

DRAFT
For Stockholders' Approval

oneNonMINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF

ASIA UNITED BANK CORPORATION

Held on 30 June 2020 at 9:00 a.m.
via Zoom Webinar
(in accordance with SEC regulations on Meetings by Remote Communication)

TOTAL NUMBER OF SHARES OUTSTANDING	485,310,538
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	368,089,888 (75.85%)

Before the start of the meeting, the following members of the Board of Directors present were introduced:

ABRAHAM T. CO
MANUEL A. GOMEZ
RAMON Y. SY
JACOB C. NG
GEORGE T. CHUA
ATTY. LILY K. GRUBA
JUSTICE ADOLFO S. AZCUNA
ATTY. MARIA GRACIA M. PULIDO TAN

The following executive officers of the Bank were likewise in attendance at the shareholders' meeting:

JASON C. NALUPTA (Corporate Secretary)
ANN MARGARET K. LORENZO (Assistant Corporate Secretary)
HERMINIA C. MUSICO (Treasurer)
ANTONIO V. AGCAOILI, JR. (Executive Vice President)
WILFREDO E. RODRIGUEZ (Executive Vice President)
CATHERINE C. UY (Senior Vice President)
AMELIA S. SISON (Senior Vice President)
WILLY G. NG (Senior Vice President)
LEONIDES F. INTALAN (Senior Vice President)
ERNESTO T. UY (Senior Vice President)
ANDREW A. CHUA (Senior Vice President)
MARIA TERESA C. OGBINAR (Senior Vice President)
FLORANTE C. DEL MUNDO (Senior Vice President)
CYNTHIA P. SANTOS (Senior Vice President)
ROSARIO M. DAYRIT (Senior Vice President)
LELA S. QUIJANO (Senior Vice President)
VICTORIO C. SISON (Senior Vice President)
JOHN P. GO (Senior Vice President)
JOSELITO R. JACOB (Senior Vice President)
AMELIA S. YAO (Senior Vice President)
RAINER T. DEFANTE (Senior Vice President)
EDDIE ABEL C. DOROTAN (Senior Vice President)
SOLEDAD O. REYES (Senior Vice President)

Representatives of SyCip Gorres Velayo & Co., the Bank's external auditors, were likewise in attendance.

CALL TO ORDER

After the National Anthem, the Chairman of the Board of Directors, Mr. Abraham T. Co, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

The Secretary advised the Body that, further to the authority granted by the Securities and Exchange Commission (SEC) under SEC Notice dated 20 April 2020, in lieu of physical distribution of notices, the notice for this year's stockholders' meeting was published in the printed and online editions of The Philippine Star and Business Mirror on June 4 and 5, 2020. The notice was likewise posted on the Bank's website.

The stockholders as of 25 May 2020, the Record Date set for this year's meeting, are participating, in person or by proxy, at the virtual meeting.

Officers of the Philippine Star and Business Mirror have executed their respective Affidavit of Publication attesting to the fact of publication. The Chairman instructed the Secretary to ensure that said Affidavits of Publication shall form part of the records of the meeting.

Thereafter, the Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of Four Hundred Eighty-Five Million Three Hundred Ten Thousand Five Hundred Thirty-Eight (485,310,538) shares of the total outstanding capital stock of the Bank, holders of a total of Three Hundred Sixty-Eight Million Eighty-Nine Thousand Eight Hundred Eighty-Eight (368,089,888) shares were participating in the virtual meeting either in person or by proxy, representing an attendance of 75.85% of the total outstanding capital stock of the Bank. Accordingly, the Secretary certified that a quorum existed for the transaction of the business at hand.

RULES OF CONDUCT AND VOTING PROCEDURES

The Chairman then informed the Body that, while the meeting was being held in a virtual format, the Bank extended to the shareholders every opportunity to participate therein to the same extent possible as in an in-person meeting. He then requested that a brief explanation of the rules of conduct and the voting procedures be made, which were as follows:

1. Stockholders who notified the Bank of their intention to participate in this meeting by remote communication and are not participating through the livestream may send their questions or comments through the Q&A function of Zoom Webinar.
2. Some of the questions or comments received will be read out during the Open Forum period, after all matters in the agenda are concluded. However, as the time dedicated for the meeting is not unlimited, the questions and comments which will not be read out and respondent to during the meeting will be answered by the Investor Relations Group via electronic mail.
3. Resolutions will be proposed for adoption by the stockholders for each of the items in the Agenda. Each proposed resolution will be shown on the screen as the same is being taken up.
4. The proxies received and the votes cast have been tabulated by the Corporate Secretary, together with the Head of the Investor Relations Group.

APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

The Secretary advised the Body that the minutes of the last stockholders' meeting held on 30 May 2019 was immediately made available to the stockholders for viewing in the

Bank’s website soon after the last meeting. The same was also made part of the documents that were recently made available to the stockholders in connection with the 2020 meeting.

The Corporate Secretary then presented the Resolution as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following Resolution:

Resolution No. S-01-2020

“**RESOLVED**, that the Minutes of the Annual Meeting of the Stockholders of **ASIA UNITED BANK CORPORATION** held on 30 May 2019 is hereby approved.”

The votes for the Resolution on the approval of the Minutes of 2019 Annual Stockholders’ Meeting are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	368,089,888 (75.85%)	0 (0.00%)	0 (0.00%)

PRESIDENT’S REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS

Upon the request of the Chairman, the President, Mr. Manuel A. Gomez, presented the President’s Report on the Bank’s 2019 Operations and the Audited Financial Statements. Mr. Gomez reported as follows:

The unprecedented event that we are facing today is something that we couldn't have imagined.

It triggered devastating effects on global economies and businesses. But we felt it most in our way of life. And, it is far from over. Though no one could have prepared for this pandemic, AUB is poised to meet it head-on because of three key points: our strong performance last year, our strength in technology, and, most of all, our people.

2019 was a year of growth.

We recorded our most profitable year yet, Forty (40%) percent up from 2018 despite the challenging environment. We continue to depend on our core businesses for growth, and our trading gains remain robust. We further expand our already strong balance sheet, and we remain a very capable provider of liquidity in the market and to our customers.

The second key point is AUB's strength in technology.

Leadership foresight and our IT group's agility and flexibility pushed AUB ahead of the curve in terms of automation and in implementing new digital products, enabling us to meet current challenges and needs. The physical distance caused by this pandemic became a massive hurdle for businesses, but most especially for banks.

Technology bridged this gap.

Our branch operations were adjusted to follow a low-touch and safe banking blueprint to protect the health of our employees and customers.

In the third quarter of 2019, we introduced Hello Money, our e-wallet solution, to address the needs of the unbanked and underserved market, as well as to appeal to our digital-savvy customers.

We made it possible for the regular Filipino to manage and secure his finances through the Hello Money mobile app. Transacting with AUB became easier, more convenient, and more accessible. We saw a growth in registrations and usage in the recent months because it empowered customers to continue banking with us in this new environment.

We also recently relaunched our Virtual Teller to reduce the transaction time in our branches.

And we will continue to improve and enhance our AUB online banking website and mobile app, to make these more effective and more efficient channels. These are just some of the initiatives happening in our digital space.

The customer is at the heart of everything that we do.

As we transform and transition to become a more digital-enabled bank, we remain human-centric and personal, in all our interactions. DIGITAL is just another platform where we will communicate, engage, and build trust and relationships with our customers.

The third key point that will help us weather this storm is our people. Thus, our first and foremost priority in this pandemic was everyone's well-being. That everyone in all our AUB offices nationwide was safe was already a big win for us.

AUB answered the call of "BAYANIHAN," Throughout the nation, AUBankers from different areas were empowered, to provide assistance to their local communities. We donated food, sanitation materials, living essentials for frontliners, institutions and community members.

Our people are our most valuable asset. They will lead, innovate, transform and propel AUB forward.

We will invest in talent and leadership development to expand and advance the capabilities to equip them for their careers in AUB and beyond. And we continuously build a culture in the organization that will make AUB the best bank to work for.

The script of this story is still unfinished, and we can't know what the outcome will be, but one thing for sure is that this will be a time of change - one that we will adapt and adjust to because we are forward- looking, by recognizing the changes in our way of life, we will move quickly and confidently to address this.

We are ready. Yes, there is danger, but there is also an opportunity to shape the future. We are in the right position, with the right talent, enabled by you, our stockholders, and supported by our loyal customers.

We are steadfast in our commitment of PEOPLE first. AUBankers are the cornerstones of the organization.

We began 2020 with an event that shook the world, but AUB is no stranger to crisis. After all, we opened in the midst of one in 1997. We prevailed since then, and we will do so now.

We appreciate your continued trust and support of AUB's progress and transformation through 2020. With AUB, your future is our commitment.

For the highlights of the Bank's Audited Financial Statements for year ended 31 December 2019, the President reported as follows:

Before the global markets were interrupted by the coronavirus pandemic, Philippine banks were enjoying a good run, with the industry moving as robustly as the economy. Banking Assets and Philippine GDP ended 2019 with compounded growth rates of 9.6% and 9.1% respectively.

In 2019 AUB continued to show growth in its business.

Its assets grew by 12%, loans and receivables by 11% and, deposits by 9%. These placed us at the number 14 spot among the country's 44 universal and commercial banks. The growth in our Net Income, on the other hand, was very remarkable at 35%.

The key to employee management is Personal and Professional Development for organizational efficiency, better customer experience and increased shareholder value. We launched training programs to improve employees' skills set, product knowledge and competency and productivity.

These complemented our growth programs in the areas of cross-selling and customer relationship building and deepening. We placed a high premium on our people's customer service skills.

In line with our Succession Planning initiatives, we continue to conduct leadership and coaching programs for supervisor to equip them with the competency, knowledge and crucial job skills and abilities to ensure a seamless movement of talent within the bank.

It is our goal to be able to be at the forefront of development in technology in the industry to make banking easy, more convenient and affordable. In our desire to expand our client base with digital accounts, we launched our Hello Money in 2019. We are one of the pioneers of the implementation of the National QR Code in our QR-based products and services.

Our ₱7 Billion three-year maiden bond issue in 2019 was launched via a paperless bond offering, through electronic subscriptions, a first in the country.

AUB has exhibited a cost to income ratio of 46.1%, lower than the industry's 58.8% average, making us one of the lowest cost producers in the industry.

The Bank's growth is supported by its increasing branch network and workforce.

At the end of 2019, the Bank had a total of 267 branches nationwide, that is, 226 and 41 branches from AUB and its subsidiaries, respectively.

Likewise, the Bank's workforce increased by 11% from 2,523 employees in 2018 to 2,791 employees in 2019.

Total Assets increased by 12% from ₱238 Billion to ₱266 Billion in 2019, with Treasury Assets leading in percentage growth of 29%, enabling us to successfully participate in trading opportunities in a favorable market.

Treasury Trading Gains in 2019 amounted to ₱1.2 Billion.

Liabilities and Equity also increased by 12% to ₱266 Billion in 2019, consisting of a moderate 9% growth in deposits and a 46% increase in Other Liabilities, coming from our ₱7 Billion maiden issue of three-year fixed rate bonds, which we launched to increase the stable-priced portion of our funding sources.

While our business size grew modestly at 12%, and operating expense was 18% higher than the previous year, I am proud to report that our efforts at effective pricing, success in growing our low-cost deposit and wise trading decisions made us grow our Net Income by 35% from ₱3.3 Billion in 2018 to ₱4.5 Billion in 2019.

As a result, earnings per share also increased by 34% from ₱6.83 to ₱9.16, and, book value per share calculated as equity, divided by the number of total shares outstanding, appreciated by 14% to ₱68.03 from ₱59.90 pesos in 2018.

Meanwhile, the Bank's price-to-earnings ratio was at 5.80.

Based on the data released by BSP for 44 universal and commercial banks, AUB ranked 14th place in terms of assets, loans and receivables, and deposits.

AUB outperformed the industry for all the above indicators.

We were able to price well to achieve a Net Interest Margin of 4.38%, almost a full percentage point ahead of the industry's 3.44%. Our banner year earnings caused ROA and ROE to improve to 1.76% and 14.24%, respectively, also outperforming the industry's average of 1.31% and 10.70%, respectively.

We spent smarter instead of more, per peso of income earned. Our continuing expense rationalizing discipline allowed us to drop cost to income ratio by 3.6%, from 49.77% to 46.12%, 22% less than the industry's 58.81%.

Strong core business, lending and deposit-taking, resulted in Net Interest Income to Gross Income Ratio of 77.52% higher than the industry's 75.26%.

As to liquidity, the ratio of the bank's liquid assets to total deposits was 33.01%.

Total loans to total deposits ratio was recorded at 81.17%.

Liquidity Coverage Ratio at 160% and Net Stable Funding Ratio at 139% are all well within the prescribed limits of 100%.

2019 versus 2018 Net NPL ratio was stable at 1.41%, with increased coverage ratio from 59.97% to 69.43%.

Lastly, capital adequacy was very healthy, at 17.99% Capital Adequacy Ratio, which was well above the 10% minimum regulatory requirement.

The Common equity Ker 1 at 14.61% is likewise above the regulatory requirement of 8.5%.

The remainder of 2020, and most likely far after, will be, at the very least,

doubly challenging. Fundamental objectives for the most part will remain unchanged, but the road map will be significantly altered.

The New Normal ways of execution will be applied to 2020.

AUB plans to maintain its lending activities to its defined markets, the corporate and consumer sectors of the market as well as the Micro Small and Medium Enterprises.

In these contactless times, we cannot overemphasize the need to intensify IT collaboration, to overcome the reach limitation the pandemic has brought.

The Bank will continue to strengthen its geographical presence, through its network of branches in areas demonstrating vibrant business activities.

The quest for low-cost funding, CASA, remains paramount.

Manpower Training and Development will play a crucial role in our journey towards the New Normal, beginning with the departure from physical to remote modes of learning, into critical behavior change.

The expected slowdown in the country's economic activity and growth caused by the global pandemic will negatively impact the asset quality of our Bank even as we continue to undertake business lending to our key identified markets.

To quote our Chairman, Mr. Abraham Co, "We have to be prepared for the things we can't see." Preparing for it means riding out the current crisis, by keeping a healthy Balance Sheet, staying liquid, prioritizing and proactively managing the deployment of both financial and non-financial resources to effectively manage the attendant market and credit risks.

Lastly, but not the least, keeping our employees safe and productive.

We are optimistic and confident that with the government's handling of the current economic crisis, its proactive monetary policies and fiscal stimulus towards creating demand to keep the wheels of our economy running, coupled with strong earnings of banks in prior years, leading to their stronger capitalization, the banking industry will remain resilient — and so will AUB, as history has demonstrated this in the past.

Upon request of the Chairman, the Corporate Secretary presented the Resolution on the approval of the Annual Report and the Audited Financial Statements, as proposed by Management, and based on the votes received, reported the approval of the stockholders of the following Resolution:

Resolution No. S-02-2020

"RESOLVED, that the 2019 Annual Report on the operations of **ASIA UNITED BANK CORPORATION** together with the Audited Financial Statements and accompanying notes thereto for the year ended 31 December 2019, be approved."

The votes for the adoption of the Resolution for the approval of the Annual Report for the year ended 31 December 2019, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2019, are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2019 Annual Report and Financial Statements	368,089,888 (75.85%)	0 (0.00%)	0 (0.00%)

RATIFICATION OF CORPORATE ACTS

The Chairman informed the stockholders that the next item in the agenda was ratification of the acts of the Bank’s Board of Directors and Officers from the date of the last stockholders’ meeting up to the date of this meeting. A summary was presented on the screen for the benefit of the stockholders.

Upon the Chairman’s request, the Corporate Secretary explained that the Board and Management sought the stockholders’ ratification for all the acts of the Board of Directors and Officers of the Bank, from 30 May 2019 until the present date.

The Corporate Secretary then presented the Resolution, as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following resolution:

Resolution No. S-03-2020

“**RESOLVED**, that all acts of the Board of Directors and Officers of **ASIA UNITED BANK CORPORATION** from the date of the last stockholders’ meeting on 30 May 2019 up to the date of this meeting, are hereby confirmed, ratified and approved.”

The votes for the adoption of the Resolution for the ratification of the acts and resolutions of the Board of Directors and Officers of the Bank are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Officers from the date of the last stockholders’ meeting up to the date of the present meeting.	368,089,888 (75.85%)	0 (0.00%)	0 (0.00%)

ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year and until the next election. Mr. Co informed the Body that, as disclosed in the Information Statement, only eight (8) out of the nine (9) seats provided in the Bank’s Articles of Incorporation will be filled. The last and ninth seat will be reserved for the election of a third independent director at a later time. Accordingly, for this meeting, eight (8) directors, two (2) of whom shall be Independent Directors, shall be elected.

The Chairman then requested the Chairman of the Corporate Governance Committee, Justice Adolfo S. Azcuna, to announce the nominees.

Justice Azcuna announced the names of the nominees and informed the Body that the nominees, whose profiles appear in the Bank’s Information Statement and Annual Report, were duly screened by the Corporate Governance Committee. The information included their age, qualifications, dates of first appointment, affiliations, and other directorships in publicly-listed companies.

The Chairman then requested the Corporate Secretary to present the results of the

election.

The Corporate Secretary stated that each of the nominees has garnered sufficient votes for election as Director. He then presented the Resolution on the election of the nominees to the Board, as proposed by Management, and based on the votes received, reported the approval of the following Resolution:

Resolution No. S-04-2020

“RESOLVED, to elect the following nominees, receiving the votes indicated opposite their names, as directors of **ASIA UNITED BANK CORPORATION** for the year 2020-2021, to serve as such until their successors shall have been duly elected and qualified:”

Nominee	No. of Votes Received
Mr. Abraham T. Co	368,056,558 (75.84%)
Mr. Manuel A. Gomez	367,994,148 (75.83%)
Mr. Ramon Y. Sy	368,027,478 (75.83%)
Mr. Jacob C. Ng	368,027,478 (75.83%)
Atty. Lily K. Gruba	368,027,478 (75.83%)
Mr. George T. Chua	367,944,148 (75.83%)
Justice Adolfo S. Azcuna (Independent Director)	368,054,868 (75.84%)
Atty. Maria Gracia M. Pulido Tan (Independent Director)	368,054,868 (75.84%)

APPOINTMENT OF EXTERNAL AUDITOR

The Chairman announced that the next item in the agenda is the appointment of the Bank’s external auditor for Year 2020-2021. He requested the Chairperson of the Audit Committee, Atty. Maria Graica M. Pulido Tan, to present the recommendation.

Atty. Pulido Tan informed the Body that the Audit Committee has recommended, and the Board of Directors has endorsed for consideration of the stockholders, the re-appointment of Sycip Gorres Velayo & Company (SGV & Co.) as the Bank’s external auditor for the year 2020.

The Corporate Secretary, upon the request of the Chairman, presented the Resolution as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following Resolution:

Resolution No. S-05-2020

“RESOLVED, that **ASIA UNITED BANK CORPORATION** (the ‘Bank’) hereby approves the re-appointment of Sycip Gorres Velayo & Company as the Bank’s external auditor for Year 2020.”

The votes for the adoption of the Resolution for the re-appointment Sycip Gorres Velayo & Company. as the Bank’s external auditor for Year 2020-2021 are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Re-appointment of Sycip Gorres Velayo & Company as External Auditor for 2020	368,029,168 (75.83%)	0 (0.00%)	0 (0.00%)

OTHER MATTERS

After confirming with the Corporate Secretary that there are no other remaining matters on the agenda, the Chairman requested Ms. Joselinda Kittilu L. Vibar, Vice President and Head of Marketing Group, to read aloud the questions and comments sent by the stockholders.

The first question read was an inquiry from Ms. Curvy Abelinda on how AUB acted in response to the most difficult challenges brought about by the pandemic. In response, the Chairman mentioned that the most difficult challenges faced by the Bank were two-fold. First is ensuring the physical health of the Bank's staff and customers while maintaining continuous customer service. Being in a service-oriented industry, which is engaged in face-to-face interaction for so many years, the Management planned daily for almost a month to address all related issues and details on the adoption of precautionary measures, including, but not limited to, social distancing guidelines. Second is ensuring the economic health of customers and managing any economic damage that they might have encountered without their fault. The Chairman emphasized that the Bank has an obligation to help the customers while keeping in mind its obligation to ensure the safety of the depositors and the financial stability of the Bank. Thus, all accounts were reviewed to ensure that all customers' issues and concerns are properly addressed. He then commended the Loan and Account Management Group for their efforts.

The second question read was from Ms. Edielyn Catantan on the most important learning or realization of the concerned officers during the pandemic. In response, the Chairman said, "Always expect the unexpected and never panic. Have a presence of mind and you should always be prepared by being very, very stable especially for a Bank." In addition, President Gomez also responded that while the Bank has proven itself to be the better spender in the industry, they realized that there is still so much they can do in redirecting resources to more productive endeavors. Indeed, the crisis bred ingenuity, creativity, and resourcefulness. Also, it was during this crisis that previously undiscovered talents have emerged amongst the people.

The last question read was an inquiry from Ms. Marlyn Iñigo on the Bank's business outlook for the year 2020 and the future, and the setting of stockholders' expectation as far as the safety of their stake in the Bank is concerned. As requested by the Chairman, President Gomez responded to the question. The President answered that the business recovery in general will be very slow until a vaccine is deployed. The banking industry and AUB is not exempted from this. The government has lowered reserve requirements and interest rates, as well as provided incentives for engaging Micro, Small, and Medium Enterprises (MSMEs). Still, AUB will build and strengthen its relationships in line with this endeavor. The Bank will boost its digital and contactless products and services, which show significant potential. Finally, he assured that the stakeholders' investment in AUB will remain safe.

The Chairman, thereafter, announced that the stockholders may raise any further issues, clarifications, and concerns regarding the meeting within the next two (2) weeks by sending an e-mail to investorrelations@aub.com.ph.

ADJOURNMENT

There being no other matters to be discussed, the meeting was thereupon adjourned.

Attested by:

ABRAHAM T. CO
Chairman of the Board

JASON C. NALUPTA
Corporate Secretary