

MINUTES OF THE 2021 ANNUAL MEETING OF STOCKHOLDERS OF CHINA BANKING CORPORATION

Held via Remote Communication at <https://www.chinabank.ph/asm2021>
May 6, 2021 at 4:00 P.M.

Directors Present:

Mr. Hans T. Sy	- Chairman of the Board, Chairman of the Executive and Compliance Committees, and Member of the Risk Oversight and Remuneration Committees
Mr. Gilbert U. Dee	- Vice Chairman of the Board, and Member of the Executive Committee
Mr. William C. Whang	- Director, President, and Member of the Executive and Trust Investment Committees
Mr. Peter S. Dee	- Director, and Member of the Executive and Trust Investment Committees
Mr. Joaquin T. Dee	- Director, and Member of the Executive, Audit, and Compliance Committees
Mr. Harley T. Sy	- Director, and Member of the Trust Investment Committee
Mr. Herbert T. Sy	- Director, and Member of the Remuneration Committee
Mr. Jose T. Sio	- Director, and Member of the Trust Investment Committee
Mr. Alberto S. Yao	- Lead Independent Director, Chairman of the Audit Committee, and Member of the Corporate Governance, Risk Oversight, Related Party Transaction, Nominations, Compliance, and Remuneration Committees
Ms. Margarita L. San Juan	- Independent Director, Chairperson of the Corporate Governance, Remuneration and Related Party Transaction Committees, and Member of the Audit and Nominations Committees
Mr. Philip S.L. Tsai	- Independent Director, Chairman of the Risk Oversight Committee, and Member of the Remuneration, Corporate Governance, Nominations, and Related Party Transaction Committees
Ms. Claire Ann T. Yap	- Independent Director, Chairperson of the Nominations Committee, and Member of the Corporate Governance and Related Party Transaction Committees

Director Absent:

None

Also Present:

Mr. Ricardo R. Chua	- Advisor to the Board
Atty. Corazon I. Morando	- Corporate Secretary
Mr. Genaro V. Lapez	- Nominee for Independent Director
Mr. Romeo D. Uyan, Jr.	- Chief Operating Officer
Mr. Patrick D. Cheng	- Chief Finance Officer
Mr. Alexander C. Escucha	- Head of the Investor and Corporate Relations Group
Mr. Christopher Ma. Carmelo Y. Salazar	- Treasurer
Ms. Aileen Paulette S. De Jesus	- Chief Compliance Officer
Ms. Josephine Adrienne A. Abarca	- SyCip Gorres Velayo & Co. (SGV), External Auditor, and Team

Stockholders present by remote communication, voting *in absentia* and by proxy:

2,099,609,961 shares (See Annex A for the list of stockholders and other attendees)

I. CALL TO ORDER

After the video presentations of the Centennial Year ad campaign “*Times Change, but Values Remain*”, a Salute to Frontliners, and China Bank jingle were shown, and the Philippine National Anthem was played, Investor and Corporate Relations Group (ICRG) Head Alexander C. Escucha introduced the current members of the Board of Directors and Advisor to the Board Ricardo R. Chua. Then, he gave the floor to the Chairman.

Mr. Hans T. Sy, Chairman of the Board, welcomed the stockholders and guests to the Bank’s 2021 annual stockholders’ meeting, which was an online-only event because of the current circumstances, similar to last year’s annual and special meetings. He called the meeting to order and presided over the same. Atty. Corazon I. Morando, Corporate Secretary, took the minutes of the proceedings.

The list of the stockholders present by remote communication, voting *in absentia* and by proxy, with their respective number of shares is hereto attached as Annex “A”.

II. PROOF OF NOTICE OF MEETING

Chairman Hans Sy inquired from the Corporate Secretary about the sending of the required notice of meeting to the stockholders.

Atty. Morando reported that the stockholders were notified about the meeting in accordance with the Securities and Exchange Commission’s (SEC) Memorandum Circular No. 6, Series of 2020, Section 49 of the Revised Corporation Code, and the SEC Notice dated March 16, 2021 on the alternative modes of distributing documents in relation with the holding of annual stockholders’ meeting for 2021.

Further, the Notice of Meeting was published in The Philippine Star and Philippine Daily Inquirer, in print and online formats, on March 30 and 31, 2021. Finally, electronic copies of the Notice of Meeting with Explanation of Agenda Items and the Information Statement (SEC Form 20-IS) and Management Report, were made available in the Bank website and the Philippine Stock Exchange’s (PSE) EDGE Submission System.

The Corporate Secretary certified that the required notice of meeting via remote communication was sent in compliance with the Bank’s By-Laws and the law and rules and regulations of the Bangko Sentral ng Pilipinas (BSP), SEC and PSE.

III. CERTIFICATION OF QUORUM

The Chairman asked the Corporate Secretary about the presence of quorum.

The Corporate Secretary announced that out of 2,685,899,812 total subscribed and outstanding shares of the Bank, the holders of 2,099,609,961 shares representing 78.172% or more than two-thirds (2/3) of the outstanding capital stock of the Bank are present through remote communication, by proxy, or *in absentia*. The Corporate Secretary certified and declared the existence of a quorum competent to transact business.

The Guidelines for participation via remote communication and voting *in absentia* was included as Schedule “B” of the Bank’s Information Statement.

IV. APPROVAL OF MINUTES OF JUNE 18, 2020 ANNUAL MEETING OF STOCKHOLDERS AND OCTOBER 1, 2020 SPECIAL MEETING OF STOCKHOLDERS

The Chairman proceeded to the next item in the Agenda, which is the approval of minutes of the annual stockholders' meeting held on June 18, 2020 and the special stockholders' meeting held on October 1, 2020. The minutes were included in the Definitive Information Statement and can also be accessed through the Bank's website www.chinabank.ph.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"The reading of the minutes of the Annual Meeting of Stockholders held on June 18, 2020 and the Special Meeting of Stockholders on October 1, 2020 was dispensed with, and all matters included in the minutes were considered complete and accurate, and were approved for all intents and purposes."

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,099,294,595	- 99.985%
Against	-	0	- 0.000%
Abstain	-	315,366	- 0.015%

V. ANNUAL REPORT TO STOCKHOLDERS

Chairman Hans Sy gave the floor to Mr. William C. Whang, President, who delivered his report on the Bank's activities, business and financial performance, and other relevant data for the year 2020.

Mr. William Whang began his report by expressing gratitude to the stockholders for the unwavering trust and patronage to the Bank, and extending deepest sympathies to those affected by the COVID-19 pandemic especially those who lost their loved ones. He recognized that the operating landscape for 2020 was extraordinary and unprecedented due to the impact of the pandemic. He reported that in 2020, the GDP of the world economy and Philippines suffered contractions due to the limited movement of people and goods. He outlined that the Philippine Government implemented various states of community quarantines and monetary and fiscal policy measures to stem COVID-19 infections and mitigate the adverse economic consequences.

He emphasized that the Bank stood at the frontlines to fulfill its public purpose. The Bank provided essential services and support to help households and businesses to stay afloat and to drive economic activity while maintaining the well-being and safety of its employees and customers. He mentioned that despite the macroeconomic headwinds, the Bank and its foundations of strong franchise, robust liquidity, capital strength, high governance standards, and dedicated and competent workforce prepared it for the unprecedented challenges of the pandemic and enabled it to support customers and businesses facing financial difficulties.

He continued that the Bank marked its centennial year with assets above P1.0 trillion, with 2.2 million customers, 634 branches, 1,022 ATMs, and digital banking facilities, as serviced by the Bank's 9,825 employees. The Bank sustained its solid financial performance by posting a P12.1 billion net income or a growth of 20%, which translated to an improved 12.1% ROE, and

1.2% ROA. Net interest income surged by 30% to P33.8 billion due to a 39% drop in interest expense. Fee-based income grew by 19% to P10.0 billion driven by higher trading gains. Operating expenses were controlled at P21.5 billion, up 6%, even as the Bank provided for substantial COVID-19-related expenses. This led to a substantial improvement in cost-to-income ratio of 49% from 59%.

Deposits increased by 8% to P835 billion, driven by a 14% increase in CASA. Aside from sustained CASA growth, the Bank continued to diversify funding base through successful bond offerings of P15 billion in October 2020 and P20 billion in February 2021. Even as economic activities drastically went down due to the lockdowns, the Bank supported its customers through gross loans totaling P572 billion. In addition to loans, the Bank also assisted its corporate borrowers to raise funds via the bond markets in which the Bank subsidiary, China Bank Capital Corporation (China Bank Capital), played a leading role. In 2020, China Bank Capital maintained its position as the country's No. 1 debt capital markets bookrunner with 29.19% market share.

The Bank's additional provisioning improved NPL cover to 128%, with a 2.3% NPL ratio, better than industry average. The increase in the Bank's bottom line led to a 9% improvement in capitalization to P105 billion, with 13.82% CET 1/Tier 1 ratio, and a total CAR of 14.73%.

Amid tumultuous changes, Mr. Whang stated that the Bank continues to serve and support its stakeholders with excellence, efficiency, and compassion. He detailed that the Bank had provided payment extensions to 173,415 customers under Bayanihan Act 1, and 125,751 customers under Bayanihan Act 2. It also ensured 99.9% system availability of its digital banking facilities. The Bank had also developed new mobile app features, waived fund transfer fees until June 30, 2021, and strengthened overall cybersecurity. Mr. Whang then discussed the constant and proactive communication of the Bank with its customers to reassure them that China Bank cares.

Mr. Whang continued with the measures adopted by the Bank to ensure the welfare of its employees. The Bank implemented work-from-home (WFH) arrangements, provided logistical support, and signed the 2020-2022 Collective Bargaining Agreement (CBA) with the employees union. The Bank had also implemented case management protocols, HMO coverage for COVID-related treatment, established a dedicated COVID testing facility, and initiated the China Bank Group Vaccination Program.

Mr. Whang narrated that the Bank had to forego some of the slated several events, activities and projects for its Centennial Year, with the theme Celebrating the Past, Embracing the Future. For its employees, the Bank is building a culture of ownership under the Centennial Stock Grant Plan – the brainchild of Chairman Hans Sy, wherein its employees are entitled to 100 shares for every year of service. For its customers, the Bank launched a year-long deposit promo and produced commemorative items. For today's generation and the next, the Bank worked on the restoration of the Bank's original head office in Binondo, Manila.

Mr. Whang next discussed the awards received by the Bank. The Bank received a Gold Anvil for its 100-year anniversary program from the Public Relations Society of the Philippines for the success of its centennial events, despite the scaled-back celebration due to the pandemic. For its corporate governance practices, the Bank sustained its track record as a practitioner of the highest governance standard in the last 10 years. At the virtual awarding in 2021 for the ASEAN Corporate Governance Scorecard (ACGS) 2019 assessment year, the Bank was recognized by the ASEAN Capital Markets Forum as one of the best publicly-listed companies in the country and in the region in corporate governance. Mr. Whang also mentioned that the Bank is among the top three publicly-listed companies in the Philippines, and among

the top 20 in ASEAN, and was recognized as an ASEAN Asset Class awardee. Based on the ACGS, the Institute of Corporate Directors conferred the Bank with a 4 Golden Arrow Award.

Mr. Whang then summarized the Bank's plan of action in a post-pandemic era, where it would continuously improve and innovate, embrace broader sustainability goals, support the Government's financial inclusion initiatives, and accelerate its digital transformation.

President Whang also mentioned that the Bank was deeply saddened by the passing of Independent Director Angeline H. Hwang. This year, the Bank expresses deep appreciation to its outgoing Lead Independent Director Alberto Yao for his unparalleled years of service and contributions to the Bank. He expressed gratitude to Mr. Yao for the latter's 17 years of service, wise counsel, experience and expertise. Mr. Yao also served as director for China Bank Savings, China Bank Capital, and China Bank Securities. Mr. Whang concluded by wishing Mr. Yao all the best for his future endeavors.

As regards the Bank's Q1 2021 financial performance, its net income surged 61% to P3.6 billion. Mr. Whang also mentioned that the balance sheet of the Bank remains to be healthy, with a robust financial performances which will serve as a buffer to absorb any future financial shocks. Mr. Whang concluded his report by thanking all of the Bank's stakeholders, employees, partners, shareholders and customers for their continued trust and support.

After the presentation, the Chairman thanked the President and asked the Corporate Secretary for the proposed resolution and voting results.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"The Annual Report, as presented by Bank President William C. Whang, was approved."

Opinion		Votes cast	Percentage (based on shares present or represented at the meeting)	
For	-	2,098,326,221	-	99.939%
Against	-	0	-	0.000%
Abstain	-	1,283,740	-	0.061%

VI. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

For this item in the agenda, Chairman Hans Sy stated that the President, in his annual report earlier, presented the financial performance and changes in the financial position of the Bank for the year 2020. He then asked the Corporate Secretary for the proposed resolution and voting results.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"The audited financial statements for the year ended December 31, 2020, attached as Annex E of the Definitive Information Statement, posted in the Bank's website and PSE's EDGE Submission System, and covered in part by the presentation of the Bank President William C. Whang, was approved."

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,098,326,221	- 99.939%
Against	-	0	- 0.000%
Abstain	-	1,283,740	- 0.061%

VII. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND MANAGEMENT

After being asked by the Chairman, Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

“All the acts of the Board of Directors, which include the establishment of a USD 2 Billion Euro Medium Term Note Programme, and the related party transactions discussed in the Definitive Information Statement and Audited Financial Statements; and all the acts of the Executive Committee and of the various committees of the Bank and Management, during the fiscal year 2020 and immediately preceding this stockholders’ meeting, were approved, confirmed and ratified for all intents and purposes:

Related Party	Total Amount ^{/1}	Total Outstanding Balance ^{/2}
CBC Group	₱ 16.8 B \$ 354,832	₱ 55.6 M
SM Group	₱ 141.3 B \$ 212.6 M	₱ 3.7 B \$ 130 M
Other Related Parties	₱ 50.3 B \$ 2.2 M	₱ 15.6 B

1/ Covers all transactions

2/ For loan transactions approved in 2020”

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,098,326,621	- 99.939%
Against	-	0	- 0.000%
Abstain	-	1,283,340	- 0.061%

VIII. ELECTION OF THE BOARD OF DIRECTORS

On the next item in the agenda, which is the election of the members of the Board of Directors for the ensuing year, the Chairman called on Independent Director and Chairperson of the Corporate Governance Committee, Ms. Margarita L. San Juan, to announce the nominees for election.

According to Ms. San Juan, based on the determination by the Nominations and Corporate Governance Committees, and as confirmed by the Board of Directors, the following nominees for directors and independent directors were found to possess all the qualifications and none of the disqualifications of a director or independent director, and their capabilities are aligned with the Bank’s strategic directions: (a) nominees for director – Mr. Hans T. Sy, Mr. Gilbert U. Dee,

Mr. William C. Whang, Mr. Peter S. Dee, Mr. Joaquin T. Dee, Mr. Herbert T. Sy, Mr. Harley T. Sy, and Mr. Jose T. Sio; and (b) nominees for independent director – Ms. Margarita L. San Juan, Mr. Philip S.L. Tsai, Ms. Claire Ann T. Yap, and Mr. Genaro V. Lapez.

Ms. San Juan stated that Mr. Lapez is a new nominee for independent director. Mr. Lapez is a seasoned strategic and tactical thinker with extensive international experience. He also has 10 years' experience in banking and finance, and decades of experience in consumer marketing. She emphasized that Mr. Lapez's other qualifications, educational background, and training were included in the Bank's Definitive Information Statement.

The Chairman thanked Ms. San Juan. Before proceeding with the results of the election, Chairman Hans Sy took the opportunity to thank outgoing Lead Independent Director, Mr. Alberto S. Yao, for having provided a strong element of independence and objectivity in the Board. The Chairman recalled that Mr. Yao was elected to the Board in 2004 and served as the Chairman of the Audit Committee. Mr. Yao is also an independent director of China Bank Savings, Inc., China Bank Capital Corporation, and China Bank Securities Corporation. On behalf of the Board, Chairman Sy extended his deep gratitude to Mr. Yao for all of his contributions to the Bank and wished him all the best in his future endeavors.

The Chairman then asked the Corporate Secretary, Atty. Morando, to present the results of the election. Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast, as confirmed by SyCip Gorres Velayo & Co., the independent party tasked to count and validate the votes at the meeting:

“The twelve (12) nominees, including the four (4) nominees for independent directors, enumerated by the Corporate Governance Committee Chairperson Margarita L. San Juan, and also listed in the Definitive Information Statement, were declared duly elected directors.

Name of Director	Type of Director	Votes Cast		
Hans T. Sy	Director	For	-	2,098,836,800
		Against	-	444,795
		Abstain	-	315,366
Gilbert U. Dee	Director	For	-	2,077,946,286
		Against	-	444,795
		Abstain	-	21,205,880
William C. Whang	Director	For	-	2,098,611,639
		Against	-	58,200
		Abstain	-	933,122
Peter S. Dee	Director	For	-	2,099,223,395
		Against	-	58,200
		Abstain	-	315,366
Joaquin T. Dee	Director	For	-	2,098,836,800
		Against	-	444,795
		Abstain	-	315,366
Herbert T. Sy	Director	For	-	2,099,223,395
		Against	-	58,200
		Abstain	-	315,366
Harley T. Sy	Director	For	-	2,099,223,395
		Against	-	58,200
		Abstain	-	315,366

Jose T. Sio	Director	For	-	2,099,017,187
		Against	-	162,408
		Abstain	-	417,366
Margarita L. San Juan	Independent Director	For	-	2,099,287,595
		Against	-	-
		Abstain	-	315,366
Philip S.L. Tsai	Independent Director	For	-	2,099,287,595
		Against	-	-
		Abstain	-	315,366
Claire Ann T. Yap	Independent Director	For	-	2,099,229,395
		Against	-	58,200
		Abstain	-	315,366
Genaro V. Lapez	Independent Director	For	-	2,099,287,595
		Against	-	-
		Abstain	-	315,366

IX. APPOINTMENT OF EXTERNAL AUDITOR

Proceeding with the next item in the agenda, the Chairman called on Mr. Joaquin T. Dee, Director and Member of the Audit Committee, to make the recommendation.

Mr. Dee stated that the Audit Committee evaluated the performance during the past year of the Bank's present external auditor, SyCip Gorres Velayo & Co., and found it to be satisfactory. The Committee, therefore, as well as the Board of Directors, agreed to endorse the re-appointment of SyCip Gorres Velayo & Co. as the Bank's external auditor for the ensuing year.

Mr. Dee asked Atty. Morando for the resolution and voting results.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"The incumbent external auditor, SyCip Gorres Velayo & Co. (SGV), was re-appointed external auditor of the Bank for the ensuing year."

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)	
For	-	2,099,294,995	-	99.985%
Against	-	0	-	0.000%
Abstain	-	314,966	-	0.015%

X. AMENDMENT OF BY-LAWS

The Chairman next informed the Body that the Board of Directors approved in its regular meeting held on March 3, 2021, and its special meeting on March 10, 2021, to amend several provisions in the Bank's By-Laws.

On motion duly made and seconded, the following resolutions were unanimously approved

—

‘WHEREAS, during its regular meeting on March 3, 2021, the Board of Directors of the Corporation approved the following resolutions:

The Board members discussed extensively about the need to further amend the Bank’s By-Laws in order to address the comments of the Bangko Sentral ng Pilipinas (BSP), conform to the BSP’s Manual of Regulations for Banks, and the Revised Corporation Code of the Philippines, update and clarify processes and practices of the business, and to enhance corporate governance.

After discussion, on motion duly made and seconded, a majority of the members of the Board approved the following resolutions –

‘RESOLVED, that subject to the ratification or confirmation by at least a majority of the outstanding capital stock of the Bank at the scheduled regular annual meeting of the stockholders on May 6, 2021, or any adjournment thereof, and thereafter to the evaluation and approval of the Bangko Sentral ng Pilipinas and Securities and Exchange Commission, the following provisions of the By-Laws of the Bank are hereby endorsed for approval:

Changes	From	To	Purpose
Article III (Meeting of Stockholders) Section 1 <u>Regular Meeting</u>	The regular meeting of stockholders shall be held annually on the <u>first</u> Thursday of the month of <u>May</u> of each year at such hour and place as may be fixed by the Board of Directors, provided, however, that should said day fall on a holiday, then the meeting shall instead be held on the second Thursday of the month of <u>May</u> at such hour and place as may be fixed by the Board of Directors.	The regular meeting of stockholders shall be held annually on the <u>first</u> Thursday of the month of <u>April</u> of each year at such hour and place as may be fixed by the Board of Directors, provided, however, that should said day fall on a holiday, then the meeting shall instead be held on the second Thursday of the month of <u>April</u> at such hour and place as may be fixed by the Board of Directors.	To enable the Bank to apprise earlier its stockholders and stakeholders of the Bank’s performance and agenda matters, and enhance corporate governance.
Article VI.A. (Officers of the Corporation) Section 1. <u>Corporate* Officers</u>	The <u>Corporate*</u> Officers of the Corporation shall be: <u>a</u> <u>Chairman</u> , a Vice-Chairman, a President and one or more Executive Vice-Presidents, <u>and*</u> Senior Vice-Presidents, a <u>Corporate*</u> Secretary, a Treasurer, an Internal Auditor, a <u>Compliance Officer*</u> and such other officers as the Board of Directors may deem necessary.	The Corporate Officers of the Corporation shall be: a Vice-Chairman, a President and one or more Executive Vice-Presidents and Senior Vice-Presidents, a Corporate Secretary, a Treasurer, an Internal Auditor, a Compliance Officer and such other officers as the Board of Directors may deem necessary.	To comply with Sections 131 and 132 of the BSP’s MORB.

Article VI.A. (Officers of the Corporation) Section 5. <u>Chairman</u>	Section 5. <u>Chairman</u> – The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors. He shall have such other powers as may be assigned to him by the Board of Directors.	Section <u>5.1. Chairman</u> – The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors. He shall have such other powers as may be assigned to him by the Board of Directors, <u>except powers and functions of management such as those ordinarily performed by the Bank's regular officers.</u>	To comply with Sections 131 and 132 of the MORB.
Article VI.A. (Officers of the Corporation)	None	<u>Section 5.2. Vice-Chairman – In the absence or incapacity of the Chairman, the Vice-Chairman of the Board of Directors shall preside at meetings of the stockholders and of the Board of Directors. He shall have such other powers as may be assigned to him by the Board of Directors, including powers and functions of management such as those ordinarily performed by the Bank's regular officers.</u>	To comply with Section 131 (j) of the MORB.
Article XI (Subscriptions, Certificates of Stock and Transfer of Shares) Section 4 <u>Loss or Destruction</u>	In case of loss or destruction of any stock certificate, a new certificate shall be issued in lieu of the stock certificate which has been lost, stolen, or destroyed after compliance with the requirements of existing laws, including Section 73* of the <u>Corporation Code.</u>	In case of loss or destruction of any stock certificate, a new certificate shall be issued in lieu of the stock certificate which has been lost, stolen, or destroyed after compliance with the requirements of existing laws, including Section 73 of the <u>Revised Corporation Code of the Philippines.</u>	To reflect the complete name of the Code.

* Part of the 2020 Proposed Amendment, pending with the Bangko Sentral ng Pilipinas

‘RESOLVED ALSO, that the Board and/or any of the Executive Officer/s be authorized, as it/he is hereby authorized, to make such approvals/s or amendments to these resolutions as may be necessary to comply with any other requirement/s of the regulatory agency/ies concerned.’

‘RESOLVED, FINALLY, that the Corporate Secretary/Assistant Corporate Secretary be authorized, as she is hereby authorized, to give notice of the foregoing approvals to the regulatory offices concerned.’”

‘WHEREAS, during its special meeting on March 10, 2021, the Board of Directors of the Corporation amended its approval of March 3, 2021 with respect to Article III, Section 1 of the By-Laws, and approved the following resolutions:

The Board members discussed extensively about the need to further amend its approval of March 3, 2021 relating to the proposed amendments to the Bank’s By-Laws, particularly, Article III, Section 1 on the schedule of the regular annual meeting of stockholders. This is in order to address the comments of the Bangko Sentral ng Pilipinas (BSP), conform to the BSP’s Manual of Regulations for Banks, and the Revised Corporation Code of the Philippines, update and clarify processes and practices of the business, and/or to enhance corporate governance.

After discussion, on motion duly made and seconded, a majority of the members of the Board approved the following resolutions –

‘RESOLVED, that subject to the ratification or confirmation by at least a majority of the outstanding capital stock of the Bank at the scheduled regular annual meeting of the stockholders on May 6, 2021, or any adjournment thereof, and thereafter to the evaluation and approval of the Bangko Sentral ng Pilipinas and Securities and Exchange Commission, the following provisions of the By-Laws of the Bank are hereby endorsed for approval, provided that all other provisions proposed to be amended as approved by the Board on March 3, 2021 not inconsistent herewith shall remain endorsed for approval:

Changes	From	To	Purpose
Article III (Meeting of Stockholders) Section 1 <u>Regular Meeting</u>	The regular meeting of stockholders shall be held annually on the <u>first</u> Thursday of the month of <u>May</u> of each year at such hour and place as may be fixed by the Board of Directors, provided, however, that should said day fall on a holiday, then the meeting shall instead be held on the second Thursday of the month of <u>May</u> at such hour and place as may be fixed by the Board of Directors.	The regular meeting of stockholders shall be held annually on the <u>third</u> Thursday of the month of <u>April</u> of each year at such hour and place as may be fixed by the Board of Directors, <u>or if not practicable, on any day within</u> the month of <u>April</u> at such hour and place as may be fixed by the Board of Directors	To enable the Bank to apprise earlier its stockholders and stakeholders of the Bank’s performance and agenda matters, and enhance corporate governance.

‘RESOLVED ALSO, that the Board and/or any of the Executive Officer/s be authorized, as it/he is hereby authorized, to make such approval/s or amendments to these resolutions as may be necessary to comply with any other requirement/s of the regulatory agency/ies concerned.’

‘RESOLVED, FINALLY, that the Corporate Secretary/Assistant Corporate Secretary be authorized, as she is hereby authorized, to give notice of the foregoing approvals to the regulatory offices concerned.’”

‘NOW, THEREFORE, BE IT RESOLVED that the Stockholders of this Corporation approve, as they hereby approve *in toto*, the resolutions of the Board of Directors during their regular meeting held on March 3, 2021 and their special meeting held on March 10, 2021, as above-quoted, approving the amendments of the By-Laws.

‘BE IT RESOLVED FINALLY, that the Board of Directors is hereby fully empowered and authorized to do such other act/s as may be necessary or required by the regulatory agency/ies concerned to carry into effect the foregoing resolutions for the amendments of the By-Laws.’

Opinion	Votes cast	Percentage (based on shares present or represented at the meeting)	Percentage (based on total outstanding shares)
For	- 2,098,336,564	- 99.939%	- 78.124%
Against	- 958,431	- 0.046%	- 0.036%
Abstain	- 314,966	- 0.015%	- 0.012%

XI. DELEGATION TO THE BOARD OF DIRECTORS OF POWER TO AMEND BY-LAWS

On the next item in the agenda, the Chairman informed the stockholders that the Board of Directors, in its regular meeting on April 7, 2021, approved to endorse a resolution in favor of delegation to the Board of Directors of the power to amend the Bank’s By-Laws. This is to address the requirements of regulatory agencies as regards the amendments filed and pending and/or to be filed by the Bank. The matter of the delegation to the Board of Directors of the power to amend By-laws was included in the Information Statement of the Bank.

The Chairman asked Atty. Morando for the proposed resolution and the results of the votes.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

‘WHEREAS, in its regular meeting on April 7, 2021, the Board of Directors of the Corporation approved the following resolutions:

“The Board members discussed extensively about the proposal to delegate to the Board of Directors the power to amend the Bank’s By-Laws, in order to address the requirements of regulatory agencies as regards the amendments filed and pending and/or to be filed by the Bank.

After discussion, on motion duly made and seconded, all the members of the Board unanimously approved the following resolutions –

‘RESOLVED, that subject to the affirmative vote by at least 2/3 of the outstanding capital stock of the Bank at the scheduled regular annual meeting of the stockholders on May 6, 2021, and thereafter, to the evaluation and approval of the Bangko Sentral ng Pilipinas, and the Securities and Exchange Commission, the delegation to the Board of Directors of the power to amend By-laws is hereby endorsed for approval.

‘RESOLVED ALSO, that the Board be authorized, as it is hereby authorized, to make such approval/s or amendment/s to these resolutions as

may be necessary to comply with any other requirement/s of the regulatory agency/ies concerned.

‘RESOLVED, FINALLY, that the Corporate Secretary/Assistant Corporate Secretary be authorized, as she is hereby authorized, to give notice of the foregoing approvals to the regulatory offices concerned.’”

“NOW THEREFORE, BE IT RESOLVED that the Stockholders of this Corporation approve, as they hereby approve *in toto*, the resolutions of the Board of Directors during their regular meeting held on April 7, 2021, as above-quoted, approving to endorse the delegation to the Board of Directors of the power to amend the By-Laws of the Bank.”

“BE IT RESOLVED FINALLY, that the Board of Directors is hereby fully empowered and authorized to do such other act/s as may be necessary or required by the regulatory agency/ies concerned to carry into effect the foregoing resolutions.”

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)		Percentage (based on total outstanding shares)	
For	-	2,078,404,481	-	98.990%	-	77.382%
Against	-	20,890,514	-	0.995%	-	0.778%
Abstain	-	314,966	-	0.015%	-	0.012%

XII. OTHER MATTERS

The Chairman announced that the Board of Directors, in their meeting held earlier, approved a cash dividend in the total peso amount of P2.7 billion, similar to last year’s figure, representing One Peso (P1.00) per share. Further, the Board approved to set and/or recommend May 21, 2021 as the record date and June 4, 2021 as the payment/issuance date of the cash dividends, and to delegate to the President the authority to change the foregoing date/s as may be required to comply with the regulatory requirements.

Next, the Chairman stated that it is time to address the questions and comments from the stockholders sent via e-mail. As mentioned in the Guidelines for participation in the meeting via remote communication, which was posted in the Bank’s website, questions or comments submitted and received but not addressed during the livestream, shall be answered directly by e-mail to the stockholder concerned. Chairman Sy then gave the floor to the Head of Investor and Corporate Relations Group, Mr. Alexander C. Escucha, to read aloud the questions and comments.

Mr. Escucha began by reading the question sent by stockholder, Mr. Lamberto Cervania. Mr. Cervania wanted to know whether the Bank can sustain its positive performance, considering the decline in net income of other banks.

President Whang recognized that 2021 will continue to be challenging due to the pandemic. He emphasized that health and economy are interdependent, and that prolonged lockdowns caused unemployment and underemployment. While businesses continue to struggle, the Bank sees the resiliency of the Filipino people to work around the “new normal”. He mentioned that loan growth might continue to be muted but the Bank will continue to provide financial support for its clients and stakeholders. He also looked at positive signs of economic recovery,

as business activities reopen and the Government's vaccination program peaks in the coming months.

Mr. Escucha next read the question from stockholder Marcelino Florete, who asked how high the NPL ratio might be this year. President Whang responded that the NPL industry forecast stands at 4% to 4.5%. He expressed hope that the level of economy which occurred during the 1997 Asian financial crisis will not happen, as the economic environment today is different. The Government's efforts through the Bayanihan Acts 1 and 2, where loan payments were extended, contributed to easing economic hardships. With the Government's support, the interest environment will help the economy.

Mr. Escucha continued with a question from stockholder Jasmin Ong-Chan, who inquired on the Bank's plans for digitalization.

President Whang replied that even before the pandemic, the Bank had already started building its digital foundation to provide an efficient alternative channel for its customers. Transactions in the Bank's digital channel have outpaced over-the-counter transactions in the branches. He further commented that the pandemic accelerated this need, with people staying and working from home, and pushed the Bank with a sense of urgency. More features will be added in the Bank's mobile app, such as sending money using just the mobile number or email address of the recipient. The Bank is also working on an omni-channel platform which will provide seamless digital onboarding across its online and mobile banking spaces. He further commented that the Bank will continue to improve its offerings in the digital space.

Mr. Escucha next relayed another inquiry from stockholder Marcelino Florete, through broker Summit Securities. Mr. Florete asked if the Bank can buy back its shares. Mr. Escucha summarized the Bank's reply, and noted that although share buyback is an accepted practice abroad and domestically for non-financial entities, the General Banking Law expressly prohibits banks and other financial institutions from buying back its shares.

Mr. Escucha announced the conclusion of the question and answer session, and undertook to reply by e-mail to all other questions directly to the Bank stockholders.

XIII. ADJOURNMENT

There being no other business to transact or matter to be taken up, Chairman Hans Sy, on behalf of the Board of Directors and Management of the Bank, expressed gratitude to all those who participated in the meeting. He thanked everyone for their continued support. Thereafter, the meeting was adjourned at 4:55 P.M.

Prepared by:

Attested by:

(Signed)
ATTY. CORAZON I. MORANDO
Corporate Secretary
and Secretary of the Meeting

(Signed)
HANS T. SY
Chairman of the Board
and Chairman of the Meeting