

DRAFT
For Stockholders' Approval

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
ASIA UNITED BANK CORPORATION

Held on 22 June 2018 at 9:00 a.m. at
Joy Ballroom, 5th Floor, 17 ADB Avenue, Ortigas Center, Pasig City

TOTAL NUMBER OF SHARES OUTSTANDING	485,310,538
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	369,400,000 (76.12%)

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

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

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

JASON C. NALUPTA (Corporate Secretary)
HERMINIA C. MUSUCO (Treasurer)
ANTONIO V. AGCAOILI (Executive Vice President)
ISABELITA M. PAPA (Executive Vice President)
WILFREDO E. RODRIGUEZ (Executive Vice President)
ANDREW A. CHUA (Senior Vice President)
ROSARIO M. DAYRIT (Senior Vice President)
FLORANTE C. DEL MUNDO (Senior Vice President)
LEONIDES F. INTALAN (Senior Vice President)
MARIA TERESA C. OGBINAR (Senior Vice President)
LELA S. QUIJANO (Senior Vice President)
CYNTHIA P. SANTOS (Senior Vice President)
VICTORIO D. SISON (Senior Vice President)
AMELIA S. SISON (Senior Vice President)
CATHERINE C. UY (Senior Vice President)
ERNESTO T. UY (Senior Vice President)
ANDREW T. YAP (Senior Vice President)
EILEEN C. NG (Vice President)
EDDIE ABEL C. DOROTAN (First Vice President)
ANNETTE R. MANAPIL (First Vice President)
RACHELLE D. NG (First Vice President)
SOLEDAD O. REYES (First Vice President)
ALBERT T. REYES (First Vice President)
MARIA MAGDALENA V. SURTIDA (First Vice President)

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

I. CALL TO ORDER

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.

II. CERTIFICATION OF NOTICE AND QUORUM

Based on a certificate issued by the Bank’s stock transfer agent, Stock Transfer Service, Inc., attesting to the mailing of the notices of the meeting to the Bank’s stockholders of record, the Secretary certified that notices of the meeting were sent to all stockholders of record as of 23 May 2018. A copy of the certificate has been attached to this minutes pursuant to the instructions of the Chairman.

The Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of 485,310,538 shares of the total outstanding capital stock of the Bank, holders of a total of 369,400,000 shares of stock were present in person or by proxy representing an attendance of 76.12% 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.

III. APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on 22 June 2017 was dispensed with as the same had been previously circulate/distributed to the stockholders. The Chairman opened the floor for questions about the Minutes of the 2017 Annual Stockholders’ Meeting. No questions having been raised, the Minutes of the last stockholders’ meeting was thereafter approved, as circulated/distributed:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	369,400,000 (76.12%)	0 (0.00%)	0 (0.00%)

The following resolution was thereafter passed:

“**RESOLVED**, that the Minutes of the Annual Meeting of the Stockholders of **ASIA UNITED BANK CORPORATION** held on 22 June 2017 is hereby approved.”

IV. PRESIDENT’S REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS

The President, Mr. Manuel A. Gomez, presented the Bank’s 2017 Annual Report and Audited Financial Statements.

Mr. Gomez started with a brief description of the status of the economy and banking industry in 2017. According to him, 2017 exhibited a sustained economic growth despite the 7.3% growth in government spending due to the Government's build, build, build program. Mr. Gomez reported that in the Philippines, GDP growth is at 6.7%, which is reportedly one of the fastest growing economies in the region. The banking industry in the Philippines has been stable as asset quality is at 1.42% non-performing loans, capitalization is at 17% CAR and firm liquidity position is at 185.3% liquidity coverage ratio. Moreover, foreign exchange reserves reach USD 81.57 Billion indicating a strong domestic consumption and increased pace of investment.

Mr. Gomez reported that 2017 was a good year for the Bank. The Bank exhibited the fastest growth among listed local banks having a 23% and 34% growth in deposit and loans, respectively. The Bank commenced integration with financial technology platforms to provide better service to its customers. Further, the Bank continued with the expansion of its branches with expenses rationalized, while at the same time, maintaining an increased productivity and efficiency.

In 2017, the Bank's assets grew by 21% from ₱166 Billion in 2016 to ₱200 Billion in 2017. Cash and due from banks declined by 16% to ₱35.7 Billion while treasury assets increased by 50% to ₱26.8 Billion. Loans and receivables increased by 34% to ₱131.1 Billion while other assets, which included interbank loans and receivables, dropped by 8% to ₱6.4 Billion. Deposits increase by 23% to ₱159.4 Billion, Other liabilities increase by 14% to ₱13.7 Billion while, total equity increased by 13% to ₱26.8 Billion.

Mr. Gomez reported that in 2017, the Bank's net interest income increased by 15% to ₱6.51 Billion. Non-interest income, operating expenses and provision for income tax increased by 3%, 8% and 63%, respectively, while provision for losses declined by 20%. Earnings per share increase by 23% from ₱4.70 in 2016 to ₱5.77 in 2017. Thus, book value per share increased by 13% from ₱48.64/share in 2016 to ₱54.92/share in 2017.

The President then presented the financial performance indicators for 2017 vs. 2016 and vs. average among universal and commercial banks.

As to profitability, the Bank's net interest margin barely increased in 2017 at 4.45% compared to 4.44% in 2016. Nonetheless, the Bank's NIM is still higher than the industry average of 3.04%. The net interest income to gross income increased from 75.03% in 2016 to 77.13% and is significantly higher than the industry average of 75.20%.

As to liquidity, the ratio of the Bank's Liquid Assets to Total Deposits declined from 46.60% in 2016 to 39.20% but is lower than the industry average of 40.74%. On the other hand, the ratio of total loans to total deposits increased from 75.63% to 82.23% but remains significantly higher than industry average of 69.19%.

As to asset quality, the Net NPL ratio declined from 0.55% in 2016 to 0.32%. This, however, is higher than the industry average of 0.28%. The NPL coverage ratio increased from 130.89% to 181.31% and higher than the industry average of 149.39%.

Lastly, as to capital adequacy, the Bank's total CAR stood at 15.68%, lower compared than the industry ratio of 17.20%. The Common Equity 1 CAR ratio decreased from 13.64% in 2016 to 12.24% in 2017, lower compared than the industry average of 16.01%.

Mr. Gomez thereafter presented the Bank's 2018 growth plans as follows:

1. Sustain lending growth
2. Continue branch expansion
3. Increase low-cost funding sources
4. Strengthen manpower training and development
5. Intensify IT collaboration

Finally, Mr. Gomez presented the Bank's outlook for 2018. A healthy Philippine economy characterized by upgraded credit rating of BBB, emergence of financial technology, and stable GDP growth provides a positive outlook for the Philippine banking industry. However, the Bank anticipates challenges brought about by high inflation rate, foreign exchange market volatility and global political noise. Nonetheless, in spite of these challenges, the Bank remains optimistic about its growth and future.

Mr. Gomez stated that the Bank looks forward to the continued support of its customers, stockholders, Board of Directors, management team, and employees towards meeting the aspiration to be among the banks of significance in the Philippines and thanked the Board of Directors for its valuable guidance, the employees for their tireless dedication and the shareholders for their continued trust and support in the corporation and the management.

After the Report of the President, the Chairman opened the floor for questions to be raised on the 2017 Annual Report on the Bank's operations and Financial Statements.

No questions, having been raised by the stockholders present, the Annual Report for the year ended December 31, 2017 together with the Audited Financial Statements for the Fiscal Year ended December 31, 2017, upon motion duly made and seconded, were approved based on the results of the voting via poll:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2017 Annual Report and Financial Statements	369,400,000 (76.12%)	0 (0.00%)	0 (0.00%)

The following resolution was likewise approved:

“**RESOLVED**, that the 2017 Annual Report on the operations of **ASIA UNITED BANK CORPORATION** together with the Audited Financial Statements and accompanying notes for the year ended December 31, 2017, be approved.”

V. RATIFICATION OF CORPORATE ACTS

Mr. Co next presented a list of the acts of the Bank’s Board of Directors and Officers from the date of the last stockholders’ meeting up to this meeting for the stockholders’ confirmation, ratification, and approval.

After a motion to confirm, ratify, and approve all the acts of the Bank’s Board of Directors and Officers from the date of the last stockholders’ meeting up to date of the present meeting was duly made and seconded, and no objections thereto having been raised by any of the stockholders present, the motion was then approved as follows based on the results of voting via poll:

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.	369,400,000 (76.12%)	0 (0.00%)	0 (0.00%)

The following resolution was likewise approved:

“**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 22 June 2017 up to the date of this meeting, are hereby confirmed, ratified and approved.”

VI. 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. Mr. Co informed the Body that, as disclosed in the Information Statement sent to all stockholders, the nine (9) seats provided in the Corporation’s Articles of Incorporation will be filled. Accordingly, for this meeting, nine (9) directors, three (3) of whom shall be Independent Directors, shall be elected.

Mr. Co 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 Nomination Committee.

After the nominations were duly seconded, and there being only 9 nominees for the 9 seats to be filled, the Corporate Secretary was directed to cast the votes in favor of the 9 nominees, and the said nominees were deemed elected.

The following persons were elected as members of the Board of Directors of the Bank for the year 2018-2019 after receiving the votes indicated opposite their names:

Nominee	No. of Votes Received
Mr. Abraham T. Co	369,400,000 (76.12%)
Mr. Manuel A. Gomez	369,400,000 (76.12%)
Mr. Ramon Y. Sy	369,400,000 (76.12%)
Mr. Jacob C. Ng	369,400,000 (76.12%)
Atty. Lily K. Gruba	369,400,000 (76.12%)
Mr. George T. Chua	369,400,000 (76.12%)
Justice Adolfo S. Azcuna (Independent Director)	369,400,000 (76.12%)
Atty. Maria Gracia Pulido Tan (Independent Director)	369,400,000 (76.12%)
Dr. Alfonso G. Siy (Independent Director)	369,400,000 (76.12%)

Justice Adolfo S. Azcuna, Atty. Maria Gracia Pulido Tan, and Dr. Alfonso G. Siy were elected to serve as the Bank’s Independent Directors.

VII. APPOINTMENT OF EXTERNAL AUDITOR

Mr. Co endorsed the discussion on the appointment of the Bank’s external auditor to the Chairman of the Audit Committee, Justice Adolfo S. Azcuna.

Justice Azcuna informed the Body that, acting on the recommendation of the Audit Committee, the Board of Directors approved the re-appointment of Sycip Gorres Velayo & Company (SGV & Co.) as the Bank’s external auditor for the year 2018-2019.

No questions or objections having been raised by the stockholders present despite opportunity having been given, the proposal to re-appoint SGV & Co. as the Bank’s external auditor for year 2018-2019 was approved by the stockholders based on the results of voting via poll:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Re-appointment of Sycip Gorres Velayo & Company as External Auditor for 2018-2019	369,400,000 (76.12%)	0 (0.00%)	0 (0.00%)

The following resolution was likewise approved:

“**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 2018-2019.”

VIII. OTHER MATTERS & ADJOURNMENT

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

Attested by:

ABRAHAM T. CO
Chairman of the Board of Directors

JASON C. NALUPTA
Corporate Secretary