

ANNUAL CORPORATE GOVERNANCE REPORT

CHINABANK INSURANCE BROKERS INC.

(NAME OF COMPANY)

1. For the fiscal year ended December 31, 2020

2. Certificate Authority Number IB-50-2019-RA

3. Makati City, Philippines

Province Country or jurisdiction of incorporation or organization

4. 2nd FLOOR, VGP CENTER, AYALA AVENUE, MAKATI CITY, 1226

Address of principal office

Postal Code

5. 00 63 (2) 8885-5760

Company's telephone number, including area code

6. www.chinabank.ph

Company's official website

7. 8F VGP Center, 6772 Ayala Aavenue, Makati City

Former name, former address and former fiscal year, if changed

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COMPLIANT/ NON-COMPLIANT		ADDITIONAL INFORMATION	
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and its stakeholders.			
Recommendation 1.1			
1. Board is composed of directors and collective working knowledge, experience and expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or the link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant training of directors. 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.	CURRICULUM VITAE OF BOARD MEMBERS (ANNEX A)
2. Board has has an appropriate mix of competence and expertise.	COMPLIANT		CURRICULUM VITAE OF BOARD MEMBERS (ANNEX A)
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		CURRICULUM VITAE OF BOARD MEMBERS (ANNEX A)
Recommendation 1.2			
1. Board is composed of a majority of a non- executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships.	GENERAL INFORMATION SHEET (ANNEX B)
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link/reference to the company's board Charter or Manual Corporate Governance relating to its policy on training of directors.	Sec. on Compliance System and Internal Control Item F. Training Process of the bank's Corp. Governance Manual (CIBI CG Manual development in progress)
2. Company provides in its Board Charter or Manual on Corporate Governance - an orientation program for first time directors.	COMPLIANT	Provide link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	Sec. on Compliance System and Internal Control Item F. Training Process of the bank's Corp. Governance Manual
3. Company has relevant annual continuing training for all directors.	COMPLIANT		Sec. on Compliance System and Internal Control Item F. Training Process of the bank's Corp. Governance Manual (See copy of certification)
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	Provide information on or link/reference to the document containing information on the company's board diversity policy. Indicate the gender composition of the board.	GENERAL INFORMATION SHEET (ANNEX B)
Recommendation 1.5			
1. Board is assisted in its duties by Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	GENERAL INFORMATION SHEET (ANNEX B)
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		GENERAL INFORMATION SHEET (ANNEX B)
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		GENERAL INFORMATION SHEET (ANNEX B)
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	With certificate on Advanced Corp. Governance Training

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ADDITIONAL INFORMATION			
COMPLIANT/ NON-COMPLIANT			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	Annex C - Compliance Officer
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	NON COMPLIANT		Non-compliant since the C.O. has an AVP rank
3. Compliance officer is not member of the board.	COMPLIANT		GENERAL INFORMATION SHEET (ANNEX B)
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including number of hours and topics covered.	Corp Governance Training provided by Institute of Corporate Directors (See certificate)
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of the meeting.	Please see attached sample copy of Board Resolution.
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of the meeting).	Please see attached sample copy of Board Resolution.
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT	Indicate frequency of review of business objectives and strategy.	Please see attached sample copy of Board Resolution.
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairperson, including his/her name and qualifications.	CURRICULUM VITAE OF BOARD MEMBERS (ANNEX A)
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	NON COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation.	SUCCESSION PLANNING BEING DEVELOPED
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		Annex D - CIBI Retirement Plan
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	Provide information or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	Annex E - Performance Management System of CBC
2. Board aligns the remuneration of the key officers and the board members with long-term interest of the company.	COMPLIANT		Annex E - Performance Management System of CBC
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		Annex E - Performance Management System of CBC

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COMPLIANT/ NON-COMPLIANT				ADDITIONAL INFORMATION	
Recommendation 2.6					
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT			Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	Sec. IV on Composition of the Organization Item D of the bank's Corp. Gov Manual
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT				Sec. IV on Composition of the Organization Item D of the bank's Corp. Gov Manual
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	NON COMPLIANT				For Compliance
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT			Provide proof if minority shareholders have a right to nominate candidates to the board.	Follows CBC's Board Nomination and Election policy
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT			Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Follows CBC's Board Nomination and Election policy
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT				Follows CBC's Board Nomination and Election policy
Recommendation 2.7					
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT			Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.	Annex F - RPT Framework of CBC
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT			Identify transactions that were approved pursuant to the policy.	Annex F - RPT Framework of CBC
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT				Annex F - RPT Framework of CBC
Recommendation 2.8					
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT			Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of Management. Identify the Management team appointed.	Annex C - Compliance Officer
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT			Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	Annex C - Compliance Officer
Recommendation 2.9					
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT			Provide information on or link/reference to a document containing the Board's performance management framework for management personnel.	Annex E - Performance Management System of CBC
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT				Annex E - Performance Management System of CBC
Recommendation 2.10					
1. Board oversees that an appropriate internal control system is in place	COMPLIANT			Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.	Follows CBC's Internal Audit Charter
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT				Sec. IV, Item C, No.2.5.2 of the bank's Corp Gov.manual
3. Board approves the Internal Audit Charter	COMPLIANT			Provide reference or link to the company's Internal Audit Charter.	Sec. IV, Item C no. 4 of the bank's Corp. Gov. manual

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COMPLIANT/ NON-COMPLIANT		ADDITIONAL INFORMATION	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	Follows CBC's Risk Management Framework
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	Provide proof of effectiveness of risk management strategies, if any.	Follows CBC's Risk Management Framework
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	www.chinabank.ph
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		www.chinabank.ph
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		www.chinabank.ph
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or line of reference to a document containing information on all the board committees established by the company.	Sec. IV - Composition of the Organization Item E on Board Committees of the bank's Corp. Gov. manual
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	Sec. VI on Compliance System and Internal Control Item C. Audit Function of the bank's Corp. Governance Manual
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	Sec. IV on Composition of the Organization Item E - Board Committee No. 8.2 under the bank's Corp. Gov Manual
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	BEING AUDITED BY INTERNAL AUDIT OF CBC
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	BEING AUDITED BY INTERNAL AUDIT OF CBC
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions. Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	Sec. E - Composition of Organization Item E, No.10 of the bank's Corp. Gov Manual

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2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	Sec. E - Composition of Organization Item E, No.10 of the bank's Corp. Gov Manual
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	Sec. E - Composition of Organization Item E, No.10.1 of the bank's Corp. Gov Manual
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.	Sec. E - Composition of Organization Item E, No.9 of the bank's Corp. Gov Manual
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.	Sec. E - Composition of Organization Item E, No.9.1 of the bank's Corp. Gov Manual
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC.	Sec. E - Composition of Organization Item E, No.9.1.1 of the bank's Corp. Gov Manual
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	Sec. E - Composition of Organization Item E, No.9.1.2 of the bank's Corp. Gov Manual
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transaction of the company.	COMPLIANT	Provide information link/reference to a document containing information on the Related Party Transaction (RPT) Committee, including its transaction.	Annex F - RPT Framework of CBC - Draft Manual now available
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	Annex F - RPT Framework of CBC - Committee for RPT now formed.
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	NON COMPLIANT	Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	CHARTER-For future development
2. Committee Charters provide standards for evaluating the performance of the Committees.	NON COMPLIANT		CHARTER-For future development
3. Committee Charters were the company's website.	NON COMPLIANT	Provide link to company's website where the Committee Charters are disclosed.	CHARTER-For future development
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele-Videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	Please see attached sample copy of Board Resolution.

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2. The directors review meeting materials for all Board and Committee meeting.	COMPLIANT		Please see attached sample copy of Board Resolution.
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT		Please see attached sample copy of Board Resolution.
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (IRCRES) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	Sec. IV - Composition of Organization Item A -Board of Directors No. 1.3.1.g of the bank's Corp. Gov. Manual
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	BEING PRACTICED BUT NO WRITTEN REFERENCE YET. WILL FORM PART OF THE CORP GOVERNANCE MANUAL
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	Provide information link/reference to a document containing information on the number of independent directors in the board.	Annex B - GIS
Recommendation 5.2			
1. The independent directors possess all necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	Provide information link/reference to a document containing information on the number of independent directors.	Annex A - CV of BOD
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term for nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.	COMPLIANT	Provide information link/reference to a document showing the list of IDs have served such.	Sec. IV , Item A, No. 1.3.2.a of the bank's Corp. Gov. manual; Annex A - CV of BOD
2. The company bars an independent director form serving in such capacity after the term limit of nine years.	COMPLIANT	Provide information link/reference to a document containing information on the company's policy on term limits for its independent director.	Sec. IV , Item A, No. 1.3.2.b of the bank's Corp. Gov. manual;
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal/written justification and seek shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	Sec. IV , Item A, No. 1.3.2.b of the bank's Corp. Gov. manual;
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer.	Annex B - GIS
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities	COMPLIANT	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	Sec. IV , Item A, No. 1.6 AND 1.6.3 of the bank's Corp. Gov. manual;

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Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	Annex B - GIS
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	N/A	Provide proof of abstention, if this was the case.	N/A
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	FOLLOWS CBC INTERNAL AUDIT CHARTER
2. The meetings are chaired by the lead independent director.	COMPLIANT		FOLLOWS CBC INTERNAL AUDIT CHARTER
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole	NON COMPLIANT	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	FOR COMPLIANCE
2. The performance of the Chairman is addressed annually by the Board.	NON COMPLIANT		FOR COMPLIANCE
3. The performance of the individual member of the Board is assessed annually by the Board.	NON COMPLIANT		FOR COMPLIANCE
4. The performance of each committee is assessed annually by the Board.	NON COMPLIANT		FOR COMPLIANCE
5. Every three years, the assessments are supported by an external facilitator.	NON COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	FOR COMPLIANCE
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	NON COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	FOR COMPLIANCE
2. The system allows for feedback mechanism from the shareholders.	NON COMPLIANT		FOR COMPLIANCE
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealing of company.	COMPLIANT	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	FOLLOWS CBC CODE OF CONDUCT
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	FOLLOWS CBC CODE OF CONDUCT
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	FOLLOWS CBC CODE OF CONDUCT
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	FOLLOWS CBC CODE OF CONDUCT
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		FOLLOWS CBC CODE OF CONDUCT

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COMPLIANT/ NON-COMPLIANT		ADDITIONAL INFORMATION		
Disclosure and Transparency				
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.				
Recommendation 8.1				
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	FOLLOWS CBC CORPORATE DISCLOSURE POLICIES	
Recommendation 8.2				
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment	COMPLIANT	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	FOLLOWS CBC CORPORATE DISCLOSURE POLICIES	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgement.	COMPLIANT	Provide link or reference to the officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	FOLLOWS CBC CORPORATE DISCLOSURE POLICIES	
Recommendation 8.3				
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration.	FOLLOWS CBC CORPORATE DISCLOSURE POLICIES	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	FOLLOWS CBC CORPORATE DISCLOSURE POLICIES	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	FOLLOWS CBC CORPORATE DISCLOSURE POLICIES	
Recommendation 8.4				
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	COMPLIANT	Disclose or provide reference/link to company's RPT policies. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction	Annex F - RPT Framework of CBC	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	COMPLIANT	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount of contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors who approved) based on the company's policy; and 9. Other terms and conditions.	Annex F - RPT Framework of CBC	

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ADDITIONAL INFORMATION				
COMPLIANT/ NON-COMPLIANT				
Recommendation 8.5				
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	NON COMPLIANT		Provide to the company's website where the Manual on Corporate Governance is posted.	FOR CREATION OF CORP GOV MANUAL
2. Company's MCG is posted on its company website.	NON COMPLIANT			FOR CREATION OF CORP GOV MANUAL
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.				
Recommendation 9.1				
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT		Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Follows CBC's Internal Audit Charter
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT		Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	Follows CBC's Internal Audit Charter
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT		Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	Follows CBC's Internal Audit Charter
Recommendation 9.2				
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT		Provide link/reference to the company's Audit Committee Charter.	Follows CBC's Internal Audit Charter
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT		Provide link/reference to the company's Audit Committee Charter.	Follows CBC's Internal Audit Charter
Recommendation 9.3				
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT		Disclose the nature of non-audit services performed by the external auditor, if any.	Follows CBC's Internal Audit Charter
2. . Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external a uditor's objectivity.	COMPLIANT		Provide link or reference to guidelines or policies on non-audit services.	Follows CBC's Internal Audit Charter
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.				
Recommendation 10.1				
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (ESG) issues of its business, which underpin sustainability.	COMPLIANT		Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including ESG issues.	Follows CBC's Disclosure Policy
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT		Provide link to Sustainability Report, if any. Disclose the standards used.	Follows CBC's Disclosure Policy

ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/ NON-COMPLIANT				ADDITIONAL INFORMATION	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This Recommendation 11.1				Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT			www.chinabank.ph	
Internal Control System and Risk Management Framework				the company should have a strong and effective	
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective Recommendation 12.1					
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT			List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT			Identify international framework used for Enterprise Risk Management . Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	
Recommendation 12.2				BEING AUDITED BY INTERNAL AUDIT OF CBC	
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT			Disclose if the internal audit is in house or outsourced. If outsourced, identify external firm.	
Recommendation 12.3				Ronald Marcalda	
1. The company has a qualified Chief Audit Executive appointed the Board.	COMPLIANT			Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT			Ronald Marcalda	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT			Identify qualified independent executive or senior management personnel, if applicable.	
Recommendation 12.4				CIBI President - Frankie G. Panis	
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT			Provide information on company's risk management function.	
Recommendation 12.5				Follows CBC's Risk Management Framework	
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT			Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT			Freedom A. Gaviola	
				Annex C - Compliance Officer	

ANNUAL CORPORATE GOVERNANCE REPORT

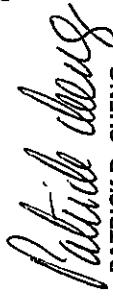
COMPLIANT/ NON-COMPLIANT				ADDITIONAL INFORMATION	
Cultivating a Synergic Relationship with Shareholders					
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.					
Recommendation 13.1					
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	FOLLOWS CBC's Shareholder's Rights		
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website	www.ctinabank.ph		
Recommendation 13.2					
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement	Follows the CBC's schedule which is every month of March		
Recommendation 13.3					
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	N/A	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.			
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	NON COMPLIANT	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any.	FOR COMPLIANCE		
Recommendation 13.4					
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	FOLLOWS CBC's Alternative Dispute Resolution		
Principle 4: The rights of stakeholders established by law by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interest are at stake/ stakeholders should have a opportunity to obtain prompt effective redress for the violation of their rights.					
Recommendation 14.1					
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Annex B - GIS		
Recommendation 14.2					
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	NON COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders.	FOR COMPLIANCE		

ANNUAL CORPORATE GOVERNANCE REPORT			
COMPLIANT/ NON-COMPLIANT			
ADDITIONAL INFORMATION			
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	Provide the contact details (i.e. name of the contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders.	NO WRITTEN POLICY YET BUT THIS IS BEING PRACTICED
Principle 15: A mechanism for employee participation should be developed to participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	CIBI SUBMITS ANNUAL BUDGET TO THE BOD COMPLETE WITH ACTION PLANS
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	FOLLOWS CBC'S CODE OF CONDUCT
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization.	HR DISSEMINATE THRU TRAINING / SEMINAR THE COMPANY'S CULTURE
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.	The bank's MTPP is adopted as current reference but CIBI's own is currently being completed.
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behaviour.	The bank's MTPP is adopted as current reference but CIBI's own is currently being completed.
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	The bank's MTPP is adopted as current reference but CIBI's own is currently being completed.
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs	FOLLOWS CBC'S CORPORATE SOCIAL RESPONSIBILITY

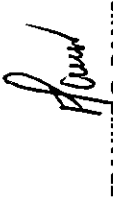
Certification

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records

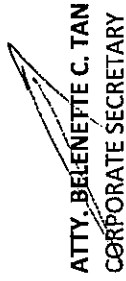
Signed in the City of Makati City on the JUL 28 2021 day of 20.


PATRICK D. CHENG
CHAIRMAN OF THE BOARD

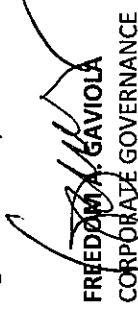
Signature over printed name


FRANKIE G. PANIS
PRESIDENT & CEO

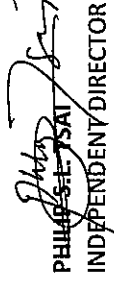
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ATTY. BELENETTE C. TAN
CORPORATE SECRETARY

Signature over printed name


FREEDOM A. GAVIOLA
CORPORATE GOVERNANCE
COMPLIANCE OFFICER

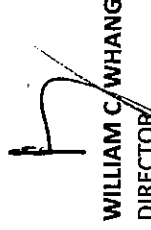
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PHILIP S. L. TSAI
INDEPENDENT DIRECTOR

Signature over printed name


MARGARITA L. SAN JUAN
INDEPENDENT DIRECTOR

Signature over printed name


WILLIAM C. WHANG
DIRECTOR

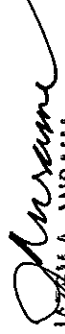
Signature over printed name

JUL 28 2021

SUBSCRIBE AND SWORN to before me this 28 day of JULY, 2021, by the following who are personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	I.D. NO.	PLACE OF ISSUE
PATRICK D. CHENG	<u>P5763517 B</u>	<u>DFA NCR East</u>
FRANKIE G. PANIS	<u>P7065565A</u>	<u>DFA, MANILA</u>
ATTY. BELENETTE C. TAN	<u>48019487</u>	<u>MAKATI, MM</u>
FREEDOM A. GAVIOLA		
PHILIP SL TSAI		
MARGARITA L. SAN JUAN		
WILLIAM C. WHANG	<u>P49018258</u>	<u>MAKATI, MM</u>

NOTARY PUBLIC


JAZ M. A. ANSAMA
Notary Public for Makati City
Appointment No. M-31 until 31 December 2021
4/F Philcom Building
8755 Paseo de Roxas, Makati City
PTR No. 8538629; 06 January 2021; Makati City
IBP No. 154861; Makati Chapter
Attorney's Roll No. 66624

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