt St. Sta. Cruz, Manila	134,400	12/1/2015	5	1/30/2021
32	Bocaue	107 McArthur Highway, Wakas, Bocaue, Bulacan	61,740	2/1/2013	5	3/31/2018
33	Boni Avenue	700 C Boni Ave. Brgy. Malamig, Mandaluyong City	117,600	10/15/2014	5	11/30/2019
34	Boracay	Boracay Tropix Station 2 Situe Manggayad Brgy Balabag Malay Aklan	117,600	12/17/2014	5	12/17/2019
35	Buendia	G/F Morning Star Bldg., Gil Puyat Ave., Makati City	386,024	3/16/2013	5	3/31/2017
36	Butuan	# 271 A. D. Curato St. cor. P. Burgos St., Butuan City	95,494	4/1/2013	5	5/31/2018
37	Cabanatuan	G/F JRS Building Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City	74,088	7/16/2013	5	9/15/2018
38	Cagayan de Oro	Puregold Claro M. Recto Ave. Lapasan, Cagayan de Oro City	72,347	12/23/2013	5	12/22/2018
39	Calamba	National Highway cor. Jasmine St., Brgy Uno, Calamba City, Laguna	99,490	4/15/2014	10	6/14/2024
40	Calapan Mindoro	Gaisano Capital Calapan Tawiran,National Road, Calapan, Oriental Mindoro	51,070	9/14/2013	5	9/13/2018
41	Calbayog	J.D. Avelino St. cor. Gomez Ext., Calbayog City, Samar besides Shell Gas Station/ across Rosales bridge, Maharlika highway	92,610	4/1/2013	10	3/31/2023
42	Candon	G/F BHF Building National Highway cor. Abaya St., San Isidro, Candon City, Ilocos Sur	88,449	7/20/2013	5	9/20/2018
43	Catarman	390 J. P. Rizal St. Brgy.Lapu-Lapu Catarman, Northern Samar	71,292	6/1/2013	10	5/31/2023
44	Catbalogan	San Francisco St. cor. Rizal Ave. Catbalogan, Samar	92,610	4/1/2013	10	3/31/2023
45	Cauayan Isabela	Maharlika Highway, San Fermin, Cauayan City	86,170	11/30/2013	10	11/29/2023
46	Cavite - PEZA	G/F Red Ribbon Bldg. General Trias, Cavite	74,875	1/17/2012	5	1/16/2017
47	CDO Carmen	Unit 101, 102 & 103 Gaisano Bldg. Max Suniel St., Carmen, Cagayan de Oro City	115,918	8/1/2013	5	9/30/2018
48	CDO Cogon	Osmeña St. cor. Hayes St., Cogon, Cagayan de Oro City	92,610	8/1/2013	5	9/30/2018
49	CDO Velez	Don Apolinar Velez St. cor. Gen. A. Luna St., Cagayan de Oro City	101,871	7/1/2013	10	8/31/2023
50	Cebu - AS Fortuna	853 TW & Company Inc. Bldg., AS Fortuna St. Mandaue City Cebu	91,476	3/1/2015	5	2/28/2020
51	Cebu - Business Park	3 Archbishop Reyes Ave. Kamputhaw Lahug, Cebu City	189,865	10/1/2010	10	9/30/2020
52	Cebu - F. Gonzales	Lianting Center, Pres. Sergio Osmena Blvd. cor. F. Gonzales St., Cebu City	129,654	1/1/2016	5	12/31/2020
53	Cebu - Jones	Units 3, 4, 5, 6 Harrison Place Osmeña Blvd. cor. Urgello St., Cebu City	177,652	5/23/2016	5	5/22/2021
54	Cebu - Mandaue	AWPM Realty Dev. Corp. Bldg. MC Briones St., Nat'l Highway, Mandaue	77,948	4/1/2015	3	3/31/2018
55	Cebu - Mango	Dyno Finance Center Juana Osmena, Cebu City	197,617	2/25/2016	5	2/24/2021

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (3 of 8)
PARENT COMPANY
AS OF DECEMBER 31, 2016

NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
56	Cebu - Salinas	MIT Building 117 Gorordo Ave. Lahug, Cebu City	118,440	9/1/2016	5	8/31/2021
57	Chino Roces	2176 Chino Roces Ave., Makati City	150,399	11/17/2013	10	11/16/2023
58	Civic Drive	G/F AA Corporate Plaza Civic Drive Alabang, Muntlupa City	143,213	12/15/2015	5	2/14/2021
59	Clark Field	Pavilion 12 Berthaphil Clark Center Jose Abad Santos Ave., Clark Freeport Zone, Pampanga	\$ 1,512	7/1/2014	10	8/31/2024
60	Concepcion Marikina	43 C Bayanbayanan Ave. Concepcion I, Marikina City	98,784	7/1/2013	5	8/31/2018
61	Congressional	177 Congressional Ave. Bahay Toro Diliman, Quezon City	181,072	7/15/2015	5	7/13/2020
62	Cubao	G/F Harvester Corporate Center 158 P. Tuazon Blvd. cor. 7th Ave. and 8th Ave., Quezon City	141,950	8/11/2014	5	8/10/2019
63	D. Tuazon	62 D. Tuazon St., Brgy Lourdes, Quezon City	105,840	11/1/2014	5	10/31/2019
64	Dagupan	Catholic Trade Center AB Fernandez Ave., Dagupan City	61,600	3/1/2008	15	6/1/2023
65	Dasmarinas	Congressional Rd. Burol Main, Dasmarinas, Cavite	91,127	2/10/2011	10	2/9/2021
66	Davao - Agdao	127 Lapulapu St. cor. Dacudao Ave. Agdao District, Davao City	80,463	1/1/2014	10	3/30/2024
67	Davao - Buhangin	KM 5 Buhangin Road Buhangin District, Davao City, Davao del Sur	64,185	5/1/2013	10	7/31/2023
68	Davao - Damosa	8 Unit Commercial Bldg. Mamay Road Lanang, Davao City	92,610	8/1/2013	5	9/30/2018
69	Davao - Digos	FS De Leon Bldg. Rizal Ave., Digos City, Davao del Sur	74,154	10/1/2014	5	11/30/2019
70	Davao - JP Laurel	Central Plaza I J.P. Laurel Ave., Davao City	144,338	3/1/2015	5	2/28/2020
71	Davao - Matina	G/F Karpentrade Bldg. McArthur Highway Matina, Davao City	123,480	5/15/2013	10	7/15/2023
72	Davao - Monteverde	G/F Lao Bldg. Suazo St. cor. Monteverde St., Davao City	59,864	5/1/2016	5	4/30/2021
73	Davao - Rizal	G/F DGGG Building C. Bangoy St. cor. JP Rizal St., Davao City	82,790	2/1/2014	7	4/1/2021
74	Davao - Toril	Commercial/Hotel Bldg. Saavedra St. cor. Guardians St., Toril, Davao	54,944	8/1/2013	5	9/30/2018
75	Del Monte	269 Del Monte Ave. Brgy. Manresa, Quezon City	283,671	7/1/2009	10	6/30/2019
76	Dipolog	Quezon Ave. Brgy. Niputak, Dipolog City	129,979	7/1/2013	10	6/30/2023
77	Divisoria	Pasilio GT 3/F Divisoria Mall m. De santos St. Binondo, Manila	313,600	2/15/2015	5	4/14/2020
78	Don Antonio Commonwealth	Holy Spirit Ave. Don Antonio Heights, Brgy. Holy Spirit, Quezon City	99,331	4/5/2014	5	4/4/2019
79	Dumaguete	Dr. V. Locsin St. Poblacion 003, Dumaguete City	123,480	7/1/2013	10	6/30/2023
80	Echague	#111-113 Carlos Palanca St. Brgy. 306 Echague Quiapo, Manila	100,800	9/15/2014	10	11/14/2024
81	Edsa - Kalookan	500 E delos Santos Ave., Caloocan City	296,352	1/16/2014	10	1/15/2024
82	Elcano	#615 Elcano St. Binondo, Manila	152,603	8/15/2011	10	8/14/2021

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (4 of 8)
PARENT COMPANY
AS OF DECEMBER 31, 2016

NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
83	Ermita	G/F Ermita Center, Roxas Blvd cor. Sta. Monica St., Ermita, Manila	171,623	9/1/2015	5	8/31/2020
84	Ermita - Kalaw	G/F E. Antonio Building, T.M. Kalaw St. cor. J. Bocobo Street, Manila	184,157	1/1/2013	5	12/31/2017
85	Fairview	31-G Lucky Fortune Bldg. Fairview Ave., Quezon City	61,748	10/16/2012	5	10/15/2017
86	G. Araneta Palanza	124 G. Araneta Palanza St., Quezon City	112,896	9/1/2014	10	10/31/2024
87	G. Araneta Santol	193 G. Araneta Ave., Quezon City	141,120	6/1/2014	5	7/31/2019
88	Gapan	G/F KL Building, Gen. Tinio St., San Vicente, Gapan City	92,610	11/1/2013	5	12/31/2018
89	General Santos	Belinda Enterprise Bldg. Santiago Blvd. General Santos City 9500	106,586	7/1/2011	5	12/31/2016
90	General Santos - Aparente	One Roma Square Aparente Ave. Brgy. Heights, General Santos City	40,841	7/1/2011	10	6/30/2021
91	Greenfields	Unit L1-115a Pavillion Mall Greenfield District, Ortigas, Mandaluyong City	135,878	4/1/2013	3	6/16/2017
92	Greenhills Theatre Mall	Greenhills Theater Mall Greenhills Shopping Center, San Juan City	314,594	2/1/2016	5	12/31/2020
93	Guiguinto	La Aldea Subdivision McArthur Highway, Guiguinto, Bulacan	67,200	3/1/2015	5	4/30/2020
94	Herrera	G/F Cristina Condominium, Herrera St. cor. Sotto St., Legaspi Village, Makati City	145,200	5/1/2014	5	4/30/2017
95	Iligan	Roxas Ave. cor. Zamora St., Iligan City	111,720	9/1/2013	10	10/31/2023
96	Iloilo	Ong Bun Building, Ledesma St. cor. Quezon St., Iloilo City	110,544	8/1/2013	10	9/30/2023
97	Imus	Km. 21 Gen Aguinaldo Hi-way, Bayan Luma, Imus, Cavite	203,814	4/15/2010	10	4/14/2020
98	Intramuros	G/F FEMII Bldg., A. Soriano Ave., Intramuros, Manila City	101,142	7/30/2011	5	12/31/2016
99	Iznart Iloilo	Unit 30 G/F Amigo Mall, Iznart St. cor. Delgado St., Iloilo City	63,577	8/10/2013	5	9/23/2018
100	JP Rizal Makati	Unit A Upper Ground Level 817 J.P. Rizal Street cor. Layug St., Makati City	42,000	7/7/2014	5	9/5/2019
101	JRU Shaw Blvd	Room 101 G/F SCT Building 3 142 Shaw Boulevard, Mandaluyong City	66,679	4/16/2014	5	4/15/2019
102	Kalibo Aklan	Casa Isidra Bldg. XIX Martyrs St. Poblacion, Kalibo, Aklan	66,316	7/1/2013	10	8/15/2023
103	Kalookan	249 Yao Building Rizal Avenue Extension cor. 7th Avenue, Caloocan City	415,414	8/1/2014	5	7/31/2019
104	Kalookan - 6th Avenue	G/F Howard Towers 6th St. cor. Rizal Ave. Extension, Caloocan City	133,018	1/1/2015	5	12/31/2019
105	Kamias	Unit 1B, 1C, & 1D, 135 Kamias Rd. Brgy. Sikatuna, Quezon City	71,500	4/16/2014	5	5/15/2019
106	Kidapawan	G/F Dayao Bldg. Quezon Blvd., Kidapawan City	74,088	12/15/2013	5	12/15/2018
107	Koronadal	Agreda Bldg. Rafael Alunan Ave., Koronadal	61,316	4/15/2013	5	6/15/2018
108	La Union	National Hi-way Quezon Ave., San Fernando City, La Union	85,766	1/15/2011	10	1/14/2021
109	Lagro	G/F JB Crystal Bldg. Quirino Highway, Lagro, Quezon City	79,968	7/1/2014	5	8/31/2019
110	Laoag	Unit D Avenue Square Rizal St., Laoag City, Ilocos Norte	74,088	4/1/2013	10	3/31/2023
111	Las Piñas	303 Real St. Pamplona 3 Alabang Zapote Road, Las Pinas City	121,551	10/15/2012	10	12/14/2022

ASIA UNITED BANK CORPORATION
EXHIBIT 29-5 – LEASED PROPERTIES (5 of 8)
PARENT COMPANY
AS OF DECEMBER 31, 2016

NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
112	Legazpi City	G/F Graceland Bldg. Circumferential Road Legaspi City	138,382	6/16/2016	5	6/15/2021
113	Lemery Batangas	G/F LEC Bldg. Ilustre Avenue, Lemery, Batangas	77,987	10/1/2013	5	11/30/2018
114	Linao Talisay	Southcoast Center National Highway Linao Talisay Cebu	90,552	9/15/2014	10	11/14/2024
115	Lipa	Upper Ground Lot 757- A B. Morada Road, Lipa City	82,738	10/1/2007	10	9/30/2017
116	Lucena	Magallanes St. cor. Enriquez St. Lucena City	107,466	1/1/2012	10	12/31/2021
117	Lucena Diversion	Lot 33-B Diversion Road Brgy. Gulang Gulang , Lucena City	85,613	2/1/2014	5	3/31/2019
118	Maasin Leyte	Tomas Oppus St., Tunga-Tunga, Maasin City, Southern Leyte	98,784	4/1/2013	5	3/31/2018
119	Macapagal	Unit 104 Oceanaire Condominium Pearl Drive Road 23 Central Business Park 1, Pasay City	162,400	2/12/2015	5	4/30/2020
120	Makati Avenue	G/F Travellers Inn Condominium, 7880 Makati Avenue, Makati City	142,002	8/5/2013	5	8/4/2018
121	Malabon	121 Governor Pascual Ave. Acacia, Malabon City	202,174	4/15/2015	10	6/15/2025
122	Malabon Gen. Luna	#5 Gen Luna St. San Agustin, Malabon City	63,000	7/10/2014	5	9/9/2019
123	Malanday	KM 17 McArthur Higway Dalandanan, Valenzuela City	116,689	11/1/2012	5	12/15/2017
124	Malaybalay	Sayre (National) Highway, Malaybalay City, Bukidnon	58,026	4/1/2013	10	6/30/2023
125	Malinta	177 Paso de Blas, Valenzuela City	89,224	9/16/2007	10	9/15/2017
126	Malolos	KM 44/45 MacArthur Highway Brgy. Longos, Malolos City	61,243	6/1/2013	5	7/31/2018
127	Marilao	VAG Complex NLEX Northbound Service Road Brgy. Patubig , Marilao, Bulacan	70,560	3/1/2014	5	4/30/2019
128	Masangkay	No. 1046-50 G. Masangkay St. Binondo, Manila	151,517	8/15/2010	10	8/14/2020
129	Masinag	Kingsville Arcade Marcos Highway, Mayamot, Antipolo City	162,487	2/1/2012	4	1/31/2016
130	Mayhaligue	Mayhaligue One Miho Condominium 1260 Masangkay St. Sta. Cruz, Manila	138,001	6/1/2010	10	5/31/2020
131	Mayon Retiro	G/F 175 Mayon St. Sta. Mesa Heights, Quezon City	129,360	5/15/2014	5	7/15/2019
132	Meycauayan	El Camino Road Las Villas de Sto. Nino, Camalig, Meycauayan City, Bulacan	92,922	10/1/2013	5	9/30/2018
133	Meycauayan II	DSG Bldg. Malhacan, Meycauayan City, Bulacan	129,654	2/6/2013	10	2/5/2023
134	N. Domingo	126 A & L BLDG.N.Domingo St. Brgy. Pedro Cruz, San Juan City	89,292	7/1/2012	5	6/30/2017
135	Naga	Elias Angeles St. Naga City	133,331	3/1/2016	5	2/28/2021
136	Naga Centro	G/F Naga City People's Mall CBD I, Naga City	27,166	9/1/2013	5	8/28/2018
137	Navotas	Unit 1 G/F Melandrea III Bldg. Virgo Drive cor. North Bay Blvd. South, Navotas City	76,187	7/16/2014	5	7/15/2019
138	New Divisoria Mall	Stall Unit #3N-25-31 3/F New Divisoria Mall, Manila	110,880	5/1/2016	5	4/30/2021
139	New Manila	1052 E. Rodriguez Sr. Ave., Quezon City	163,364	9/1/2012	5	8/31/2017

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EXHIBIT 29-5 – LEASED PROPERTIES (6 of 8)
PARENT COMPANY
AS OF DECEMBER 31, 2016

NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
140	Newport City	New Port 150 Plaza 66 Bldg. Manlunas St. Newport, Pasay	206,976	11/15/2016	3	10/31/2019
141	Novaliches	847 Quirino Highway Brgy. Gulod, Novaliches, Quezon City	198,251	2/1/2014	5	1/31/2019
142	Novaliches - Sauyo	603 R & J Bldg. Quirino Highway, Bagbag, Novaliches, Quezon City	85,670	2/1/2013	10	2/1/2023
143	Novaliches Gen. Luis	#297 Gen. Luis, Bo. Kaybiga, Kalookan City, 1420	46,449	5/17/2016	5	7/14/2021
144	Nuvo City Libis	G/F Unit D Aspire Tower 150 E. Rodriguez Jr. Ave. cor. Calle Industria, Bagumbayan, Quezon City	185,220	10/16/2013	5	12/15/2018
145	Olongapo	1260 Rizal Ave. East Tapinac, Olongapo City	105,840	5/2/2014	5	7/1/2019
146	Ormoc	432 2F HSSC Bldg. Real St., Ormoc City	113,259	6/15/2013	5	8/15/2018
147	Ortigas	G/F VAG Bldg. Ortigas Ave., Greenhills, San Juan City	306,615	12/15/2009	10	12/14/2019
148	Ortigas - Emerald	Unit 3A Emerald Mansion Don F Ortigas Jr. Rd, Ortigas Center, Brgy. San Antonio, Pasig City	161,712	7/1/2015	4	7/31/2019
149	Ozamis	JP Rizal Ave. cor. Juan Luna St., Ozamiz City	105,263	7/1/2013	10	9/30/2023
150	Padre Rada	588 Padre Rada St. cor. Ylaya St. Tondo, Manila	117,600	6/24/2014	10	8/22/2024
151	Pagadian	Rizal AvE. Santiago District, Pagadian City	91,245	6/1/2013	5	5/31/2018
152	Parc Royale	G/F Parc Royale Bldg. Dona Julia Vargas Ave., Ortigas Center, Pasig City	420,790	5/1/2015	5	4/30/2020
153	Pasay Buendia	157 Buendia St. Torres Building, Pasay City	91,840	7/21/2016	5	9/20/2021
154	Pasay Road	G/F Evekel Bldg. 855 A. Arnaiz Ave., Legaspi Village, Makati City	104,958	2/1/2014	5	2/1/2019
155	Paseo de Roxas	G/F 111 Paseo de Roxas Bldg., Paseo De Roxas cor. Legaspi St., Makati City	193,905	12/1/2012	5	1/31/2018
156	Pasig Caniogan	97 C. Raymundo Ave., Caniogan, Pasig City	47,171	4/1/2007	10	3/31/2017
157	Paso de Blas	Lower Ground Unit N1A Puregold Paso De Blas, Valenzuela City	118,332	2/21/2012	5	2/20/2017
158	Pasong Tamo Ext.	G/F UPRC3 Bldg. 2289 Chino Roces Extension, Makati City	138,862	1/31/2014	5	2/1/2019
159	Pasong Tamo Ponte	G/F 1087 Lupacco Bldg., Chino Roces Ave., Makati City	107,304	4/25/2014	5	6/24/2019
160	Pioneer	G/F Cromagen Bldg. 8007 Pioneer St., Kapitolyo, Pasig City	112,021	8/1/2012	5	9/30/2017
161	Plaridel	544 Old Cagayan Valley Road Banga 1st., Plaridel, Bulacan	48,814	2/1/2016	15	4/30/2031
162	Puerto Princesa	Ma. Elena M. Hagedorn Bldg. 178 Rizal Ave., Puerto Princesa	96,314	6/1/2013	5	8/31/2018
163	Quezon Ave. South Triangle	Unit 6-A DN Steel Center 1372 Quezon Ave. Brgy South Triangle, Quezon City	139,531	1/1/2014	10	12/30/2024
164	Quezon Avenue	G/F SPMI No.358 Quezon Ave. Brgy Dona Josefa, Quezon City	124,036	5/1/2011	10	4/30/2021
165	Raon Quiapo	# 618 Sales St. Raon Quiapo, Manila	98,560	7/15/2013	10	9/15/2023

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EXHIBIT 29-5 – LEASED PROPERTIES (7 of 8)
PARENT COMPANY
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NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
166	Roosevelt – Frisco	232-A G/F and Mezzanine Floor Unit 1 & 2 Gercon Bldg., Roosevelt Ave., Quezon city	89,250	5/1/2014	5	7/31/2019
167	Roosevelt Gen. Lim	27-35 Roosevelt ave. cor. Gen Lim St., Quezon City	117,810	9/25/2014	5	9/24/2019
168	Roxas	Roxas Bldg. Lot 370-B Brgy IX Roxas Ave., Roxas City	77,175	5/1/2013	10	6/30/2023
169	Rufino	G/F Feliza Bldg., 108 V.A. Rufino St. Legaspi Village, Makati City	136,616	9/1/2012	5	8/31/2017
170	Salcedo	G/F Grand Soho Bldg. 131 H.V. dela Costa, Makati City	125,334	5/1/2010	10	4/30/2020
171	Samson Road	No. 149 - C, D, E Samson Road, Caloocan City	179,386	5/1/2007	10	4/30/2017
172	San Fernando	Dolores McArthur Highway, San Fernando, Pampanga	88,200	7/1/2014	7	6/30/2021
173	San Jose Antique	RMU 2 Building T.A. Fornier St., San Jose, Antique	70,560	6/1/2013	10	5/31/2023
174	San Jose Del Monte Bulacan	G/F Giron Bldg. Quirino Highway, Tungkong Mangga, San Jose del Monte City, Bulacan	55,978	3/15/2014	5	6/15/2019
175	San Jose Nueva Ecija	Maharlika Highway Brgy. Malasin, San Jose City, Nueva Ecija	70,560	11/1/2013	5	1/1/2019
176	San Juan	450 P. Guevarra St. cor. Wilson St., San Juan City	128,041	8/1/2012	5	7/31/2017
177	San Pablo City	M. Paulino St. San pablo City, Laguna	86,083	3/1/2014	5	4/30/2019
178	Santiago	New Public Market Maharlika Highway, Santiago City	91,350	3/16/2014	5	4/30/2019
179	Solis Tondo	2498 Juan Luna St. cor. Solis St. Tondo, Manila	163,553	10/15/2013	10	12/15/2023
180	South Superhighway	G/F Sayoc Building, 100 Gil Puyat Ave., Palanan, Makati City	82,732	3/17/2014	5	3/16/2019
181	St. Ignatius	145 Katipunan Ave., St. Ignatius, Quezon City	123,603	11/15/2012	10	1/15/2023
182	Sta. Cruz	369-373 Oversea Mansion 1 Plaza Sta Cruz, Manila	168,000	10/15/2013	10	12/15/2023
183	Sta. Cruz Laguna	G/F JBR Building P. Guevara St. Brgy. Poblacion 2, Sta. Cruz, Laguna	77,175	10/1/2013	5	11/30/2018
184	Sta. Maria	No. 44 Corazon De Jesus St. Poblacion, Sta. Maria, Bulacan	93,351	6/1/2013	5	8/31/2018
185	Sta. Rosa	G03 San Jose Bldg. Santa Rosa States 2 Subd. Brgy. Santo Domingo, Santa Rosa, Laguna	129,332	9/1/2014	5	10/31/2019
186	Sucab	G/F LT Bldg. 8281 Dr. A Santos Ave. Sucab, Paranaque City	106,193	7/15/2011	10	7/14/2021
187	Surigao	#00014 Rizal St. Zatisplace, Washington, Surigao City	86,400	2/1/2014	10	3/31/2024
188	Tacloban	Lucky Hardware Bldg. Along Burgos St. cor. Rizal Ave., Tacloban City	96,280	1/30/2016	5	1/28/2021
189	Tagaytay	Plaza San Nicolas de Tolentino Silang Crossing Rotonda, Tagaytay City	67,914	7/12/2014	5	9/11/2019
190	Tagbilaran	C.P.G North Ave. Cogon District, Tagbilaran City , Bohol	86,546	8/10/2012	5	8/10/2017
191	Tagum	Gaisano Mall Briz District National Highway Magugpo East, Tagum City	100,969	9/1/2012	5	8/31/2017
192	Tarlac	US. Bldg. McArthur Highway, Sto. Cristo, Tarlac City	99,225	8/1/2013	5	7/31/2018

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EXHIBIT 29-5 – LEASED PROPERTIES (8 of 8)
PARENT COMPANY
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NO.	BRANCH NAME	ADDRESS	RENTAL (Php)	START OF CONTRACT	TERM OF LEASE (YRS)	END OF CONTRACT
193	Tektite	Unit 1 & 2 of G06 G/F West Tower Philippine Stock Exchange Center Condominium Exchange Road, Ortigas Center, Pasig City	119,984	8/15/2013	5	9/14/2018
194	Timog	Unit 102 Toyoma Group Center Bldg. Brgy. Laging Handa, Quezon City	170,660	9/15/2010	10	9/14/2020
195	Timog Ybardolaza	#77 Ushio Plaza II Timog Ave., Quezon City	152,873	7/1/2013	10	8/31/2023
196	Tordesillas	G/F Two Lafayette Square Condominium, 105 Tordesillas St., Salcedo Village, Makati City	145,859	3/10/2014	5	4/9/2019
197	Trece Martinez	M. E. Magno Arcade 9061 Rd. Governor's Drive, Brgy. San Agustin, Trece Martinez City, Cavite	77,616	3/15/2014	10	5/15/2024
198	Tuguegarao	G/F Elinas Bldg. Gomez Street Centro 7, Tuguegarao City	60,928	7/1/2013	5	7/31/2018
199	Tutuban	PNR Tutuban Station Tutuban Center Mall C.M.Recto, Tondo Manila	102,552	4/1/2013	5	3/31/2018
200	UN Avenue	G/F Pearl Manila Hotel, Taft Ave., Manila	172,052	5/14/2011	10	5/13/2021
201	Urdaneta	G/F DBO Building MacArthur Highway, Urdaneta City, Pangasinan	94,080	7/1/2014	10	6/1/2024
202	Valencia Bukidnon	P-7 Sayre Highway Poblacion Valencia City, 8709 Bukidnon	55,125	4/15/2013	12	7/15/2025
203	Valenzuela	209 - 211 MacArthur Highway Karuhatan, Valenzuela	68,838	8/1/2008	15	7/31/2023
204	Vigan	G/F Luisa bldg. 74-78, Quezon Ave., Vigan City, Ilocos Sur	87,039	6/1/2013	5	7/31/2018
205	Visayas Avenue	No. 43 Visayas Ave. Brgy. Vasra, Quezon City	165,439	8/1/2015	10	9/29/2025
206	Vito Cruz	3001 Traders Hotel, Vito Cruz cor. Roxas Blvd., Pasay City	157,500	6/1/2014	10	5/31/2024
207	Wack Wack	584 SCT Bldg. Shaw Blvd., Mandaluyong City	88,088	5/15/2013	5	5/14/2018
208	West Avenue	G/F Westria Residences #77 West Ave., Quezon City	115,402	6/16/2013	5	6/15/2018
209	Xavier	81 Xavier Residences Xavier St., San Juan City	67,093	11/1/2013	5	10/31/2018
210	Zabarte	Lot 8 Block 4 Zabarte Road, Brgy. Kaligayhanan, Novaliches, Quezon City	88,592	5/17/2016	10	7/15/2026
211	Zamboanga	Astoria Printing Press BLG Mayor Halton St., Zamboanga City, Zamboanga del Sur	107,494	1/1/2015	5	12/31/2020
212	Zamboanga - Climaco	Gov. Lim Ave. cor. Mayor Climaco Ave., Zamboanga City	90,140	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)

	2016	2015	2014	2016 vs. 2015		2015 vs. 2014		2014 vs. 2013	
				+/-	%	+/-	%	+/-	%
ASSETS									
Cash and Other Cash Items	4,123,073,557	3,677,773,338	3,991,679,237	445,300,219	12.1%	(313,905,899)	-7.9%	1,751,346,933	78.2%
Due from Bangko Sentral ng Pilipinas (Note 17)	32,854,962,837	20,328,620,151	17,890,183,433	12,526,342,686	61.6%	2,438,436,718	13.6%	(910,329,696)	-4.8%
Due from Other Banks	1,037,497,068	1,268,034,018	2,050,350,720	(230,536,950)	-18.2%	(782,316,702)	-38.2%	826,719,103	67.6%
Interbank Loans Receivable (Note 7)	4,630,834,011	3,721,179,506	351,558,544	909,654,505	24.4%	3,369,620,962	958.5%	276,988,529	371.4%
Financial Assets at Fair Value Through Profit or Loss (Note 8)	659,382,124	418,485,519	517,030,158	240,896,605	57.6%	(98,544,639)	-19.1%	(3,393,034,210)	-86.8%
Available-for-Sale Investments (Note 8)	2,091,361,215	17,550,688,718	17,956,621,223	(15,459,327,503)	-88.1%	(405,932,505)	-2.3%	(6,370,610,623)	-26.2%
Held-to-Maturity Investments (Note 8)	15,049,806,480	5,621,546,010	1,610,602,372	9,428,260,470	167.7%	4,010,943,638	249.0%	1,610,602,372	
Loans and Receivables (Notes 9 and 30)	98,091,502,184	93,457,900,095	72,737,078,452	4,633,602,089	5.0%	20,720,821,643	28.5%	25,047,245,602	52.5%
Investments in Subsidiaries (Note 10)	-	-	-	-	0.0%	-	0.0%	-	0.0%
Property and Equipment (Note 11)	1,577,056,096	1,929,603,134	2,169,472,980	(352,547,038)	-18.3%	(239,869,846)	-11.1%	576,470,017	36.2%
Investment Properties (Note 12)	629,583,310	783,721,300	828,205,496	(154,137,990)	-19.7%	(44,484,196)	-5.4%	(307,814,903)	-27.1%
Deferred Tax Assets (Note 28)	304,561,930	293,549,446	192,765,321	11,012,484	3.8%	100,784,125	52.3%	(59,084,921)	-23.5%
Goodwill (Note 13)	2,104,551,657	2,104,551,657	1,960,524,451	-	0.0%	144,027,206	7.3%	76,990,479	4.1%
Intangible Assets (Note 14)	1,974,371,495	1,957,423,776	1,954,005,199	16,947,719	0.9%	3,418,577	0.2%	430,771,263	28.3%
Other Assets (Note 15)	372,811,805	443,242,841	582,951,696	(70,431,036)	-15.9%	(139,708,855)	-24.0%	190,835,884	48.7%
TOTAL ASSETS	165,501,355,769	153,556,319,509	124,793,029,282	11,945,036,260	7.8%	28,763,290,227	23.0%	19,747,095,829	18.8%

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

	2016	2015	2014	2016 vs. 2015		2015 vs. 2014		2014 vs. 2013	
				+/-	%	+/-	%	+/-	%
LIABILITIES AND EQUITY									
Liabilities									
Deposit Liabilities (Notes 17 and 30)	129,704,808,243	117,244,235,575	95,200,534,589	12,460,572,668	10.6%	22,043,700,986	23.2%	21,266,258,090	28.8%
Bills Payable And Securities Sold Under Repurchase Agreement (Note 18)	3,044,267,587	7,610,917,363	5,504,142,355	(4,566,649,776)	-60.0%	2,106,775,008	38.3%	(3,399,821,890)	-38.2%
Subordinated Debt (Note 19)	4,964,820,078	4,961,893,269	-	2,926,809	0.1%	4,961,893,269		-	
Manager's Checks	342,820,398	291,313,938	245,145,334	51,506,460	17.7%	46,168,604	18.8%	(296,002,957)	-54.7%
Income Tax Payable	8,288,981	75,191,660	12,039,927	(66,902,679)	-89.0%	63,151,733	524.5%	9,136,131	314.6%
Accrued Taxes, Interest and Other Expenses (Note 20)	706,806,097	587,849,529	549,482,992	118,956,568	20.2%	38,366,537	7.0%	141,828,691	34.8%
Other Liabilities (Note 21)	2,959,785,519	2,913,907,138	3,088,895,380	45,878,381	1.6%	(174,988,242)	-5.7%	(109,509,562)	-3.4%
Total Liabilities	141,731,596,903	133,685,308,472	104,600,240,577	8,046,288,431	6.0%	29,085,067,895	27.8%	17,606,518,495	20.2%
Equity									
Equity Attributable to Equity Holders of the Parent Company									
Capital stock (Note 23)	4,853,105,380	4,853,105,380	3,235,403,600	-	0.0%	1,617,701,780	50.0%	-	0.0%
Additional paid-in capital (Note 23)	6,622,818,961	6,622,818,961	6,622,818,961	-	0.0%	-	0.0%	-	0.0%
Surplus reserves (Note 29)	52,196,144	50,413,494	48,739,570	1,782,650	3.5%	1,673,924	3.4%	1,038,504	2.2%
Surplus (Note 29)	13,301,390,554	11,478,524,946	11,576,586,140	1,822,865,608	15.9%	(98,061,194)	-0.8%	1,634,486,332	16.4%
Cumulative translation adjustment	108,621,163	28,749,892	(14,506,817)	79,871,271	277.8%	43,256,709	-298.2%	15,143,110	-51.1%
Net unrealized gain (loss) on available-for-sale investments (Note 8)	(1,331,777,358)	(3,303,779,649)	(1,414,904,328)	1,972,002,291	-59.7%	(1,888,875,321)	133.5%	472,641,969	-25.0%
	23,606,354,844	19,729,833,024	20,054,137,126	3,876,521,820	19.6%	(324,304,102)	-1.6%	2,123,309,915	11.8%
Non-controlling Interest	163,404,022	141,178,013	138,651,579	22,226,009	15.7%	2,526,434	1.8%	17,267,419	14.2%
Total Equity	23,769,758,866	19,871,011,037	20,192,788,705	3,898,747,829	19.6%	(321,777,668)	-1.6%	2,140,577,334	11.9%
TOTAL LIABILITIES AND EQUITY	165,501,355,769	153,556,319,509	124,793,029,282	11,945,036,260	7.8%	28,763,290,227	23.0%	19,747,095,829	18.8%

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

	2016	2015	2014	2016 vs. 2015		2015 vs. 2014		2014 vs. 2013	
				+/-	%	+/-	%	+/-	%
INTEREST INCOME									
Loans and receivables (Notes 9 and 30)	5,733,721,756	4,717,869,421	3,498,313,450	1,015,852,335	21.5%	1,219,555,971	34.9%	1,293,374,564	58.7%
Trading and investment securities (Note 8)	1,219,625,166	1,238,735,201	1,527,215,117	(19,110,035)	-1.5%	(288,479,916)	-18.9%	203,693,570	15.4%
Interbank loans receivable and securities purchased under resale agreements (Note 7)	141,587,552	24,390,688	28,456,505	117,196,864	480.5%	(4,065,817)	-14.3%	(19,836,596)	-41.1%
Deposit with banks and others	108,920,540	72,468,900	90,245,487	36,451,640	50.3%	(17,776,587)	-19.7%	4,954,103	5.8%
Others (Note 21)	63,999,566	57,762,658	52,187,552	6,236,908	10.8%	5,575,106	10.7%	3,672,514	7.6%
	7,267,854,580	6,111,226,868	5,196,418,111	1,156,627,712	18.9%	914,808,757	17.6%	1,485,858,155	40.0%
INTEREST EXPENSE									
Deposit liabilities (Notes 17 and 30)	1,159,267,485	1,162,178,383	918,398,031	(2,910,898)	-0.3%	243,780,352	26.5%	183,468,639	25.0%
Bills payable, subordinated debt and other borrowings (Notes 18 and 19)	427,113,230	180,197,021	138,829,744	246,916,209	137.0%	41,367,277	29.8%	41,734,126	43.0%
	1,586,380,715	1,342,375,404	1,057,227,775	244,005,311	18.2%	285,147,629	27.0%	225,202,765	27.1%
NET INTEREST INCOME	5,681,473,865	4,768,851,464	4,139,190,336	912,622,401	19.1%	629,661,128	15.2%	1,260,655,390	43.8%
Service charges, fees and commissions (Note 26)	787,193,230	744,314,207	769,944,914	42,879,023	5.8%	(25,630,707)	-3.3%	267,783,675	53.3%
Trading and securities gain - net (Note 8)	434,282,903	91,683,200	343,040,143	342,599,703	373.7%	(251,356,943)	-73.3%	(337,356,521)	-49.6%
Foreign exchange gain (loss) - net	96,781,222	26,170,003	126,984,689	70,611,219	269.8%	(100,814,686)	-79.4%	251,230,112	-202.2%
Trust income (Note 29)	46,801,608	42,522,299	34,277,662	4,279,309	10.1%	8,244,637	24.1%	(4,168,043)	-10.8%
Miscellaneous (Notes 8, 10, 11, 12, and 24)	522,228,179	471,909,108	857,375,017	50,319,071	10.7%	(385,465,909)	-45.0%	320,145,792	59.6%
TOTAL OPERATING INCOME	7,568,761,007	6,145,450,281	6,270,812,761	1,423,310,726	23.2%	(125,362,480)	-2.0%	1,758,290,405	39.0%

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

	2016	2015	2014	2016 vs. 2015		2015 vs. 2014		2014 vs. 2013	
				+/-	%	+/-	%	+/-	%
Compensation and fringe benefits (Notes 25 and 30)	1,273,609,172	1,202,057,113	1,080,157,645	71,552,059	6.0%	121,899,468	11.3%	230,045,753	27.1%
Provision for credit and impairment losses (Note 16)	1,003,104,720	605,381,231	966,056,940	397,723,489	65.7%	(360,675,709)	-37.3%	655,130,948	210.7%
Depreciation and amortization (Notes 11 and 12)	628,698,074	649,922,244	509,464,260	(21,224,170)	-3.3%	140,457,984	27.6%	202,974,348	66.2%
Taxes and licenses	422,193,372	390,703,150	326,511,105	31,490,222	8.1%	64,192,045	19.7%	56,086,584	20.7%
Rent (Note 24)	312,461,851	299,278,992	251,712,234	13,182,859	4.4%	47,566,758	18.9%	70,648,075	39.0%
Insurance	291,115,174	250,629,867	211,564,827	40,485,307	16.2%	39,065,040	18.5%	65,180,308	44.5%
Security, messengerial and janitorial	124,956,525	129,449,921	113,886,748	(4,493,396)	-3.5%	15,563,173	13.7%	6,956,550	6.5%
Freight expenses	115,142,156	121,578,727	155,956,647	(6,436,571)	-5.3%	(34,377,920)	-22.0%	44,321,230	39.7%
Transportation and travel	112,507,549	120,310,655	119,620,968	(7,803,106)	-6.5%	689,687	0.6%	24,162,640	25.3%
Postage, telephone, cables and telegrams	76,092,363	69,412,215	59,108,040	6,680,148	9.6%	10,304,175	17.4%	11,977,795	25.4%
Repairs and maintenance	67,754,872	64,599,296	46,360,783	3,155,576	4.9%	18,238,513	39.3%	7,833,592	20.3%
Power, light and water	58,226,545	60,415,810	60,055,933	(2,189,265)	-3.6%	359,877	0.6%	9,465,743	18.7%
Amortization of intangibles (Note 14)	29,758,179	24,324,923	18,376,109	5,433,256	22.3%	5,948,814	32.4%	3,712,033	25.3%
Management and other professional fees	25,892,223	31,738,566	36,929,650	(5,846,343)	-18.4%	(5,191,084)	-14.1%	(4,392,505)	-10.6%
Miscellaneous (Note 27)	369,765,182	365,430,204	386,867,476	4,334,978	1.2%	(21,437,272)	-5.5%	90,643,505	30.6%
TOTAL OPERATING EXPENSES	4,911,277,957	4,385,232,914	4,342,629,365	526,045,043	12.0%	42,603,549	1.0%	1,474,746,599	51.4%
SHARE IN NET INCOME OF SUBSIDIARIES (Note 10)	-	-	-	-	0.0%	-	0.0%	-	0.0%
INCOME BEFORE INCOME TAX	2,657,483,050	1,760,217,367	1,928,183,396	897,265,683	51.0%	(167,966,029)	-8.7%	283,543,806	17.2%
PROVISION FOR INCOME TAX (Note 28)	352,928,200	241,616,156	239,191,395	111,312,044	46.1%	2,424,761	1.0%	69,557,627	41.0%
NET INCOME	2,304,554,850	1,518,601,211	1,688,992,001	785,953,639	51.8%	(170,390,790)	-10.1%	213,986,179	14.5%