



RIZAL COMMERCIAL BANKING CORPORATION
Minutes of the Annual Stockholders' Meeting
June 27, 2017

Date : **27 June 2017**

Time : **4:00 PM**

Place : **Alfonso Sycip Executive Lounge**
47th Floor, RCBC Plaza
6819 Ayala Avenue corner
Sen. Gil J. Puyat Avenue,
Makati City

Pursuant to notices served to all stockholders, the Annual Stockholders' Meeting of Rizal Commercial Banking Corporation ("RCBC") was held on June 27, 2017 at 4:00 PM at the Alfonso Sycip Executive Lounge, 47th Floor, RCBC Plaza, 6819 Ayala Avenue corner, Sen. Gil J. Puyat Avenue, Makati City.

Chairperson H. Y. Dee presided over the meeting, while the Corporate Secretary, Atty. George Gilbert G. dela Cuesta, recorded the proceedings. Calling the meeting to order, Chairperson H. Y. Dee asked the Corporate Secretary whether proper notice of the meeting was sent to each stockholder of record and whether there was quorum for the transaction of business.

I. Proof of Notice — The Corporate Secretary presented the Certificate stating the notices for the meeting were duly served to all stockholders of record in accordance with the Corporation's By-Laws.

II. Quorum — The Corporate Secretary reported that there were present in person and by proxy stockholders representing a total of 1,191,312,139 common and preferred shares of stocks or 85.1% of the Corporation's total outstanding 1,400,194,869 common and preferred shares entitled to vote

In view of the foregoing, the Corporate Secretary certified the presence of a quorum. The list of stockholders who were personally present and those who were represented by proxy is hereto attached and made an integral part of the record.

Having been ascertained of the presence of a quorum, the Presiding Officer declared the agenda for deliberation.

III. Approval of the Minutes — The reading of the Minutes of the Annual Stockholders' Meeting held on June 27, 2016, was dispensed with upon motion duly made and seconded.

There being no other objections, comments, or corrections on the Minutes of the annual stockholders' meeting held on June 27, 2016, the same was approved under the following resolution:

Resolution No. 17-01

“BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders hereby approve, confirm and ratify the Minutes of the Annual Stockholders’ Meeting held on June 27, 2016, copies of which were circulated earlier before the start of the meeting to the stockholders present.”

IV. Approval of the Annual Report and Audited Financial Statement for 2016—
The Annual Report and the 2016 audited financial statements of the Bank contained therein were explained and submitted to the stockholders for approval.

The following were the highlights of the 2016 audited financial statements as explained by President and CEO Gil A. Buenaventura:

(In Millions of Philippine Pesos except per share data)

Interest Income	P23,137
Interest Expenses	7,430

Net Interest Income	P15,707
Impairment Losses	1,770

Net Interest Income After Impairment Losses	P 13,937
Add: Other Operating Income	7,114

	P21,051
Less: Operating Expenses	P 17,355

Income before Tax	P 3,696
Tax Expense	(174)

Net Income	P 3,870
Net Income Attributable to Non-Controlling Interest	2

Net Income Attributable to Parent Company’s Shareholder	P 3,868
 Earnings Per Share	
Basic	P2.76
Diluted	P2.76

Stockholder, Mr. Philip Turner, inquired about the security measures taken by the Bank to address issues on automated machine reliability and system breach. The Chairperson responded that the Bank has, in the past few years, even prior to the recent skimming issues faced by other banks, prioritized spending on the upgrade and maintenance of the Bank’s systems. Mr. Dennis C. Bancod, head of the IT Shared Services Group, added that the Bank’s core systems are fairly new. He added that the Bank in 2016 strengthened its cyber security protection through the implementation of a Security Operation Center. Also, in response to the follow up question on unauthorized altering of Computer System or hacking, Mr. Bancod explained that the Bank has a strict regimen on who can access the production systems which includes offloading data to a different environment when access is for other purposes, such as during investigations of incidents.

After further discussions, the stockholders present, on motion duly made and seconded, passed and approved the following resolution:

Resolution No. 17-02

“BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders hereby approve the Annual Report and Audited Financial Statements of the Bank for the year 2016.”

V. Ratification of actions of the Board of Directors, different Committees and Management — The stockholders present then considered the ratification of the actions of the Board of Directors, the different Committees and Management of the Bank during the year in review.

After proper deliberation, the stockholders present, upon duly made and seconded, approved the following resolution:

Resolution No. 17-03

“BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders hereby approve, confirm and ratify, the actions of the Board of Directors, different Committees and Management for the year 2016.”

VI. Confirmation of Significant Transactions with DOSRI and Related Parties — The stockholders present then considered the confirmation of significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management of the Bank during the year in review.

Atty. dela Cuesta reported that significant transactions with DOSRI and related parties for the year 2016 include loans and deposit liabilities, trading of investment securities, transactions of the retirement funds of the Group and certain subsidiaries covered under defined benefit post-employment plans that are administered and managed by the trust departments of RCBC and RSB, other securities and debt instruments, trading gain and dividend income, lease agreements with subsidiaries and related parties, and the engagement of Philippine Integrated Advertising Agency (PIAA) for advertising and other PR services, among others. Details of these transactions were indicated in the notice sent to the stockholders.

After proper deliberation, the stockholders present, upon duly made and seconded, approved the following resolution:

Resolution No. 17-04

“BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders hereby approve, confirm and ratify, the significant transactions with DOSRI and related parties approved by the Board of Directors, the different Committees and Management for the year 2016.”

VII. Election of Directors — The next item in the Agenda was the election of Directors of the Bank for the year 2017-2018. Submitted for nomination were the following stockholders as members of the Board of Directors.

As Regular Directors

1. Ms. Helen Y. Dee
2. Mr. Cesar E. A. Virata
3. Mr. Gil A. Buenaventura
4. Mr. Tze Ching Chan
5. Mr. Richard G.A. Westlake
6. Mr. John Law
7. Mr. Yuh-Shing (Francis) Peng
8. Atty. Florentino M. Herrera

As Independent Directors

9. Mr. Armando M. Medina
10. Mr. Juan B. Santos
11. Mr. Melito S. Salazar, Jr.
12. Atty. Adelita A. Vergel De Dios
13. Mr. Gabriel S. Claudio
14. Mr. Vaughn F. Montes
15. Ms. Lilia R. Bautista

Upon motion made and duly seconded, the nominations were closed. There being no objection to the closure of the nomination, and the persons nominated being equal to the number of the directors to be elected, Chairperson H.Y. Dee then directed the Corporate Secretary to cast all votes equally in favor of the aforementioned nominees, subject to specific instructions on casting of votes on the proxies received by the Bank. Thereafter, as verified and tabulated by independent third party Punongbayan and Araullo, Chairperson H.Y. Dee declared all the nominees elected under the following resolution:

Resolution No. 17-05

“BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders duly elected the members of the Board of Directors of the Bank as named hereunder, to hold office for a term of one year until their successors shall have been duly elected and qualified:

As Regular Directors:

1. Ms. Helen Y. Dee
2. Mr. Cesar E.A. Virata
3. Mr. Gil A. Buenaventura
4. Mr. Tze Ching Chan
5. Mr. Richard G.A. Westlake
6. Mr. John Law
7. Mr. Yuh-Shing (Francis) Peng
8. Atty. Florentino M. Herrera

As Independent Directors:

9. Mr. Armando M. Medina
10. Mr. Juan B. Santos
11. Mr. Melito S. Salazar, Jr.
12. Atty. Adelita A. Vergel De Dios
13. Mr. Gabriel S. Claudio
14. Mr. Vaughn F. Montes
15. Ms. Lilia R. Bautista

VIII. Appointment of External Auditor— The appointment of the External Auditor of the Bank for the fiscal year 2016 was next taken up. Punongbayan & Araullo is proposed to be re-appointed as auditor of the Bank for the year ending December 31, 2017.

After proper deliberation, on motion duly made and seconded, the stockholders present approved the following resolution:

Resolution No. 17-06

“BE IT RESOLVED, AS IT IS HEREBY IS RESOLVED, That the stockholders approve that the services of Punongbayan & Araullo be retained as External Auditor of the Bank for the fiscal year 2017.”

X. Adjournment — There being no other business to transact, the body, on motion duly made and seconded, adjourned its meeting at 04:25 P.M.

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

A T T E S T:

HELEN Y. DEE
Chairperson of the Meeting

Attachments:

1. *List of Stockholders Present*