



RIZAL COMMERCIAL BANKING CORPORATION
Minutes of the Annual Stockholders' Meeting
June 29, 2015

Date : **29 June 2015**

Time : **4:00 PM**

Place : **Alfonso Sycip Executive Lounge**
47th Floor Yuchengco Tower, 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 29, 2015 at 4:00 PM, Alfonso Sycip Executive Lounge, 47th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue corner Sen. Gil Puyat Avenue, Makati City.

Chairperson H. Y. Dee presided over the meeting, while the Corporate Secretary, Atty. Maria Celia H. Fernandez-Estavillo, recorded the proceedings. Calling the meeting to order, Chairperson H. Y. Dee asked to the Corporate Secretary whether proper notice of the meeting was sent to each stockholders of record and whether there was quorum for the transaction of business.

I. **Proof of Notice** — The Corporate Secretary presented the Certificate she signed stating the notices for the meeting were duly served to all stockholders of record in accordance with the Corporation's By-Laws, as proof of notice of the meeting, and which certification is hereto attached and made part hereof.

II. **Quorum** — The Corporate Secretary reported that there were present in person and by proxy stockholders representing a total of 1,160,687,776 common and preferred shares of stocks or 82.91% of the Corporation's outstanding 1,400,219,242 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.

The Corporate Secretary also reported that voting is by poll and the Bank has engaged an independent party, Punongbayan & Araullo, to count and/or validate the votes of the meeting.

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 30, 2014, was dispensed with upon motion duly made and seconded.

There being no other objections, comments nor corrections to the Minutes of the annual stockholders' meeting held on June 30, 2014, the same was approved under the following resolution:

Resolution No. 15-01

“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 30, 2014, 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 2014**—
The Annual Report and the 2014 audited financial statements of the Bank contained therein were explained and submitted to the stockholders for approval.

The following were the highlights of the 2014 audited financial statements as explained by President L. V. Tan:

	(In Millions of Philippine Pesos except per share data)
Interest Income	P20,200
Interest Expenses	5,233

Net Interest Income	P14,967
Impairment Losses	2,509

Net Interest Income After Impairment Losses	P12,458
Add: Other Operating Income	7,102

	P19,560
Less: Operating Expenses	P14,236

Income before Tax	P 5,324
Tax Expense	914

Net Income	P 4,410
Net Income Attributable to Non-Controlling Interest	(1)

Net Income Attributable to Parent Company’s Shareholder	P 4,411
Earnings Per Share	
Basic	P3.11
Diluted	P3.11

Stockholder, Mr. Philip Turner, asked a question on why income was reduced by 20% despite increase in core income. President L.V. Tan explained that interest rates have been going upwards with trading gains less for 2014 than prior years. He added a prudent approach reducing cyclical risks has been adopted. Mr. P. Turner then asked when income will turn around and increase, to which President L.V. Tan said with increased regulations, growth is affected by capital levels required by Basel III. But banks are adjusting their models, adding a 10-12% ROE is expected.

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

Resolution No. 15-02

“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 2014.”

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.

Included in the actions to be ratified are the actions and proceedings of the Board on October 29, 2014. The Corporate Secretary, Atty. M.C.H. Fernandez-Estavillo, explained that to further strengthen the handling of related party transactions, the Board constituted a Special Committee to review the sale of RCBC shares in RCBC Realty. The Board confirmed and ratified its approval of the transaction at the special Board meeting held last 29 October 2014; hence, this requirement of ratification by the stockholders.

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

Resolution No. 15-03

“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 2014.”

“BE IT RESOLVED FURTHER, AS IT IS HEREBY IS RESOLVED, That the stockholders hereby approve, confirm and ratify, the actions of the Board of Directors on October 29, 2014, particularly its approval of the sale of RCBC shares in RCBC Realty.

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.

The Corporate Secretary explained that significant transactions with DOSRI and related parties for the year 2014 include loans and deposit liabilities, lease with RCBC Realty Corporation (RRC), and transactions of the Group’s respective retirement funds with the Group and the Bank consisting of investment in common shares of the Bank, other securities and debt instruments, trading gain and dividend income. Proper references to the disclosures on the details of the said transactions were indicated in the notice.

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

Resolution No. 15-04

“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 2015.”

VII. **Election of Directors** — The next item in the Agenda was the election of Directors of the Bank for the year 2015-2016. Submitted for nomination were the following stockholders as members of the Board of Directors.

As Regular Directors:

Amb. Alfonso T. Yuchengco
Ms. Helen Y. Dee
Mr. Lorenzo V. Tan
Mr. Cesar E.A. Virata
Mr. Medel T. Nera
Atty. Teodoro D. Regala
Atty. Wilfrido E. Sanchez
Atty. Maria Celia H. Fernandez-Estavillo
Mr. Tze Ching Chan
Mr. Richard G.A. Westlake
Mr. John Law
Mr. Yuh-Shing (Francis) Peng

As Independent Directors:

Mr. Armando M. Medina
Mr. Francisco C. Eizmendi, Jr.
Mr. Antonino L. Alindogan, Jr.

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 of 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, and thereafter, declared all the nominees elected under the following resolution:

Resolution No. 15-06

“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:

Amb. Alfonso T. Yuchengco
Ms. Helen Y. Dee
Mr. Lorenzo V. Tan
Mr. Cesar E.A. Virata
Mr. Medel T. Nera
Atty. Teodoro D. Regala
Atty. Wilfrido E. Sanchez
Atty. Maria Celia H. Fernandez-Estavillo
Mr. Tze Ching Chan
Mr. Richard G.A. Westlake
Mr. John Law
Mr. Yuh-Shing (Francis) Peng

As Independent Directors:

Mr. Armando M. Medina
Mr. Francisco C. Eizmendi, Jr.
Mr. Antonino L. Alindogan, Jr.

VIII. **Appointment of External Auditor**— The appointment of the External Auditor of the Bank for the fiscal year 2015 was next taken up.

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

Resolution No. 15-06

“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 2015.”

X. **Other Matters.** – The Chair asked if there are other matters that the stockholders wish to transact. None was raised by the stockholders present.

XI. **Open Forum.** – The Chair thereafter opened the floor for questions. None was asked by the stockholders present.

XI. **Adjournment** — There being no other business to transact, the body, on motion duly made and seconded, adjourned its meeting at 04:39 P.M.

MARIA CELIA H. FERNANDEZ-ESTAVILLO
Corporate Secretary

A T T E S T:

HELEN Y. DEE
Chairperson of the Meeting

Attachments:

- 1. Corporate Secretary's Certificate of Notice of Meeting*
- 2. List of Stockholders Present*

*:jmb
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