

the SPIRIT of ENTERPRISE

Agent of change.

Sense of mission.

Innovation.

CreAte

opportuniTy and wealth.

GeneRate jobs.

BUild

buSinesses.

True engine of prosperiTty.



ASIATRUST Bank

2006 ANNUAL REPORT

our philosophy

We are committed to the highest level of integrity and professionalism based on the belief that banking success will come as a natural result of effectively and responsibly serving the public interest.

We recognize that success is best achieved through synergy, constancy of purpose, and a shared vision. Thus, we are committed to working together with all our stakeholders in the attainment of a common goal.

TOGETHER WITH OUR CLIENTS

By maintaining at all times an accurate view of their business and financial needs and a precise understanding of how they can be met, and by continuously innovating to provide products and services that are of superior quality and value, delivered in a fast and efficient manner.

TOGETHER WITH OUR EMPLOYEES

By providing a working environment geared towards productivity, professional growth and development, creativity and learning, and enhancement of the quality of life.

TOGETHER WITH OUR SHAREHOLDERS

By creating shareholder value that will satisfy their return on investment expectations and provide them with pride in their participation in the Bank.

TOGETHER WITH THE COMMUNITIES WE SERVE

By assisting within our means in their social and economic development.

In the course of accomplishing our objectives, we hope to achieve greater relevance in our economy and society by contributing in significant measure to the progress and prosperity of our nation, to the building of a better future for all Filipinos.

WORKING TOGETHER, SUCCEEDING TOGETHER.



our mis**S**ion

SELL: Trust, Confidence and Financial Expertise

THRU: Service Excellence,
Continuous Niching and Innovation

TO BECOME: The Leading Financial
Institution for the Entrepreneur

at a glAnce

Established in October 1960, Asiatrust Bank is one of the leading development financial institutions in the Philippines, focused on serving an important and productive segment in our economy --- the small and medium enterprises.

With total resources of P14.3 billion, total deposits of P11.0 billion, and capital funds of close to P1.5 billion as of June-end 2006, Asiatrust Bank ranks as the 5th largest thrift bank in the country today. We have 28 branches and 34 ATMs and a deposits-per-branch average of around P400 million, among the highest in the industry.

We are particularly keen on understanding our customers, nurturing relationships that grow, develop and endure. We are well positioned to provide a broad range of products and services customized to meet the business and financial needs of our small and medium enterprise (SME) clients. As those needs change, we are committed to devoting the time, energy and expertise to help them achieve their evolving financial goals. In steps large and small, we seek to make banking experience for our customers a better one.

Our major institutional shareholders include the Asian Development Bank (ADB), a major international development financial institution recognized as the "bank for half the world" and the Social Security System (SSS), the largest pension fund in the Philippines.

Asiatrust Bank has evolved into a dynamic organization --- intensely customer-focused, highly innovative and competitive, and publicly-traded --- distinguished by a unique brand of personalized customer service.

For nearly half a century, we have demonstrated the vision that has allowed us to become a dominant force in SME banking. Our foresight and responsiveness have paved the way not only for our own growth but also for our SME clients, which have advanced smoothly and rapidly throughout the years. Our major goals are to continue upgrading our place in the financial market and to enhance our developmental role as a premier financial intermediary for small and medium-sized businesses.

Growing alongside the Filipino entrepreneur has always been and will continue to be our principal strength.

financial highHlights

in million pesos except earnings per share and ratio data

	2006	2005	2004	2003	2002
FOR THE YEAR					
Gross Income	1,366.99	1,113.87	991.34	925.12	1,068.87
Net Interest Income	432.74	386.97	353.50	323.33	404.07
Other Income	344.26	147.24	160.16	198.98	150.19
Other Expenses	611.12	496.76	441.29	507.03	542.44
Net Earnings	102.57	65.81	72.28	39.40	36.55
TOTAL AT YEAR-END					
Resources	14,299.62	13,167.86	12,210.79	10,765.69	10,038.70
Loans - gross	6,757.64	6,901.86	7,175.95	6,214.10	6,556.30
Deposits	10,968.94	10,149.81	9,145.19	8,072.47	6,983.70
Capital Funds	1,467.43	1,665.59	1,622.63	1,514.93	1,461.13
OTHER DATA					
Earnings Per Common Share	0.99	0.63	0.69	0.38	0.35
Return on Average Equity	5.92%	4.05%	4.80%	2.66%	2.51%
Return on Average Assets	0.76%	0.51%	0.67%	0.41%	0.40%

message from our chairpersOn & president



To Our Dearest Stockholders, Clients And Friends,

In the uncertain and challenging economic environment of 2006, we are pleased to report that the strength of our franchise --- driven by customer focus and excellent service --- is reflected in our financial performance for the fiscal year.

- Asiatrust Bank ranked as the 5th largest thrift bank in the Philippines with total resources of P14.3 billion as of June 30, 2006, up by 9% from P13.2 billion a year ago. The increase in resources was the result of a carefully calibrated strategy to achieve an orderly and disciplined expansion in basic banking business amidst an increasingly difficult and competitive banking environment, while ensuring that funding growth continued to be well-balanced and anchored on stable and low-cost fresh funds.
- Total deposits grew 8% or P819.1 million to P11.0 billion, the result of new customer relationships as well as our ability to significantly multiply cross-sell relationships with existing customers. In terms of market share, Asiatrust Bank captured approximately 5% of total deposits generated by the thrift banking sector composed of 85 banks.
- Deposits-per-branch average reached close to P400 million, one of the highest in the industry.
- Combined current and savings accounts (CASA) surged 17% to P7.9 billion. CASA as a percentage of loans advanced to 117% from 98% in 2005, which indicates that the Bank was able to generate more CASA business of P1.17 for every peso of loan during the year.
- Net interest income, which is the difference between interest income and interest expense, rose 12% to P432.7 million against last year's P387.0 million mainly due to improved interest rate spread.
- Non-interest income sources strengthened earnings performance for 2006 and, compared to the more moderate performance of net interest income, registered a strong 134% gain over the previous year. Other income totaled P344 million and represented 44% of net revenues, in contrast to 28% in 2005.
- Effective cost management brought about improvement in our productivity ratio. Our

ratio of expenses to net revenues fell to 79% in 2006, down from 93% in 2005. With a number of targeted productivity efforts underway and a focus on containing costs throughout the organization, we believe that we can still further enhance our efficiency performance over the longer term.

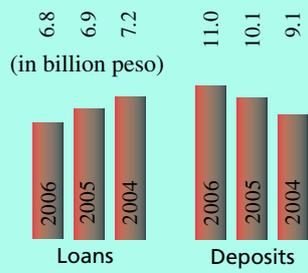
- Net profits jumped 56% during the period to P102.6 million from only P65.8 million a year ago. Returns on average equity and average assets were recorded at 5.92% and 0.76% respectively.

Loans, which typically are the Bank's highest yielding earning asset, contracted by 2% to P6.76 billion by the end of June 2006. Expanding the loan portfolio was not an easy task given the stringent regulations imposed on banks relative to risk-taking and the lack of creditworthy borrowers, which could be attributed to a business climate that was not attractive enough for businesses and investors. We approached the market from a perspective that emphasized fundamental credit discipline over portfolio growth and yield objectives. It was a task of adding asset selectively and ensuring that the returns are appropriate to the risks taken.

We approached the market from a perspective that emphasized fundamental credit discipline over portfolio growth and yield objectives

The effect of adopting PAS 39 provisions in conformance with the new International Accounting Standards resulted in downward adjustment to the Bank's surplus as of July 1, 2005 totaling to P224.0 million for additional impairment loss on financial resources and P28.5 million for the effect of using effective interest rate (EIR) method on amortization of premium/discount on held-to-maturity investments. Accordingly, capital funds decreased to P1.47 billion as of June 30, 2006, from the previous year's level of P1.67 billion.

Over the past few years, we have been focusing on maintaining and growing our base of SME clients and protecting our market share amid intensifying competition. Our watchword has been to stay ahead, to be an innovative financial solutions provider for the Filipino entrepreneur. We have worked to take this initiative before our competitors in building meaningful relationships with customers and communities, in developing innovative products and services, and in leveraging our expertise in the SME market.



financial solutions provider for the Filipino entrepreneur. We have worked to take this initiative before our competitors in building meaningful relationships with customers and communities, in developing innovative products and services, and in leveraging our expertise in the SME market.

We have always believed in the dynamism, resiliency, and enterprising spirit of the Filipino entrepreneur. Time and time again, we have proven our ability to provide effective and timely financial assistance to small and medium enterprises. For the fifth year running, we were given honor as the "Most Distinguished Partner" by the Small Business Guarantee and Finance Corporation for our exemplary performance in SME lending. The quality of our loan portfolio, its size and diversity, gives us knowledge and experience in many different industries, reinforcing our ability to provide our SME clients with value-added service that is nothing short of exceptional.

In addition, we were awarded the "Valued Partner in Housing Finance" by the Home Guarantee Corporation in recognition of our solid support and display of commitment to the National Shelter Program of the government.





We also made significant progress in other areas including improvements to the Bank's credit and operational risk management systems and implementation of the new International Accounting Standards in 2006.

We have succeeded to build Asiatrust Bank into an institution that can make a difference in the growth and success of the country's small and medium enterprises simply because all of our banking activities are linked to a single goal: to be the best at helping SME clients become financially better off by providing relevant solutions to their unique needs. We are proud of the reputation and the following that we have built, and we look forward to continuing to distinguish ourselves as a development catalyst and a preeminent financial institution for the Filipino entrepreneur. We also take great pride in our stature as one of the few banking institutions in the Philippines that has thrived for nearly half a century.

We also take great pride in our stature as one of the few banking institutions in the Philippines that has thrived for nearly half a century

Our growth strategy will focus on increasing profitability and value over the long term. In the

coming year, we will continue to work on improving our efficiency and effectiveness, capitalize on our niche market, and identify ways in which we can better serve our customers. There is a huge opportunity to do more business with our existing customers by capturing both sides of their balance sheets. Our game plan will allow us to make the most of this potential. We recognize that the critical foundation for revenue growth starts with our customer base. Therefore, we will continue to place great emphasis on customer relationship and community banking and the invaluable benefits it offers to small and medium-sized businesses.

Our growth strategy will focus on increasing profitability and value over the long term

On behalf of everyone at Asiatrust Bank, we thank our stockholders for their support and our clients for their confidence and business. We would also like to express our deep gratitude to our Board of Directors for their continuing guidance and direction. In particular, we extend special appreciation for the services of Fe T. Palileo and Juan Victor S. Tanjuatco who resigned from the Board in May 2006 and July 2006 respectively. We thank them for their advice and contributions to the Board. We also welcome Victorino F. Balais, representing the Social Security System, and Candon B. Guerrero, a former Director of the Bangko Sentral ng Pilipinas, who joined our Board in June 2006 and September 2006 respectively. As a final point, we are proud to acknowledge the energy, diligence and professionalism of all of our people. They connected with each other, with our customers, and with the communities we serve to achieve our objective of "Working Together, Succeeding Together".

GLORIA M. GARCIA

Chairperson

DIONISIO C. ONG

President & Chief Executive Officer



SMALL BUSINESS GUARANTEE
AND FINANCE CORPORATION

2006 Most Distinguished Partner
Wholesale Lending Program

ASIATRUST DEVELOPMENT BANK

Given this 21st day of July 2006
at Dusit Hotel Nikko, Makati City


BENEL P. LAGUA
President and COO


ZUBAYR AHMED C. ALONTO
Chairman & COO

Working for the Entrepreneur

THE FILIPINO ENTREPRENEUR

The Future. Together. Now.

Small and medium enterprises (SMEs) play a crucial role in the social-economic development of our country specifically in wealth creation, improved productivity and poverty alleviation. In an economy that has a labor surplus and a capital shortage, SMEs provide a viable and powerful mechanism for creating jobs, as most of these industries are labor-intensive. They complement and support large establishments in the economy and contribute to substantial foreign exchange savings and earnings. Small and medium enterprises also facilitate regional development and revitalization by providing off-farm livelihood opportunities in the countryside.

SME PROFILE

Small and medium enterprises in the Philippines comprise 99% of the total business establishments, contribute 55% in employment generation and 28% of the value-added in production.

SMEs are defined as any business activity or enterprise engaged in industry, commerce, agribusiness and services, whether single proprietorship, partnership, cooperative or corporation, whose total assets fall under the following categories:

BUSINESS ENTERPRISE	NUMBER OF EMPLOYEES	ASSET SIZE
MICRO	1-9	Less than PhP 1.5 Million
SMALL	10-99	PhP 1.5 million to PhP 15 million
MEDIUM	100-199	More than PhP 15 Million up to PhP 100 Million
LARGE	200 and above	More than PhP 100 Million

About 85% of micro enterprises are predominantly found outside of the National Capital Region, while small enterprises are more equally dispersed between the National Capital Region and other regions. Medium-scale enterprises, on the other hand, are largely represented in the Metro Manila area.

VITAL ROLE

Small and medium enterprises are the basic building blocks of a healthy economy through their contribution in the following:

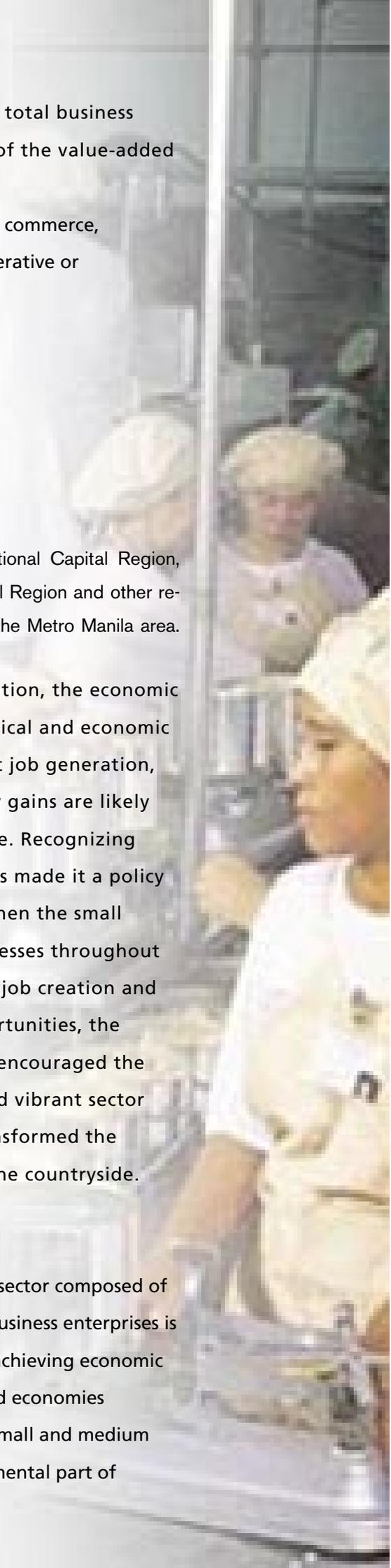
- Creation of backward and forward linkages with existing industries
- Countryside development and dispersal of industries
- Job creation and more equitable distribution of income
- Utilization of indigenous resources
- Foreign exchange earnings
- Entrepreneurial development and innovation

Just as an economy cannot exist without consumers, neither can it hope to survive without a thriving SME sector. With over 500,000 SMEs in the Philippines, the sector is a vital thread in the nation's economic fabric. Small and medium enterprises are

the engine of labor creation, the economic factor so critical to political and economic stability. Without robust job generation, no national productivity gains are likely to be socially sustainable. Recognizing this, the government has made it a policy to promote and strengthen the small and medium scale businesses throughout the country. Aside from job creation and improving income opportunities, the promotion of SMEs has encouraged the growth of a resilient and vibrant sector that is seen to have transformed the conduct of business in the countryside.

CHALLENGES

Developing a strong SME sector composed of diverse and competitive business enterprises is a central theme towards achieving economic prosperity. Some advanced economies have succeeded because small and medium enterprises form a fundamental part of



the economy, comprising over 98% of total business establishments and contributing to more than 65% of employment as well as over 50% of the gross domestic product.

The internationalization of SMEs is essential to the next phase of globalization. The initial stages of globalization --- the removal of trade barriers to promote cross-border commerce as well as financial flows --- were largely undertaken by the multinational corporations and financial institutions.

Although many Asian economies have greatly benefited from cross-border activities, it remains uncertain how far the effects have trickled down to smaller enterprises since international trade throughout the Asian region is dominated by the global value chains of large corporations. While large companies are usually able to use their size to protect themselves against the challenges of globalization, smaller enterprises require something similar or more for their commerce to be internationalized. Advancing technology and innovation, providing the much-needed credit, facilitating access to market economies, and establishing service agencies to improve the environment for SME development are key to increasing the growth and competitiveness of the country's small and medium businesses.

WORKING FOR THE ENTREPRENEUR

Lending to SMEs is often perceived as high risk, but this sector presents immense growth opportunities for banks that can deliver distinct and customized products and

services. More banks are now beginning to understand the potential value of this segment and consequently, increasing number of players are honing in on this lucrative market. While significant progress has been made in fostering a more SME-friendly banking environment, the banking industry as a whole devotes but a relatively meager portion of its resources to this sector. With government intervention, loans to SMEs have risen steadily through the years, but there is still much to be accomplished in terms of mobilizing more funds to assist small and medium businesses and reaching out to new and growing SMEs particularly in the countryside.

It is inevitable that small and medium enterprises play a singular role as the country's economic backbone and engine for growth. This places in proper perspective Asiatrust Bank's firm and enduring commitment to this sector. Throughout its 46-years history, the Bank has linked the needs and abilities of SMEs to economic growth and development through effective and flexible financial assistance that has made an invaluable contribution to the development and diversification of the Philippine economy. Today, Asiatrust Bank's vision and experience in identifying and financing SMEs that will shape the nation of the future are more valuable than ever.

The Filipino Entrepreneur. The Future. Together. Now.



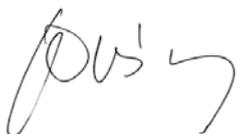
statement of management's responsibility for financial statements

The management of Asiatruster Development Bank, Inc. is responsible for all information and representations contained in the financial statements as of and for the years ended June 30, 2006 and 2005. The financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines and reflected amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure the transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the Bank's Audit Committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the Bank.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, have audited the financial statements of the Bank in accordance with auditing standards generally accepted in the Philippines and have expressed their opinion on the fairness of presentation, upon completion of such audit, in their report to the stockholders, and the Board of Directors.



Dionisio C. Ong
Chief Executive Officer



Roland M. Garcia
Chief Operating Officer



Ernesto D. Manansala
Chief Finance Officer

report of independent
auDitors

The Stockholders and the Board of Directors
Asiatrust Development Bank, Inc.
1424 Quezon Avenue, Quezon City

We have audited the accompanying statements of condition of Asiatrust Development Bank, Inc. as of June 30, 2006 and 2005, and the related statements of income, changes in capital funds and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Philippines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 8 to the financial statements, losses amounting to P860.2 million in 2005 and P129.3 million in 2004 arising from the sale of certain nonperforming assets (NPAs) of the Bank to special purpose vehicles (SPVs) were deferred over a ten-year period in accordance with regulatory accounting policies prescribed by the Bangko Sentral ng Pilipinas for banks and financial institutions availing of the provisions of Republic Act No. 9182, "The Special Purpose Vehicle Act of 2002." In addition, allowance for impairment losses on the subordinated notes received from the SPV in exchange for such NPLs amounting to P179.1 million has been deferred. Accounting principles generally accepted in the Philippines require that these losses be charged to current operations and that the accounts of the SPV be consolidated into the Bank's accounts. The effects of these matters on the financial statements are discussed in Note 8 to the financial statements.

In our opinion, except for the effects on the financial statements of the matters discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Asiatrust Development Bank, Inc. as of June 30, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the Philippines.

SYCIP GORRES VELAYO & CO.


Aris C. Malantic

Partner

CPA Certificate No. 90190

SEC Accreditation No. 0326-A

Tax Identification No. 152-884-691

PTR No. 4180848, January 2, 2006, Makati City

October 10, 2006

statements of coNdition

	June 30	
	2006	2005 (As restated - Note 2)
RESOURCES		
Cash and Other Cash Items (Notes 11 and 13)	P189,405,637	P226,375,205
Due from Bangko Sentral ng Pilipinas (Note 13)	399,729,361	263,911,997
Due from Other Banks	328,727,542	386,546,051
Interbank Loans Receivable and Securities Purchased		
Under Resale Agreements (Note 6)	1,535,998,144	135,000,000
Fair Value Through Profit or Loss Investments - at market (Note 7)	84,467,982	-
Trading Account Securities - at market (Note 7)	-	335,421,180
Available-for-Sale Investments - at market (Note 7)	3,356,261	-
Available-for-Sale Securities - at market (Note 7)	-	39,957,018
Held-to-Maturity Investments - at amortized cost (Notes 7, 13, and 14)	1,617,655,541	-
Investments in Bonds and Other Debt		
Instruments - net (Notes 7 and 13)	-	2,486,384,205
Loans and Receivables - net (Notes 8 and 18)	6,974,310,781	-
Loans - net (Notes 8 and 18)	-	6,032,404,516
Property and Equipment - net (Note 9)		
At appraised values	175,848,478	180,282,602
At cost	160,418,000	159,329,236
Investment Properties - net (Note 10)	1,452,729,617	947,412,747
Other Resources - net (Note 11)	1,376,977,530	1,974,836,282
	P14,299,624,874	P13,167,861,039
LIABILITIES AND CAPITAL FUNDS		
Liabilities		
Deposit liabilities (Notes 13 and 18)		
Demand	P97,194,193	P105,851,072
Savings	7,811,756,749	6,654,039,699
Time	3,059,988,429	3,389,914,663
	10,968,939,371	10,149,805,434
Bills Payable (Note 14)	1,554,846,697	1,110,470,459
Accrued Expenses and Other Liabilities (Note 15)	308,412,953	241,999,533
	12,832,199,021	11,502,275,426
Capital Funds (Note 16)		
Common stock	1,040,132,250	1,040,132,250
Capital paid in excess of par value	143,018,392	143,018,392
Appraisal increment in property and equipment (Notes 9 and 17)	47,026,954	48,337,079
Surplus reserve (Notes 16 and 20)	24,296,472	22,288,966
Surplus (Notes 16 and 20)	212,940,392	411,798,541
Net unrealized gain on available-for-sale investments/securities (Note 7)	11,393	10,385
	1,467,425,853	1,665,585,613
	P14,299,624,874	P13,167,861,039

See accompanying Notes to Financial Statements.

statements of incOme

	Years Ended June 30	
	2006	2005 (As restated - Note 2)
INTEREST INCOME ON		
Loans and receivables/Loans (Notes 8 and 18)	P821,872,660	P737,609,802
Investment securities (Note 7)	170,562,087	208,736,775
Due from Bangko Sentral ng Pilipinas and other banks	13,307,228	8,577,923
Interbank loan receivable and securities purchased under resale agreement and others (Note 6)	16,981,764	11,705,107
	1,022,723,739	966,629,607
INTEREST EXPENSE ON		
Deposit liabilities (Notes 13 and 18)	491,009,576	481,148,136
Bills payable and other borrowings (Note 14)	98,974,381	98,511,560
	589,983,957	579,659,696
NET INTEREST INCOME	432,739,782	386,969,911
OTHER INCOME (CHARGES)		
Service charges, fees and commissions	165,762,577	139,789,865
Unrealized gain (loss) on assets acquired - net	106,774,679	(575,920)
Recovery from impairment losses (Note 12)	50,260,339	-
Trading and foreign exchange gain (loss) - net (Note 7)	37,092,761	(132,351)
Miscellaneous - net	(15,625,784)	8,155,874
	344,264,572	147,237,468
OTHER EXPENSES		
Compensation and employee benefits (Notes 18 and 21)	178,342,417	157,078,415
Occupancy and equipment-related expenses (Note 23)	83,902,665	80,341,170
Litigation expenses	73,716,778	9,830,373
Depreciation and amortization (Notes 9 and 10)	71,719,323	56,844,175
Taxes and licenses (Note 19)	38,276,612	14,328,598
Advertising and publicity	35,781,289	46,856,964
Banking and supervision fees	26,137,537	22,005,159
Travel and transportation	25,119,966	21,934,782
Entertainment, amusement and recreation (Note 19)	24,252,653	20,780,594
Management and other professional fees	21,537,629	16,150,396
Postage, telephone and cable	7,677,387	17,445,760
Miscellaneous (Note 11)	24,651,424	33,167,191
	611,115,680	496,763,577
INCOME BEFORE INCOME TAX	165,888,674	37,443,802
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)	63,323,061	(28,369,387)
NET INCOME	P102,565,613	P65,813,189
Earnings per Share (Note 24)	P0.99	P0.63

See accompanying Notes to Financial Statements.

statements of changes in CAPITAL funds

	Common Stock (Note 16)	Capital Paid-In Excess of Par Value (Notes 9 and 17)	Appraisal Increment in Property and Equipment (Notes 16 and 20)	Surplus Reserve (Notes 16 and 20)	Surplus (Notes 16 and 20)	Net Unrealized Gain (Loss) on Available- for-Sale Investments/ Securities (Note 7)	Total Stockholders' Equity
Balance at June 30, 2004, as previously reported	P1,040,132,250	P143,018,392	P47,585,902	P20,292,227	P353,459,490	P(7,484,240)	P1,597,004,021
Effects of change in accounting for (Note 2):							
Philippine Accounting Standards (PAS) 19 - Retirement Benefits	-	-	-	-	12,880,770	-	12,880,770
PAS 40, Investment Property	-	-	-	-	(15,909,052)	-	(15,909,052)
Balance at June 30, 2004, as restated	1,040,132,250	143,018,392	47,585,902	20,292,227	350,431,208	(7,484,240)	1,593,975,739
Net income, as restated	-	-	-	-	65,813,189	-	65,813,189
Net change in unrealized gain on Available-for-Sale Securities	-	-	-	-	-	7,494,625	7,494,625
Total income and expense for the year	-	-	-	-	65,813,189	7,494,625	73,307,814
Additional appraisal increment - net of deferred tax liability	-	-	2,061,302	-	-	-	2,061,302
Transfer of appraisal increment absorbed through depreciation - net of deferred income tax	-	-	(1,310,125)	-	-	-	(1,310,125)
Transfer from appraisal increment	-	-	-	-	2,015,577	-	2,015,577
Transfer from surplus	-	-	-	-	(500,000)	-	-
Self insurance	-	-	-	1,496,739	(1,496,739)	-	-
Trust reserve	-	-	-	-	-	-	-
Amortization of deferred loss on sale to SPV charged against surplus (Note 8)	-	-	-	-	(4,464,694)	-	(4,464,694)
Balance at June 30, 2005, as restated	P1,040,132,250	P143,018,392	P48,337,079	P22,288,966	P411,798,541	P10,385	P1,665,585,613

	Common Stock (Note 16)	Capital Paid-in Excess of Par Value (Notes 9 and 17)	Appraisal Increment in Property and Equipment (Notes 16 and 20)	Surplus Reserve (Notes 16 and 20)	Surplus (Notes 16 and 20)	Net Unrealized Gain (Loss) on Available- for-Sale Investments/ Securities (Note 7)	Total Stockholders' Equity
Balance at June 30, 2005, as previously reported	P1,040,132,250	P143,018,392	P48,337,079	P22,288,966	P424,089,664	P10,385	P1,677,876,736
Effects of change in accounting for (Note 2):							
PAS 19, Retirement Benefits	-	-	-	-	19,137,970	-	19,137,970
PAS 40, Investment Property	-	-	-	-	(31,429,094)	-	(31,429,094)
Balance at June 30, 2005 as restated	1,040,132,250	143,018,392	48,337,079	22,288,966	411,798,540	10,385	1,665,585,612
Effects of change in accounting for financial instruments (PAS 39) (Note 2)	-	-	-	-	(252,452,514)	-	(252,452,514)
Balance at July 1, 2005, as adjusted	1,040,132,250	143,018,392	48,337,079	22,288,966	159,346,026	10,385	1,413,133,098
Net income	-	-	-	-	102,565,613	-	102,565,613
Net change in unrealized gain on Available-for-Sale Investments	-	-	-	-	-	1,008	1,008
Total income and expense for the year	-	-	-	-	102,565,613	1,008	102,566,621
Transfer of appraisal increment absorbed through depreciation - net of deferred income tax	-	-	(1,310,125)	-	-	-	(1,310,125)
Transfer from appraisal increment	-	-	-	-	2,015,577	-	2,015,577
Transfer from surplus (Note 16):							
Self insurance	-	-	-	500,000	(500,000)	-	-
Trust Reserve (Note 20)	-	-	-	1,507,506	(1,507,506)	-	-
Amortization of deferred loss on sale to SPV charged against surplus (Note 8)	-	-	-	-	(48,979,318)	-	(48,979,318)
Balance at June 30, 2006	P1,040,132,250	P143,018,392	P47,026,954	P24,296,472	P212,940,392	P11,393	P1,467,425,853

See accompanying Notes to Financial Statements.

statements of cash Flows

Years Ended June 30

	2006	2005 (As restated - Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P165,888,674	P37,443,802
Adjustments for:		
Unrealized gain on assets acquired	(106,774,679)	–
Depreciation and amortization (Note 9)	71,719,323	56,844,175
Recovery from impairment losses (Note 11)	(50,260,339)	–
Amortization of software cost (Note 11)	11,636,951	10,402,715
Loss on sale of investment properties	7,395,341	575,920
Loss on sale of property and equipment	–	99,000
Changes in operating resources and liabilities:		
Decrease (increase) in:		
FVPL investments	250,953,198	–
TAS	–	(275,692,882)
Loans and receivables	(1,085,555,976)	–
Loans	–	702,779
Other resources	128,513,726	(776,392,424)
Increase in:		
Deposit liabilities	819,133,937	1,004,612,579
Accrued expenses and other liabilities	24,928,435	91,461,799
Net cash generated from operations	237,578,591	150,057,463
Income taxes paid	(16,832,406)	(22,031,598)
Net cash provided by operating activities	220,746,185	128,025,865
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment properties	159,025,786	96,074,527
Additions to property and equipment	(52,918,781)	(43,456,518)
Proceeds from disposal of property and equipment	8,830,000	3,383,000
Decrease (increase) in:		
Available-for-sale investments	67,720,883	–
Available-for-sale securities	–	188,038,650
Held-to-maturity investments	594,247,120	–
Investments in bonds and other debt instruments	–	(235,548,226)
Net cash provided by investing activities	776,905,008	8,491,433
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Interbank loans payable	–	(150,000,000)
Bills payable	444,376,238	3,780,314
Net cash provided by (used in) financing activities	444,376,238	(146,219,686)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,442,027,431	(9,702,388)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	226,375,205	181,642,102
Due from Bangko Sentral ng Pilipinas	263,911,997	165,908,952
Due from other banks	386,546,051	153,984,587
Interbank loans receivable and securities purchased under resale agreements	135,000,000	520,000,000
	1,011,833,253	1,021,535,641
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	189,405,637	226,375,205
Due from Bangko Sentral ng Pilipinas	399,729,361	263,911,997
Due from other banks	328,727,542	386,546,051
Interbank loans receivable and securities purchased under resale agreements	1,535,998,144	135,000,000
	P2,453,860,684	P1,011,833,253

See accompanying Notes to Financial Statements.

board of directors



GLORIA M. GARCIA
Chairperson
Chairperson, Trust Committee



ROLAND M. GARCIA
Chairman, Corporate Governance Committee
Member, Executive Committee
Member, Risk Management Committee



DIONISIO C. ONG
Chairman, Executive Committee
Member, Trust Committee



MA. CRISTINA G. MUNOZ
Independent Director
Member, Risk Management Committee
Member, Audit Committee



AURORA R. ARNAEZ
Independent Director
Member, Corporate Governance Committee



ENRIQUE M. HERBOSA, SR.
Member, Executive Committee
Member, Trust Committee



JUAN VICTOR S. TANJUATCO

Independent Director

Chairman, Risk Management Committee
Member, Executive Committee



PEDRO V. LUCERO

Independent Director

Member, Executive Committee
Member, Audit Committee
Member, Corporate Governance Committee



JOSE F. UNSON

Independent Director

Chairman, Audit Committee



MARIANITA O. MENDOZA



VICTORINO F. BALAIS



AKIRA TSUSAKA

Board Adviser



ATTY. EDWIN C. YAN

Corporate Secretary

executive officErs



(From Left To Right)

Dionisio C. Ong

President &
Chief Executive Officer

Gloria M. Garcia

Chairperson

Roland M. Garcia

Executive Vice President &
Chief Operating Officer

Claudine B. Parada

VP, Treasury Sector

**Ernesto D.
Manansala**

SVP, Finance &
Controllership Group &
Chief Finance Officer

**Ma. Rodora E.
Bañares**

SVP, Retail Banking Sector





Joseph C. Chua

SVP, Business
Development Sector

Neliza R. Oñate

FVP, Branch Lending Group

Edgar C. de Asis

SVP, Account
Management Sector

Felipe M. Bayno, Jr.

VP, Human Resources
Management Group

Alberto P. Maglaque

FVP, Internal Audit Group &
Chief Compliance Officer

**Ken Arthur J.
Tiambeng**

VP, Information
Systems Group



total banking serviCes

DEPOSITS AND INVESTMENTS

- Easy Manager
- Regular Current Account
- Passbook Savings Account
- Premium Savings Account
- Flexi-Savings Account
- Kayamanan Savings Account
- Regular ATM Account
- Premium ATM Account
- Easy Time Deposit
- Dollar Savings Deposit
- Dollar Time Deposit
- Commercial Papers
- Treasury Bills
- Fixed Rate Treasury Notes
- Retail Treasury Bonds
- US Dollar Denominated Bonds
- Repurchase Agreements
- Promissory Notes

CASH MANAGEMENT SOLUTIONS

- Easy CheckWriter
- Easy Payroll
- Cash and Check Deposit Pick-Up
- Post-Dated Check Warehousing
- Corporate Check-Cutting
- HMO Collection Manager
- Bills Payment
- Auto-Sweep Facility
- e-Statement

SME LOANS

- Industrial Loan
- Agricultural Loan
- Quedan Loan
- Guarantee Programs
- Real Estate Development Loan
- Construction Loan
- Contract-to-Sell Financing
- Project Finance
- Micro-Finance
- Omnibus Credit Line
- Revolving Credit Line
- Check Discounting
- Inventory Financing
- Fleet & Floor Stock Financing
- Equipment Financing
- Foreign Letter of Credit
- Domestic Letter of Credit
- Stand-By Letter of Credit
- Trust Receipts Loan

- Export Packing Credit
- Export Bills Purchase
- Domestic Bills Purchase
- Bridge Financing
- Back-to-Back Loan

CONSUMER FINANCE

- Home Loan
- SSS Direct Lending
- Pag-Ibig Housing Loan
- Vehicle Loan
- Moneyline – Personal Line of Credit
- VISA Credit Card
- Salary Loan

INVESTMENT BANKING & ADVISORY

- Loan Syndication
- Loan Arrangement
- Financial Advisory
- Management Consultancy
- Debt Underwriting
- SME Help Desk

TRUST SERVICES

- Investment Management
- Unit Investment Trust Fund
- Retirement Benefit Plan
- Employee Benefit Plan
- Personal Living Trust
- Administratorship
- Custodianship
- Escrow
- Pre-Need Fund Trusteeship
- Mortgage Trust

AUXILIARY SERVICES

- Foreign Exchange Dealership
- Telegraphic Transfer
- Phone Banking
- SMART Mobile Banking
- SSS / Philhealth Remittance
- Traveller's Check
- Manager's Check
- Gift Check
- Customized Check
- Safety Deposit Box
- Night Depository Box
- Western Union Money Transfer
- Uniteller Money Transfer

branch dirEctory

Main Office Branch

1424 Quezon Avenue, Quezon City
924-5631 | 924-5625 | 924-5630

Antipolo Branch *

M.L. Quezon Street, Antipolo City
696-5401 | 696-5402
696-5403 | 696-5404

Ayala Branch

G/F, Unit 1D, Multinational
Bancorporation Center, 6805 Ayala
Avenue, Makati City
885-7024 | 885-7036
885-7039 | 885-7030

Baclaran Branch

G/F 426 Buenavista Plaza Building,
Quirino Avenue, Baclaran,
Paranaque City
853-8977 | 853-8425

Bacoor Branch

286 Rotonda Highway, Panapaan,
Bacoor, Cavite
(046)970-0249 | (046)970-0254

Binondo Branch *

401 Juan Luna Street, cor. San
Fernando Street, Binondo, Manila
231-2113 | 231-2150
231-2024 | 231-2010

Caloocan Branch

G/F, Howard Towers, 6th St. cor. Rizal
Avenue Ext., Caloocan City
359-6036 | 359-6065
359-6053 | 359-6039

Camarin Branch

Beside Residenza Homes, in front of
Villa Magdalena III, Camarin Road,
Caloocan City
961-4551 | 961-4550

Cubao Branch

G/F Western Marketing Bldg., 179 P.
Tuazon Blvd. cor. 8th Ave., Cubao,
Quezon City
995-8681 | 995-8682

Del Monte Branch

564 Del Monte Avenue cor. Araneta
Avenue, Quezon City
741-9501 | 741-9504
741-9502 | 741-9503

Ermita Branch

G/F E. Antonino Building, T.M. Kalaw
Street corner J. Bocobo Street, Ermita,
Manila
522-0376 | 522-0387 | 522-0223

Ever-Commonwealth Branch **

2nd/F, Ever Gotesco Mall Commonwealth
Avenue, Quezon City
951-2739 | 951-2737

Herrera Branch

G/F Cristina Condominium, Herrera St.
cor. Sotto St., Legaspi Village,
Makati City
830-2057 | 830-2095 | 830-2059 | 830-2061

J. Abad Santos Branch

Unit D. Dynasty Tower, J. Abad Santos
Avenue cor. Bambang, Manila
253-8338 | 253-8322

Masinag Branch *

Kingsville Arcade, Marcos Highway,
Mayamot, Antipolo City
646-3163 | 646-5821 | 646-5292 | 646-3538

Meycauayan Branch

Along Malhacan Road, Barangay
Malhacan, Meycauayan, Bulacan
(044)840-4449 | (044)935-2291

Muntinlupa Branch

Lower G/F Richville Corporate Tower,
Alabang-Zapote Road, Madrigal Business
Park, Muntinlupa City
842-4220 | 842-4205

N. Domingo Branch

G/F Quadrillion Mansion, N. Domingo
Street cor. M. Paterno Street, San Juan
725-7508 | 726-4312

New Manila Branch

1052 E. Rodriguez Sr. Avenue,
Quezon City
724-6455

Novaliches Branch *

R & J Building, Sauyo Road
Novaliches, Quezon City
Tel. Nos.: 419-2795
419-4367 | 938-0141

Ortigas Branch

Unit 3A Emerald Mansion, Emerald
Avenue, Ortigas Center, Pasig City
636-6336 | 636-6340 | 636-6398

Pasay Branch

2303 Taft Avenue, Pasay City
551-2822 | 833-1096

Roosevelt Branch *

Leyba Bldg., No. 349 Roosevelt Ave.,
Quezon City
376-2030 | 374-9930
376-2031 | 376-2032

San Juan Branch

450 P. Guevarra St. cor.
Wilson St., San Juan
705-0102 | 705-0107 | 705-0106

San Pedro Branch

Quezon corner Mabini Streets, Barangay
San Antonio, San Pedro, Laguna
868-0897 | 868-0705

Santiago, Isabela Branch

New Public Market, Maharlika
Highway, Santiago City
(078) 682-8255 | (078) 682-8433

Tutuban Center Mall Branch **

PNR Tutuban Station Tutuban Center
Mall C.M. Recto, Tondo, Manila
230-4038 | 230-4039
230-4041 | 230-4035

Valenzuela Branch

245 McArthur Highway,
Karuhatan, Valenzuela City
292-5887 | 292-5888

* Saturday Banking

** Saturday & Sunday Banking

longest banking hours: 8:30 am to 6:30 pm



ASIATRUST Bank

46 YEARS Onwards

Asiatrust Bank Center

1424 Quezon Avenue
Quezon City, Metro Manila
Philippines
Trunkline 373.4101 to 20
Customer Hotline 924.5777
Fax 373.3431; 371.2805

www.asiatrustbank.com