



RIZAL COMMERCIAL BANKING CORPORATION
*Minutes of the Annual Stockholders' Meeting**
June 25, 2018

Date : **25 June 2018**

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 25, 2018 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 1,193,158,338 common and preferred shares of stocks or 85.26% of the Corporation's total outstanding 1,400,186,284 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, 2017 and the Special Stockholders' Meeting held on January 29, 2018, 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, 2017 and of the Special Stockholders' Meeting held on January 29, 2018, the same were approved under the following resolution:

Resolution No. 18-02

"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, 2017 and of the Special Stockholders' Meeting held on January 29, 2018, 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 2017—

The Annual Report and the 2017 audited financial statements of the Bank contained therein, copies of which were furnished the stockholders together with the notice of meeting, were explained and submitted to the stockholders for approval.

The President and CEO, Mr. Gil A. Buenaventura, reported that the Bank earned Php4.31 billion in Net Income in 2017, representing an increase of 11.37% from the previous year. Gross revenue was at Php25.1 billion with 58% coming from net interest income. 42% came from non-interest income composed mostly of service fees and commissions, and miscellaneous income. The goal is to grow the portfolio with careful attention to the select market segments and deepen overall business relationships that have kept the Bank's Net Interest Margin at 4.25%, among the highest in the its peer circle. Return on Equity was at 6.72% and Return on Assets at 0.82%. Total resources grew by 6.30% from a year ago to Php553.99 billion, with the Loan Portfolio increasing by 15.70% year-on-year to Php354.24 billion. On the funding side, deposits reached Php388.41 billion reflecting a growth of 10.00%. Total Capital Funds grew by 7.88% to Php67.03 billion in 2017, positioning the Bank as one of the largest and well-capitalized Universal Banks in the country. The Bank recognizes that as it grows its assets, it should have enough capital to sustain this growth. Its Basel 3 capital ratios remained strong at 15.46% and Common Equity Tier 1 Ratio was at 12.45%. Mr. Buenaventura proceeded to report on the loan business which showed growth among all segments. Loans to the Small and Medium Enterprise (SME) Segment grew by 18% while loans to the consumer segment, which includes mortgage loans, automobile loans, and credit cards, increased by 15%. The Bank continued to serve its corporate clients by providing working capital and project financing, resulting in a 12% increase in corporate loans.

Mr. Buenaventura also presented the continuing transformation that the Bank is undertaking. The transformation is led by a heightened awareness of the risk of money laundering infiltrating the banking system and how establishing new and more stringent levels of compliance strengthen the Bank against this risk. To assist the Board of Directors in its mandate to fully comply with the Anti-Money Laundering Act, the Anti-Money Laundering Committee was created in 2017, now separate from the Audit and Compliance Committee; while specialized units were set up to conduct enhanced due diligence for unique cases. Information Technology (IT) systems on AML (Predator) and fraud (Enterprise Fraud Management System) monitoring and reporting are in place to support efficient data and information flow. All employees were required to undergo AML Certification Program (ACP) training. The first run of ACP training was completed May 2017. Subsequently, a certification program for all branch personnel was launched in November 2017 to ensure the proper execution of new policies and procedures. The Bank also embarked on a brand refresh to stay relevant among Filipino depositors amidst the changing banking landscape. The Bank expanded its distribution network, extended its services through improved internet banking platforms, and provided a platform to dialogue with and educate the customers through the first ever banking ChatBot in the country. Mr. Buenaventura also highlighted the Bank's partnerships with top corporations in and out of the country, its commitment to providing a strong learning and development platform for all employees across all job levels, the recognitions received in the past year, and its involvement in nation-building and humanitarian causes in fulfillment of its role as a responsible corporate citizen. Mr. Buenaventura extended the Bank's appreciation to its customers, associates and management team, the Board of Directors and Advisors, and the stockholders.

The stockholders present, on motion duly made and seconded, passed and approved the following resolution:

Resolution No. 18-03

“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 2017.”

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. 18-04

“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 2017.”

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 2017 include loans and deposit liabilities, trading of investment securities transactions of the Group’s and certain subsidiaries retirement funds covered under their defined benefit post-employment plan maintained for qualified employees administered and managed by the RCBC’s and RSB’s Trust Departments, other securities and debt instruments, trading gain and dividend income, lease agreements with subsidiaries and related parties, service agreements with subsidiaries and related parties, the engagement of Philippine Integrated Advertising Agency for advertising and PR services, among others. 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. 18-05

“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 2017.”

VII. Election of Directors — The next item in the Agenda was the election of Directors of the Bank for the year 2018-2019. Submitted for nomination were the following stockholders as members of the Board of Directors.

As Regular Directors

1. Ms. Helen Y. Dee
2. Mr. Gil A. Buenaventura
3. Mr. Cesar E. A. Virata
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. Atty. Lilia R. Bautista
14. Mr. Gabriel S. Claudio
15. Mr. Vaughn F. Montes, Ph.D.

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. 18-06

“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:

1. Ms. Helen Y. Dee
2. Mr. Gil A. Buenaventura
3. Mr. Cesar E. A. Virata
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. Atty. Lilia R. Bautista
14. Mr. Gabriel S. Claudio
15. Mr. Vaughn F. Montes, Ph.D.

VIII. Appointment of External Auditor— The appointment of the External Auditor of the Bank was next taken up. Punongbayan & Araullo is proposed to be re-appointed as auditor of the Bank for the year ending December 31, 2018.

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

Resolution No. 18-07

“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 2018.”

IX. Open Forum – The Chairperson opened the floor to the stockholders for questions.

A stockholder directed a question to Mr. Virata to ask for his insight on the proposed federal system of government. Mr. Virata stated that it would be difficult to comment on the matter as the specifics of the constitutional change have not yet been finalized. Another stockholder, Mr. Canua, asked whether there would be a change in the requirements for credit card and loan applications in consideration of the adjustments in the taxable income thresholds, whether interest rates on credit cards and loans would be increased in view of the BSP rate hikes, and whether all ATM cards, including the student and company IDs that act as MyWallet cards, would be replaced with EMV cards. On the first question, Mr. Buenaventura stated that the Bank will be employing a credit scoring model which would assess a customer's credit risk and profile and would do away with requirements that those in the lower income bracket would not be able to provide; this is also to address the industry issue of financial inclusion. In response to the second question, Mr. Buenaventura said that there is no foreseen increase in credit card rates; the rates for loan products, however, could be increased as the increase in the cost of funds necessitates passing this incremental cost to the customers. On the final question, the Digital Banking Group Head, Ms. Margarita Lopez, explained that they have been replacing all ATM cards with EMV cards since December 2016, including the aforementioned student and company ID cards.

X. Adjournment — There being no other business to transact, the body, on motion duly made and seconded, adjourned its meeting at 04:40 P.M.

GEORGE GILBERT G. DELA CUESTA
Corporate Secretary

A T T E S T:

HELEN Y. DEE
Chairperson of the Meeting

Attachment:

- 1. List of Stockholders Present*

**Still for confirmation at the 24 June 2019 Annual Stockholders' Meeting*

CITIBANK N.A FAO CITIOMNIFOR
STANDARD CHARTERED BANK
DEUTSCHE BANK AG MANILA BRANCH
RCBC TIG FAO VARIOUS TRUST & IMA ACCOUNT-30
RCBC TIG FAO VARIOUS TRUST & IMA ACCOUNT-10
RCBC SEC INC.
BDO NOMURA FAO ISHMAEL SAM DE LUNA CANUA
ABACUS SEC FAO JONES G. GO AND OR CHAN, CHI OI
COL FAO DAFROSA NENETTE H. CABANLIT AND OR PONCIANO C CABANLIT
COL FAO DIANA ANN ITF H. CABANLIT
COL FAO EMELITA A. BALUGO AND OR SEVERIN S. HASELMANN
COL FAO PAUL JOSEPH M. DELA CRUZ AND OR EMILIO M. DELA CRUZ
COL FAO GREGORIO I. CALIXTO
BDO SEC FAO SOCORRO MARIA ILAS CALIXTO
COL FAO NIMFA R. PLANTILLA AND OR KEANU R. PLANTILLA
ANSALDO FAO VICTOR CO AND CO ALIAN
PHILSTOCKS FAO CHARLES KENRICK C. SY OR ABIGAIL C. SY
ANSALDO FAO JACINTO CO AND CO KIAN CHAY
PHILSTOCKS FAO DANILO GATTU BAGASIN
COL FAO RUDOLPH G. ALDAY AND OR ROWEL G. ALDAY
COL FAO VALERIANO PEDRO ITF O. PLANTILLA III
ABACUS FAO TAN TOK SUY AND OR TERESITA QUE TAN
WEALTH SEC RAMONCITO NONATO
COL FAO PRINCESS GRACE ITF M. DELA CRUZ
COL FAO VALERIANO PEDRO ITF O. PLANTILLA III LORRAINE
COL FAO YOLANDA M. DELA CRUZ AND OR EMILIO M. DELA CRUZ
ABACUS FAO PHILIP C. KING AND OR JUDY K. ONG
BDO SEC FAO JERRY TEO CHUA OR BONIFACIO T. CHUA ENG GEE
COL FAO PRINCESS GRACE M. DELA CRUZ AND OR EMILIO M. DELA CRUZ
COL FAO KURT V. FAGELA
COL FAO ROBERT R. FAGELA
TOWER FAO ELSIE E. DIOSO
COL FAO RAMONCITO S. NONATO AND OR RAMON B. NONATO
COL FAO BALDWIN H. YU AND OR SOYHENG H. HAM
COL FAO VALERIANO PEDRO III O. PLANTILLA
COL FAO VALERIANO PEDRO O. PLANTILLA III AND OR FELICITAS O. PLANTILLA
REGINA CAP FAO GUILLERMO GILI JR
COL FAO RICHARD B. CAMARO AND OR JOY D. CAMARO
TANSENGCO FAO GEORGE CHUA
TANSENGCO FAO WILLINGTON CHUA
COL FAO ERBITO G. ABILLON
PAPA SEC FAO BUENAVENTURA NELDA OR AMIEL JR
COL FAO LISETTE IYESA T. MONTE
COL FAO LOLITA T. MONTE AND OR LOIS TRISHA T. MONTE
COL FAO DANILO L. MONTE AND OR LOLITA T. MONTE
COL FAO LAIZA EUNICE T. MONTE
TOWER FAO CARLOS S. TAN
COL FAO CARINA SI NONATO AND OR RAMONCITO SI. NONATO
FIRST METRO FAO FELIPE RUYERAS

AB CAP FAO CRISTINA CHEUNG
COL FAO SALES, AUGUSTUS JR
COL FAO SONGCO, ROMMEL V.
COL FAO SONGCO, ROMMEL V.
COL FAO SY, ABIGAIL C
COL FAO ESLAVA, RUEL E
COL FAO NONATO RAMONCITO S AND OR NONATO RAMON
COL FAO JOSE ONG JR
COL FAO ELAINE BARJA AND OR EDWARD BARJA
COL FAO NORA BARJA AND OR EDWARD BARJA
FIRST METRO FAO ROSARIO BARJA OR NORA BARJA