

## **MINUTES OF THE 2018 ANNUAL MEETING OF STOCKHOLDERS OF CHINA BANKING CORPORATION**

*Held at the Penthouse, China Bank Building  
8745 Paseo de Roxas cor. Villar St., Makati City  
May 3, 2018 at 4:00 p.m.*

### **Directors Present:**

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

### **Director Absent:**

- |                   |  |
|-------------------|--|
| Mr. Herbert T. Sy | - Director, and Chairman of Trust Investment Committee |
|-------------------|--|

### **Also Present:**

- |                                 |  |
|---------------------------------|--|
| Mr. Henry Sy, Sr.               | - Honorary Chairman and Advisor to the Board         |
| Mr. Ricardo R. Chua             | - Advisor to the Board                               |
| Atty. Corazon I. Morando        | - Corporate Secretary                                |
| Mr. Patrick D. Cheng            | - Chief Finance Officer                              |
| Mr. Alexander C. Escucha        | - Head of the Investor and Corporate Relations Group |
| Mr. Romeo D. Uyan, Jr.          | - Chief Operating Officer                            |
| Mr. Benedict L. Chan            | - Treasurer  |
| Ms. Marilyn G. Yuchenkang       | - Chief Audit Executive                              |
| Ms. Aileen Paulette S. De Jesus | - Chief Compliance Officer                           |
| Ms. Vicky Lee-Salas             | - SyCip Gorres Velayo & Co. (SGV), External Auditor  |

Mr. Ray Francis C. Balagtas - SGV Partner-in-Charge, External Auditor  
Mr. Antonio M. Laviña - Stock Transfer Service, Inc., Transfer Agent

Stockholders present in person or represented by proxy:

2,059,651,598 shares (See Annex A for the list of stockholders and other attendees)

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## **I. CALL TO ORDER**

After Investor and Corporate Relations Group Head Alexander C. Escucha led the singing of the National Anthem and introduced the current members of the Board, Honorary Chairman Henry Sy, Sr., and Advisor to the Board and immediate past President and CEO Ricardo R. Chua, the Chairman of the Board, Mr. Hans T. Sy, welcomed the stockholders and guests to the Bank's 2018 annual stockholders' meeting. He then called the meeting to order and presided over the same. Atty. Corazon I. Morando, Corporate Secretary, took the minutes of the proceedings.

## **II. ROLL CALL**

Stockholder Alvin A. Quintanilla moved that the reading of the list of stockholders present in person or by proxy be dispensed with, in order to abbreviate the proceedings. There being no objection, the motion was duly seconded.

The list of the stockholders present in person or by proxy with their respective number of shares is hereto attached as Annex "A".

## **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 2,059,651,598 shares representing 76.68% or more than 2/3 of the outstanding capital stock of the Bank are present either in person or by proxy. The Corporate Secretary therefore certified the existence of a quorum competent to transact business.

The Corporate Secretary also informed the stockholders and guests that in addition to the presence of the Bank's transfer agent, Stock Transfer Service, Inc. (STSI), representatives from SyCip Gorres Velayo & Co. (SGV) are in attendance at the meeting to independently count and validate the votes cast at the meeting. Ballots were distributed to the stockholders or their representatives during the registration in accordance with the procedures stated in the information statement.

## **IV. PROOF OF NOTICE OF MEETING**

The Chairman next asked the Corporate Secretary about the sending of the notice of meeting to stockholders.

The Corporate Secretary reported that the Notice of Meeting with Explanation of Agenda Items and the Information Statement (SEC Form 20-IS) were sent to the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) on March 15 and 16, 2018, respectively. Likewise, these were sent to the stockholders of record on April 02 and 03, 2018. Finally, the Notice of Meeting was published in The Philippine Star, a newspaper of general circulation, on March 28, 2018.

The Corporate Secretary certified that the foregoing materials were sent in compliance with the Bank's By-Laws and the law and rules and regulations of the SEC and PSE.

## **V. READING AND APPROVAL OF MINUTES OF THE 2017 ANNUAL MEETING OF STOCKHOLDERS**

The Chairman proceeded to the next item in the Agenda, which is the approval of minutes of the stockholders' meeting held on May 04, 2017. A summary of the minutes was included in the Information Statement sent to the stockholders; and copies of the minutes, which can also be accessed through the Bank's website [www.chinabank.ph](http://www.chinabank.ph), were made available and/or provided to the stockholders prior to the meeting to allow them the opportunity to raise any question, comment or view arising therefrom.

The Chairman requested those who wish to raise questions or give comments to introduce themselves beforehand so that their presence can be properly acknowledged.

There being no objection or matter raised in relation to the minutes, on motion of proxy holder Bea Carla C. Redoblado, the reading of the minutes of the annual meeting of stockholders held on May 04, 2017 was dispensed with and all matters included therein were considered complete and accurate, and were thereby approved for all intents and purposes, with the following breakdown of votes:

Opinion		Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,054,052,560	-	99.728%
Against	-	0	-	0.000%
Abstain	-	5,599,038	-	0.272%

## **VI. ANNUAL REPORT & FINANCIAL STATEMENTS**

For this item in the agenda, Chairman Hans Sy called on Mr. Patrick D. Cheng, Chief Finance Officer (CFO), for a brief presentation on the performance of the Bank for the year ended 2017.

Focusing first on the net income, CFO Cheng showed that the Bank earned P7.5B in 2017 or 16% higher than the previous year, outperforming key competitors' average increase in earnings of around 6%. The Bank maintained a Return of Equity (ROE) of 10% versus 2016's 10.4%, still comparing favorably to what the Bank has been performing in the last few years. In terms of Total Assets, the Bank has P751B worth of assets which is currently around sixth among the private domestic commercial banks. The asset base of the Bank went up by 19% last year compared with that of the rest of the key industry players of around 12%. Further, the Bank group-wide has closed around P449B worth of net loans in 2017, which is translated to a 16% growth versus 2016, still in line with the industry's average growth of 17%.

In terms of deposits, CFO Cheng showed that the Bank ended 2017 with around P635B worth of deposits, representing an 80% increase over the last four years and 17% increase compared to 2016 figures. This would show that the Bank's funding of 17% kept pace with the loans growth of 16%. For the industry players which already disclosed their performance, their deposits grew at an average of 11% against 2016.

The Bank's total shareholders' equity increased by 32% at P84B, from P63B the previous year. This was primarily due to the strong support from the stockholders through the stock rights offer last year. As to the Capital Adequacy Ratio (CAR), which is a measure of the strength of the Bank, the ratio has gone up to 14.2% vis-à-vis 12.2% the previous year due to strong stockholders' support and retained earnings.

In terms of branch network, from 367 branches in 2013, the numbers stood at 596 as of the close of last year. As of today, the group has 602 branches, 442 of which are from the parent bank and 160 from China Bank Savings, Inc. On top of the branches, the Bank has expanded its access and distribution points as the number of ATMs as of last year reached 888.

After the presentation, the Chairman asked if there were any comments or questions, and there being none raised, proxy holder Sherald M. Santillan moved that the Annual Report given to the stockholders in attendance, and the Information Statement (SEC Form 20-IS) with the Financial Statements for the year ended December 31, 2017 attached thereto, distributed and sent out to stockholders, and as presented by CFO Cheng, be approved.

The motion of Mr. Santillan was seconded and carried, with the following breakdown of votes:

Opinion		Votes cast		Percentage (based on shares present or represented at the meeting)
Annual Report				
For	-	2,059,651,598	-	100.000%
Against	-	0	-	0.000%
Abstain	-	0	-	0.000%
Financial Statements				
For	-	2,059,651,598	-	100.000%
Against	-	0	-	0.000%
Abstain	-	0	-	0.000%

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

On motion made by stockholder Belenette C. Tan, and duly seconded, all acts of the Board of Directors, which include the approval for the conduct of a Rights Issue, and approval of the following significant (P50 Million and above) related party transactions discussed on pages 15 – 18 of the Information Statement and in Note 29 of the 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 2017 and immediately preceding this stockholders' meeting, were approved, confirmed and ratified for all intents and purposes:

Name of Counterparty	Type of Transaction	Amount/Contract Price
Angela T. Dee-Cruz (Officer)	Line Outstanding	₱ 63.0 M ₱ 17.0 M
Alberto, Anthoniette & Joan Ross Yao (Director and his close family members)	Trust	₱ 84.0 M
Elizabeth Sy (Close family member of a director)	Trust	₱ 50.0 M
Elizabeth T. Sy & Eric Charles Uy (Close family members of a director)	Trust	₱ 70.0 M
Henry Sy, Sr. (Honorary Chairman)	Loan Outstanding	₱ 300.0 M ₱ 300.0 M
Hans T. Sy (Director)	Trust	₱ 22.3 B
Herbert T. Sy & Hendrik T. Sy (Director)	Trust	₱ 50.0 M
		₱ 53.5 M
		₱ 61.4 M
Herbert T. Sy & Herbert T. Sy, Jr. (Director and his close family member)	Trust	₱ 51.2 M
		₱ 50.0 M
		₱ 100.2 M
Herbert T. Sy & Harley T. Sy (Director)	Trust	₱ 100.0 M
Sps. Irwin and Consuelo Ponce (Close family member of a director)	Line	₱ 127.0 M
BDO Universal Bank (Affiliate)	Bonds/FX	₱ 400.0 M
		₱ 100.0 M
		₱ 14.0 B
		₱ 7.3 B
		₱ 1.6 B
		₱ 4.8 B
		₱ 309.9 M
		₱ 20.1 B
		₱ 265.6 M
		₱ 8.3 B
		₱ 600.8M
		₱ 742.5 M
		₱ 11.5 B
		₱ 4.2 B
		₱ 600.0 M
		₱ 4.7 B
		₱ 5.2 B
		₱ 64.4 M
		₱ 13.7 B
		₱ 7.7 B
BDO Private Bank, Inc. (Affiliate)	Bonds / FX	₱ 50.0 M
		₱ 7.1 B
		₱ 1.0 B
		₱ 850.0 M

Name of Counterparty	Type of Transaction	Amount/Contract Price
		₱ 150.5 M
		₱ 50.2 M
		₱ 151.4 M
		₱ 100.9 M
		₱ 202.7 M
		₱ 252.1 M
		₱ 450.0 M
		₱ 1.1 B
		₱ 600.0 M
		₱ 609.6 M
		₱ 50.0 M
		₱ 306.7 M
		₱ 257.5 M
		₱ 150.0 M
		₱ 303.5 M
BDO Private Bank Wealth Advisory and Trust Group (Affiliate)	Bonds	₱ 514.4 M
		₱ 253.3 M
BDO Securities Corporation (Affiliate)	Equity Investments	₱ 1.6 B
CBC Trust Group (A Group in the Bank)	Bonds	₱ 1.9 M
		₱ 1.7 B
		₱ 1.4 M
		₱ 499.0 M
		₱ 330.9 M
		₱ 5.8 B
		₱ 5.9 B
China Bank Capital Corporation (Affiliate)	Money Market Fund	₱ 700.0 M
	Redemption of Money Market	₱ 500.0 M
	Bond	₱ 130.0 M
China Bank Securities Corporation (Subsidiary)	Sale of CHIB Shares	₱ 362.6 M
China Bank Savings Inc. (Subsidiary)	Investment in SSA (Short Term)	₱ 250.0 M
		\$ 1.5 M
		₱ 200.0 M
		₱ 1.2 B
		₱ 500.0 M
	Bonds	₱ 100.0 M
		₱ 84.0 M
		₱ 50.0 M
		₱ 199.0 M
		₱ 100.0 M
	Foreign Exchange	₱ 51.5 M

Name of Counterparty	Type of Transaction	Amount/Contract Price
JJACCIS Development Corporation (Other Related Party)	Loan Outstanding	₱ 600.0 M
		₱ 257.4 M
Manulife Chinabank Life Assurance Corp. (Associate)	Bonds	₱ 528.9 M
		₱ 729.0 M
		₱ 2.4 B
		₱ 2.6 B
		₱ 665.0 M
		₱ 1.4 B
National Reinsurance Corporation (Affiliate)	Bonds	₱ 50.0 M
Rizal Commercial Banking Corporation (Other Related Party)	Bonds	₱ 574.3 M
		₱ 752.4 M
		₱ 3.8 B
		₱ 3.3 B
		₱ 300.4 M
		₱ 4.1 B
		₱ 600.0 M
		₱ 3.1 B
		₱ 875.0 M
		₱ 900.0 M
		₱ 250.0 M
		₱ 3.3 B
		₱ 200.0 M
		₱ 500.0 M
		₱ 501.6 M
	FX	₱ 4.1 B
		₱ 4.1 B
		₱ 6.6 B
		₱ 2.6 B
RCBC Savings Bank (Other Related Party)	Bonds	₱ 250.8 M
		₱ 100.0 M
		₱ 50.0 M
SM Investments Corporation (Stockholder)	Loan	₱ 8.0 B
		\$ 32.5 M
SM Investments Corp./Sybase Equity Investments Corp./ Multi-Realty Development Corp. (Stockholder / Affiliates)	Loan	₱ 15.5 B
SM Prime Holdings Inc./Costa Del Hamilo, Inc./SM Hotels and Conventions Corp. (Affiliates)	Loan Line	₱ 3.1 B
SM Prime Holdings, Inc. (Affiliate)	ROPA	₱ 161.6 M
SM Development Corp. (Affiliate)	Loan	₱ 1.1 B
Summerhills Home Development Corp. (Affiliate)	Loan	₱ 500.0 M
Sunlife Grepa Financial, Inc.	Bonds	₱ 100.0 M

Name of Counterparty	Type of Transaction	Amount/Contract Price
(Other Related Party)		₱ 60.0 M
		₱ 150.0 M
		₱ 144.0 M
		₱ 50.0 M
Sysmart, Inc. (Stockholder)	Loan Outstanding	₱ 5.0 B ₱ 3.8 B
Super Industrial Corp. (Other related party)	Loan	₱ 50.0 M
Anchor Land Holdings Inc. & Subsidiaries (Other Related Party)	Contract to Sell	₱ 348.3 M
One Network Bank (Affiliate)	Bonds	₱ 400.0 M
		₱ 100.0 M
National Grid Corporation of the Philippines (Other Related Party)	Loan	₱ 12.0 B
		₱ 79.0 M
2Go Group, Inc. (Other Related Party)	Loan	₱ 1.0 B
		₱ 100.0 M
Posh Properties Development Corp. and Gotamco Realty Investment Corp. (Other Related Party)	Loan	₱ 1.0 B
Posh Properties Development Corp. (Other Related Party)	Loan	₱ 3.7 B
		₱ 1.3 B

The breakdown of votes was as follows:

Opinion	Votes cast	Percentage (based on shares present or represented at the meeting)
For	- 2,059,651,598	- 100.000%
Against	- 0	- 0.000%
Abstain	- 0	- 0.000%

#### VIII. ELECTION OF THE BOARD OF DIRECTORS

On the next item in the agenda – election of eleven (11) members of the Board of Directors for the ensuing year, the Chairman called on the Chairman of the Nominations and Corporate Governance Committees, Mr. Roberto F. Kuan, to announce the nominees for election.

According to Mr. Kuan, 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 qualities 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 – Mr. Alberto S. Yao, Ms. Margarita L. San Juan and Mr. Roberto F. Kuan.



On motion made by stockholder Evelyn T. Alameda and duly seconded, the eleven (11) nominees, including the three (3) nominees for independent directors, enumerated by Nominations and Corporate Governance Committees Chairman Roberto Kuan, and also listed on page 12 of the Information Statement distributed to the stockholders, were declared duly elected directors.

The votes cast were as follows:

Name of Director	Type of Director	Votes Cast		Percentage (based on shares present or represented at the meeting)
Hans T. Sy	Director	For	- 2,047,747,212	99.422%
		Against	- 341,144	0.017%
		Abstain	- 11,563,242	0.561%
Gilbert U. Dee	Director	For	- 2,048,160,716	99.442%
		Against	- 0	0.000%
		Abstain	- 11,490,882	0.558%
William C. Whang	Director	For	- 2,059,651,598	100.000%
		Against	- 0	0.000%
		Abstain	- 0	0.000%
Peter S. Dee	Director	For	- 2,048,160,716	99.442%
		Against	- 0	0.000%
		Abstain	- 11,490,882	0.558%
Joaquin T. Dee	Director	For	- 2,048,088,356	99.439%
		Against	- 0	0.004%
		Abstain	- 11,563,242	0.561%
Herbert T. Sy	Director	For	- 2,048,160,716	99.442%
		Against	- 0	0.000%
		Abstain	- 11,490,882	0.558%
Harley T. Sy	Director	For	- 2,048,088,356	99.439%
		Against	- 0	0.000%
		Abstain	- 11,563,242	0.561%
Jose T. Sio	Director	For	- 2,048,010,867	99.435%
		Against	- 149,849	0.007%
		Abstain	- 11,490,882	0.558%
Alberto S. Yao	Independent Director	For	- 2,059,238,094	99.980%
		Against	- 341,144	0.017%
		Abstain	- 72,360	0.003%
Roberto F. Kuan	Independent Director	For	- 2,059,238,094	99.980%
		Against	- 341,144	0.017%
		Abstain	- 72,360	0.003%
Margarita L. San Juan	Independent Director	For	- 2,059,651,598	100.000%
		Against	- 0	0.000%
		Abstain	- 0	0.000%

Chairman Hans Sy then asked the newly elected directors present during the meeting to stand up to be recognized.

## **IX. APPOINTMENT OF EXTERNAL AND INTERNAL AUDITORS**

The Chairman proceeded to the next item in the agenda, which is the appointment of auditors. He called on Audit Committee Chairman Alberto Yao to make the recommendation.

After greeting the stockholders, Mr. Yao stated that the Audit Committee recommends the re-engagement/re-appointment of SyCip Gorres Velayo & Co. as the Bank's external auditor, and of Ms. Marilyn G. Yuchenkang as the Bank's Chief Audit Executive.

On motion of proxy holder Sherald M. Santillan duly made and seconded, the incumbent external auditors of the Bank, SyCip Gorres Velayo & Co. (SGV), with its partner-in-charge for the Bank, Mr. Ray Francis C. Balagtas, and the Bank's Chief Audit Executive, Ms. Marilyn G. Yuchenkang, were re-elected external and internal auditors, respectively, of the Bank for the ensuing year.

The votes for the re-election of the external auditors were broken down as follows:

Opinion		Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,059,651,598	-	100.000%
Against	-	0	-	0.000%
Abstain	-	0	-	0.000%

## **IX. INCREASE IN THE NUMBER OF DIRECTORS FROM 11 TO 12 AND AMENDMENT OF THE ARTICLE FIFTH OF THE ARTICLES OF INCORPORATION AND ARTICLE IV, SECTION 1 OF THE BY-LAWS**

The Chairman next informed the Body that the Board of Directors approved on March 21, 2018 to amend Article Fifth of the Amended Articles of Incorporation and Article IV, Section 1 of the Amended By-laws to increase the number of directors from eleven (11) to twelve (12).

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

‘WHEREAS, on March 21, 2018, the Board of Directors of the Corporation approved the following resolutions:

“The Board members discussed extensively about the need to amend the Bank's Articles of Incorporation and By-laws to increase the number of directors to twelve (12), in order to ensure diversity and promote independence of judgment in the Board, as well as to address the requirement under the Bangko Sentral ng Pilipinas (BSP) Circular No. 969, “Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions” on the number of independent directors.

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

‘RESOLVED, that subject to the ratification or confirmation by at least 2/3 of the outstanding capital stock of the Bank at the scheduled regular annual meeting of the stockholders on May 03, 2018, and thereafter, to the evaluation and

approval of the Bangko Sentral ng Pilipinas, and Securities and Exchange Commission, the number of directors of the Bank is hereby increased from eleven (11) to twelve (12) thereby amending for the purpose Article Fifth of the Articles of Incorporation and Article IV, Section 1 of the By-laws to read as follows:

- Article Fifth of the Articles of Incorporation:

“Fifth – The number of directors of the Corporation shall be twelve (12); xxx”

- Article IV, Section 1 of the By-laws:

“Section 1. Composition/Powers – The corporate powers of the Corporation shall be vested in and exercised, its business conducted and its property controlled by a Board of twelve (12) Directors who shall be elected from the stockholders. xxx”

‘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.’”

‘NOW, THEREFORE, BE IT RESOLVED, that the Stockholders of this Corporation approve, as they hereby approve *en toto*, the resolutions of the Board of Directors during their meeting on March 21, 2018 as above-quoted, approving the increase in the number of directors from eleven (11) to twelve (12), and amendment of Article Fifth of its Amended Articles of Incorporation and Article IV, Section 1 of its Amended 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 increase in the number of directors to twelve (12).’

The votes for the increase the number of directors from eleven (11) to twelve (12), thereby amending for the purpose Article Fifth of the Amended Articles of Incorporation and Article IV, Section 1 of the Amended By-laws, were broken down as follows:

Opinion		Votes cast		Percentage (based on shares present or represented at the meeting)		Percentage (based on total outstanding shares)
For	-	2,059,353,000	-	99.986%	-	76.673%
Against	-	298,598	-	0.014%	-	0.011%
Abstain	-	0	-	0.000%	-	0.000%

## **X. OTHER MATTERS**

The Chairman announced that the Board of Directors, in their meeting earlier, approved a cash dividend in the total peso amount of P2.229 Billion, from P1.988 Billion last year, representing 83 centavos per share. Further, the Board approved to set and/or recommend May 17, 2018 as the record date and June 1, 2018 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. The announcement was met with applause from the stockholders and guests.

The Chairman then opened the floor for the stockholders to ask questions or raise comments or concerns.

Mr. Ishmael Sam De Luna Canua, a stockholder under broker BDO Nomura Securities, Inc., stood up. He said that it is his first time to attend the stockholders' meeting of the Bank. The first matter he raised was on the credit card business of the Bank. According to him, the Bank asks as one of its requirements for credit card application, a proof of filing and payment of income tax. Considering the TRAIN law now in place, which exempts from paying/filing of income tax individuals having P250,000.00 or less income, he was of the position that the Bank requirements for individuals applying for credit card with income of P250,00.00 or less should also be changed. The second matter he raised was on whether the Bank has any plans to have in place a basic deposit account which the Bangko Sentral ng Pilipinas (BSP) already approved.

The Chairman took note of Mr. Canua's concern on the credit card and told him that the Bank will look into it. On the second concern raised, Mr. Escucha confirmed that the basic deposit account was indeed approved by the BSP without minimum amount up to P50,000.00 and without any reserve requirement. He added that the Bank's Management Committee has already discussed the concept of the product and more may be expected of the development of this product within the next three to six months.

## **XI. ADJOURNMENT**

There being no other business to transact or matter raised by the stockholders, and upon motion made by Ms. Bea Carla C. Redoblado and duly seconded, the meeting was adjourned at 4:25 p.m.

In behalf of the Board of Directors and Management, the Chairman thanked the stockholders for their continued support.

(ORIGINAL SIGNED)

**HANS T. SY**

Chairman of the Board and of the Meeting

Attested by:

(ORIGINAL SIGNED)

**ATTY. CORAZON I. MORANDO**

Secretary of the Meeting