

MINUTES OF THE 2022 ANNUAL MEETING OF STOCKHOLDERS OF CHINA BANKING CORPORATION

Held via Remote Communication at <https://www.chinabank.ph/asm2022>

05 May 2022 at 4:00 P.M.

Directors Present:

| | |
|---------------------------|--|
| Mr. Hans T. Sy | - Chairman of the Board, and Chairman of the Executive Committee |
| 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, Chairman of the Trust Investment Committee, and Member of the Executive Committee |
| Mr. Joaquin T. Dee | - Director, and Member of the Executive, Audit and Compliance Committees |
| Mr. Herbert T. Sy | - Director, and Member of the Remuneration Committee |
| Mr. Harley T. Sy | - Director, and Member of the Compliance and Trust Investment Committees |
| Mr. Jose T. Sio | - Director, and Member of the Trust Investment Committee |
| Ms. Margarita L. San Juan | - Lead Independent Director, Chairperson of the Corporate Governance, Nominations and Compliance Committees, and Member of the Risk Oversight and Related Party Transaction Committees |
| Mr. Philip S.L. Tsai | - Independent Director, Chairman of the Risk Oversight Committee, and Member of the Audit, Related Party Transaction and Remuneration Committees |
| Ms. Claire Ann T. Yap | - Independent Director, Chairperson of the Audit Committee, and Member of the Corporate Governance, Risk Oversight and Nominations Committees |
| Mr. Genaro V. Lapez | - Independent Director, Chairman of the Related Party Transaction and Remuneration Committees, and Member of the Corporate Governance and Nominations Committees |

Director Absent:

None

Also Present:

| | |
|--|---|
| Mr. Ricardo R. Chua | - Advisor to the Board |
| Atty. Leilani B. Elarmo | - Corporate Secretary |
| Mr. Romeo D. Uyan, Jr. | - Chief Operating Officer |
| Mr. Patrick D. Cheng | - Chief Finance Officer |
| Mr. Gerald O. Florentino | - Head of Investor and Corporate Relations Group |
| Mr. Christopher Ma. Carmelo Y. Salazar | - Treasurer |
| Atty. Aileen Paulette S. De Jesus | - Chief Compliance Officer |
| Ms. Janet A. Paraiso | - Sycip Gorres Velayo & Co. (SGV), External Auditor, and Team |
| Mr. Joel S. Cortez | - Stock Transfer Service, Inc., Transfer Agent |

Stockholders present through remote communication, by proxy, or *in absentia*:

2,100,880,043 shares (See Annex A for the list of stockholders and other attendees)

I. CALL TO ORDER

After the video presentations of the ad campaign “*Times Change, but Values Remain*” were shown, and the Philippine National Anthem was played, Investor and Corporate Relations Group (ICRG) Head Gerald O. Florentino introduced the current members of the Board of Directors and Advisor to the Board Ricardo R. Chua, as well as the members of the Bank’s Management Team which included Chief Operating Officer Romeo D. Uyan, Jr. and Chief Finance Officer Patrick D. Cheng. 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 2022 Annual Stockholders’ Meeting, which was an online-only event in order to continue to safeguard the health and safety of the stockholders and participants given the present situation, similar to last year’s annual meeting. He called the meeting to order and presided over the same. Atty. Leilani B. Elarmo, Corporate Secretary, took the minutes of the proceedings.

The list of the stockholders present through remote communication, by proxy, or *in absentia*, 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. Elarmo 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, Sections 23, 49, 50, 57 and other related provisions of the Revised Corporation Code, and SEC Notice dated 16 February 2022 on the alternative modes of distributing documents in relation with the holding of annual stockholders’ meeting for 2022.

Moreover, the Notice was published in business section of The Philippine Star and Philippine Daily Inquirer, in print and online formats, on 31 March and 01 April 2022. Likewise, electronic copies of the Notice of Meeting with Explanation of Agenda Items, Information Statement (SEC Form 20-IS), Management Report, Annual Report (SEC Form 17-A) and other pertinent documents were made available in the Bank’s website www.chinabank.ph and 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, the laws 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.

Based on the final count of attendees, as verified by SyCip Gorres Velayo & Co. (SGV), the independent party tasked to count and validate the votes at the meeting, out of 2,691,288,212 total subscribed and outstanding shares of the Bank, the holders of 2,100,880,043 shares representing 78.062% 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 “A” of the Bank’s Information Statement.

IV. APPROVAL OF MINUTES OF 06 MAY 2021 ANNUAL 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 06 May 2021. The minutes was included in the Definitive Information Statement and can also be accessed through the Bank's website www.chinabank.ph.

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

"The reading of the minutes of the Annual Meeting of Stockholders held on 06 May 2021 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 | - | 2,100,817,052 | - | 99.997% |
| Against | - | - | - | - |
| Abstain | - | 62,991 | - | 0.003% |

V. ANNUAL REPORT TO STOCKHOLDERS

Chairman Hans Sy gave the floor to President William C. Whang who delivered his report on the Bank's activities, business and financial performance, and other relevant data for the year 2021.

President William began his report by expressing his positive outlook that the toll of COVID-19 on global health and its wider economic and social impact are waning and everyone can now focus on sustainable recovery and building up resilience should the said virus become endemic. Moreover, he reported that while 2021 continued to be challenging, it has been a year of hope and optimism as infection cases dropped amid higher vaccination rates, and business activities increased with the reopening of the economy. Despite being battered by the pandemic and typhoons Fabian and Odette, the country showed great resilience in 2021.

The Philippines' Gross Domestic Product grew by 12% in the second quarter of 2021, effectively lifting the country out of recession and the further easing of mobility restrictions in the fourth quarter perked up consumer spending and brought the full-year economic growth to 5.6% from -9.6% in 2020. The accelerated vaccination drive, combined with the government's policy support and game-changing reforms boosted the country's rebound in 2021 and strong growth prospects in 2022. The BSP also kept the policy rate at its record low of 2% for the entire year. The extension of the availability of the 2020 National Budget and funds appropriated through Bayanihan 2, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, the Financial Institutions Strategic Transfer (FIST) Act, and amendments to the Foreign Investments Act and the Retail Trade Liberalization Act were signed into law to help the Philippine economy recover from the pandemic shock.

With respect to the Bank, President Whang emphasized its continued priority of the people's safety as it pursued growth and contributed to a more vibrant economy. The Bank ended 2021 with 9,747 employees and as of May 2022, 98% of the workforce have been fully vaccinated, while booster shots are also being administered since late last year. The Bank's 637 branches nationwide are safe havens for face-to-face transactions, while the digital platforms and electronic banking channels, which include 1,037 ATMs, enable convenient banking access and support the transition to a cashless society. Transactions via China Bank Online, mobile app, and e-banking facilities like ATM continued to surge, accounting for 67% of the total banking transactions for 2021.

President Whang reported that as part of the Bank's pursuit of digital transformation to provide customers convenience and security, the Bank enhanced its mobile app, with the addition of the scan-to-pay feature for easy QR code payments and the InstaPay 2.0 Multi-proxy feature for secure fund

transfers with the use of mobile number or email address. The Bank plans to continue with more digital initiatives this year, including the launch of China Bank START so new customers can easily open a China Bank account via app, China Bank Digital 2.0, a new institutional website, and automated marketing.

President Whang continued his report on the Bank's financial highlights for the year 2021. He commended the Bank's strong performance with its P15.1B net income, 25% higher compared to 2020, which translated to an improved return on equity of 13.6% and return on assets of 1.5%. Net interest income grew 13% to P38.3B, driven by loans growth and lower interest expense. Net interest margin further improved to 4.2%. Fee-based income, on the other hand, went up by 3% to P10.4B, underpinned by a 39% increase in core fee-based income. The growth in operating expenses was controlled at 4% to P22.3B. The Bank's conscious efforts to manage expenses while investing in growth strategies resulted in a better cost-to-income ratio of 46% from 49%, the lowest among its peer banks.

Other key indicators were likewise positive: total assets of P1.1T or an increase by 7%; total deposits of P863B, up 3%, with an improved CASA ratio of 64% from 56%; and net loans of P609B, or an increase by 9%. Further, the Bank's non-performing loans ratio of 2.5% and NPL coverage of 116% were better than industry average.

President Whang further narrated that the total capital increased by 13% to P119B. The healthy capital ratios reflected the Bank's financial soundness - common equity tier 1 (CET1) ratio of 14.9% and total capital adequacy ratio (CAR) of 15.7%.

With respect to bond and equity market, through the Bank's investment banking arm, China Bank Capital, the Bank helped many issuers raise their financing requirements from the local debt market, and at the same time, focused on bringing new names and products to the market, promoting financial inclusiveness to gain a wider investing public, and working closely with regulators to broaden and deepen the domestic capital markets amid the ongoing pandemic. He noted that China Bank Capital has maintained its position as the leading investment house in the domestic debt capital markets and the number one book runner for fixed income deals in the Philippines.

President Whang next highlighted the awards and recognitions received by the Bank. To start, it was named the Best Bank in the Philippines in 2021, while China Bank Capital was the Best Bond Adviser (Domestic) for the sixth consecutive year by The Asset. The Bank also emerged as the second strongest bank in the Philippines and among the Top 20% in the Asia Pacific region in The Asian Banker's 500 Strongest Banks ranking in 2021. Further, Moody's Investors Service affirmed the Bank's investment grade credit rating of Baa2 while the Philippine Rating Services Corporation (PhilRatings) gave it the highest credit rating of PRS Aaa (corp.); both ratings carry a stable outlook. Moreover, The ASEAN Capital Markets Forum distinguished the Bank as among the Top 3 publicly-listed companies in the Philippines and among the Top 20 in ASEAN, and as an ASEAN Asset Class. For its corporate governance efforts, the Bank received the Institute of Corporate Directors' highest recognition for corporate governance, the Four Golden Arrow. Lastly, as recognition for its strong support for the various initiatives to build an inclusive and increasingly digital Philippine economy, BSP named the Bank as an outstanding stakeholder.

For its shareholders, the Bank paid a total of P2.69B or P1.00 per share cash dividends in 2021, which is a testament to China Bank's financial well-being and future prospects. It also issued 5.4M shares to about 8,400 qualified China Bank Group employees under the Centennial Stock Grant Plan. This equity gift of 100 shares for every year of service is a big gesture of appreciation for the dedication of the Bank's partners in success.

For the revival of Manila and for the next generation of China Bankers and customers, President Whang announced the completion of the restoration of the original headquarters in Binondo and the construction of the China Bank Museum. The Binondo Business Center bears the historical markers from the National Historical Commission of the Philippines (NHCP) and the National Museum, signifying the NHCP's recognition of the 100-year history and of the original head office of the Bank, built in 1924, as a heritage site, and the National Museum's confirmation of the building's cultural significance to the country.

Moving forward, President Whang signifies his confidence in the Bank's capabilities to achieve its goals amid the challenges and opportunities ahead. The Bank is determined to expand its business through CASA and loans growth, and to future proof such growth by focusing on asset quality, digital banking transformation, and ESG implementation. He stated that the pandemic has taught the Bank the importance of preparing for and adapting to shifting conditions while remaining supportive of the customers and communities it serves. Speaking of adapting to shifting conditions, he updated that the Mega Tower extension office is now operational, achieving the 100% onsite workers capacity with about 32% of the employees working in the head office and main offices in Makati transferring to this new state-of-the-art facility in Mandaluyong which is equipped with modern air ventilation, air filtration, and UV technologies to ensure our employees' health and safety.

Finally, President Whang ended his report with genuine hope that the new elected leader will be able to unite the country to take on the difficult challenges ahead. He then thanked everyone on behalf of the China Bank Board for staying the course with and believing in the Bank.

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

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

"The Annual Report, an electronic copy of which having been made available on the Bank's website and on the Philippine Stock Exchange's (PSE) EDGE Submission System, and as presented by Bank President William C. Whang, was approved."

| Opinion | | Votes Cast | | Percentage (based on shares present or represented at the meeting) |
|---------|---|---------------|---|--|
| For | - | 2,099,848,678 | - | 99.951% |
| Against | - | - | - | - |
| Abstain | - | 1,031,365 | - | 0.049% |

VI. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. He then asked the Corporate Secretary for the proposed resolution and voting results.

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

"The audited financial statements for the year ended 31 December 2021, attached as Annex E of the Definitive Information Statement, posted on 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 | - | 2,099,848,678 | - | 99.951% |
| Against | - | - | - | - |
| Abstain | - | 1,031,365 | - | 0.049% |

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

Continuing with the next item in the agenda and after being asked by the Chairman, Atty. Elarmo 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 following related party transactions discussed in the Definitive Information Statement and Audited Financial Statements, the proposed amendment to Article III, Section 1 of the By-Laws relating to the schedule of regular meeting of stockholders as approved by the Board of Directors exercising its delegated power to amend the By-Laws of the Bank on 02 February 2022, and all the acts of the Executive Committee and of the various committees of the Bank and Management, during the fiscal year 2021 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 | ₱ 4.3 B \$ 6.1 M | - |
| SM Group | ₱ 106.7 B \$ 653.0 M | ₱ 10.4 B \$ 174.6 M |
| Other Related Parties | ₱ 71.2 B \$ 8.5 M | ₱ 2.2 B |

1/ Covers all transactions

2/ For loan transactions approved in 2021

| Changes in the By-Laws | 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 first Thursday of the month of May 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 May at such hour and place as may be fixed by the Board of Directors. | The regular meeting of stockholders shall be held annually on <u>any date after April 15 of each year as determined by the Board of Directors and</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. |

| Opinion | Votes Cast | | | Percentage (based on shares present or represented at the meeting) |
|---------|------------|---------------|---|---|
| For | - | 2,099,848,678 | - | 99.951% |
| Against | - | - | - | - |
| Abstain | - | 1,031,365 | - | 0.049% |

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 Lead Independent Director and Chairperson of the Nominations and Corporate Governance Committees, 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.

The Chairman thanked Ms. San Juan and then asked Atty. Elarmo to present the results of the election. Atty. Elarmo presented the following proposed resolution and its approval by the stockholders based on the votes cast, as confirmed by SGV:

“Based on the tally of votes and as confirmed by our transfer agent, Stock Transfer Service, Inc., and by SyCip Gorres Velayo & Co. – the independent party tasked to count and validate the votes at today's meeting, the 12 nominees enumerated by the Chairperson of the Nominations and Corporate Governance Committees, and listed in the Definitive Information Statement, are declared duly elected directors.

| Name of Director | Type of Director | | Votes Cast |
|---------------------------|----------------------|---------|-----------------|
| Mr. Hans T. Sy | Director | For | - 2,100,559,120 |
| | | Against | - 257,932 |
| | | Abstain | - 62,991 |
| Mr. Gilbert U. Dee | Director | For | - 2,097,824,250 |
| | | Against | - 257,932 |
| | | Abstain | - 2,797,861 |
| Mr. William C. Whang | Director | For | - 2,100,141,096 |
| | | Against | - 58,200 |
| | | Abstain | - 680,747 |
| Mr. Peter S. Dee | Director | For | - 2,100,758,852 |
| | | Against | - 58,200 |
| | | Abstain | - 62,991 |
| Mr. Joaquin T. Dee | Director | For | - 2,100,559,120 |
| | | Against | - 257,932 |
| | | Abstain | - 62,991 |
| Mr. Herbert T. Sy | Director | For | - 2,100,758,852 |
| | | Against | - 58,200 |
| | | Abstain | - 62,991 |
| Mr. Harley T. Sy | Director | For | - 2,100,758,852 |
| | | Against | - 58,200 |
| | | Abstain | - 62,991 |
| Mr. Jose T. Sio | Director | For | - 2,100,646,044 |
| | | Against | - 162,408 |
| | | Abstain | - 71,591 |
| Ms. Margarita L. San Juan | Independent Director | For | - 2,100,817,052 |
| | | Against | - - |
| | | Abstain | - 62,991 |
| Mr. Philip S.L. Tsai | Independent Director | For | - 2,100,817,052 |
| | | Against | - - |
| | | Abstain | - 62,991 |
| Ms. Claire Ann T. Yap | Independent Director | For | - 2,100,758,852 |
| | | Against | - 58,200 |
| | | Abstain | - 62,991 |
| Mr. Genaro V. Lapez | Independent Director | For | - 2,100,817,052 |
| | | Against | - - |
| | | Abstain | - 62,991 |

IX. APPOINTMENT OF EXTERNAL AUDITOR

Proceeding with the next item in the agenda, the Chairman called on Ms. Claire Ann T. Yap, Director and Chairperson of the Audit Committee, to make the recommendation.

Ms. Yap stated that the Audit Committee, composed of herself, Director Joaquin T. Dee and Independent Director Philip S.L. Tsai, has evaluated the performance during the past year of the Bank's current external auditor, SGV, and found it to be satisfactory. The Committee, therefore, as well as the Board of Directors, agreed to endorse the re-appointment of SGV as the Bank's external auditor for the ensuing year.

The Chairman asked Atty. Elarmo for the resolution and voting results. Atty. Elarmo then 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 | - | 2,100,817,052 | - | 99.997% |
| Against | - | - | - | - |
| Abstain | - | 62,991 | - | 0.003% |

X. OTHER MATTERS

The Chairman announced that the Board of Directors, in their meeting held on 04 May 2022, approved the declaration of a regular cash dividend of P1.00 per share, and special cash dividend of P0.50 per share. Further, the Board approved to set and/or recommend 20 May 2022 as the record date and 03 June 2022 as the payment/issuance date of the cash dividends.

Next, the Chairman stated that it is time to address the questions and comments from the stockholders sent via e-mail. As provided in the Guidelines for participation in the meeting via remote communication, which was posted on 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 Hans Sy then gave the floor to ICRG Head Mr. Florentino, to read aloud the questions and comments.

Mr. Florentino began by reading the question sent by stockholder, Mr. Jaime dela Cruz. Mr. dela Cruz would like to know if the Bank is open to tie-ups with foreign banks just like what has been done by some of its peers and competitors. President Whang in response said that the Bank is open to any strategic investor who can bring value to the Bank's business; value in terms of strengthening its core business, such as introducing technology that can bring a competitive advantage to the Bank.

Mr. Florentino continued with the question sent by stockholder, Ms. Hannah Lopez. Ms. Lopez asked how the Bank encourages its customers to save and increase CASA deposits amid the increase in competition and very low rates for checking and savings accounts. President Whang replied that this year, the Bank introduced several sales incentives starting with the launch of external and internal CASA promotions to reward its loyal customers while increasing awareness among the branch personnel on the value of CASA to the business, at the same time generating new-to-bank accounts to ensure growth. President Whang then stressed that preserving personal relationship is the gold standard for customer delight.

The last question read by Mr. Florentino was from stockholder Gilbert Antiquiera. Mr. Antiquiera inquired how the Bank is ensuring the security and protection of its clients' accounts considering the massive online fraud incidents that transpired late last year.

President Whang emphasized that the Bank takes the security of its customers' accounts and transactions very seriously. In fact, security has one of the Bank's biggest annual operating budget and it will continue to be in the future. The Bank also has a cybersecurity program aligned with best practice and this is constantly reviewed together by the Bank's Information Security Office, Risk Management and IT team.

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

XI. ADJOURNMENT

There being no other business to transact and other matters 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 4:37 P.M.

Prepared by:

Attested by:

(Original Signed)
LEILANI B. ELARMO
Corporate Secretary
and Secretary of the Meeting

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