



**RIZAL COMMERCIAL BANKING CORPORATION**  
*Minutes of the Special Stockholders' Meeting*

Date : **26 February 2019**

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 Special Stockholders' Meeting of Rizal Commercial Banking Corporation (the "Bank") was held on February 26, 2019 at 4:00 PM at the Alfonso Sycip Executive Lounge, 47<sup>th</sup> 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 a certificate stating the notices for the meeting were duly served to all stockholders of record in accordance with the Bank's By-Laws, as proof of notice of the meeting, and which certificate 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 1,877,696,027 common and preferred shares of stocks or 96.9936% of the Bank's total outstanding 1,935,896,662 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 Chairperson declared the agenda open for deliberation.

**III. Approval of the Merger/Plan of Merger of RCBC Savings Bank (RSB) into RCBC** —

The merger of RSB into the Bank and the terms and conditions of the related Plan of Merger, a copy of which was attached to the Notice and Information Statement provided to the stockholders, as well as the authorized signatories, which the Board of Directors approved during its meeting on November 26, 2018 were presented for approval.

Mr. John Thomas G. Deveras, the Senior Executive Vice President and Head of Strategic Initiatives of the Bank, proceeded to explain that, upon the terms and subject to the conditions of the Plan of Merger and on the effective date, RSB shall merge with and into the

Bank. RCBC shall be the surviving corporation of the Merger and shall continue its corporate existence under the laws of the Republic of the Philippines; the separate existence of RSB shall terminate. Among others, the Articles of Incorporation, By-Laws, and directors of RCBC shall continue in effect. The stockholders' rights as security holders of the Bank shall remain the same. He further explained that since RSB is a wholly-owned subsidiary of the Bank and both entities are under common control, RCBC as the surviving entity will adopt the pooling of interest method in accounting for the merger. On initial recognition, the assets and liabilities of RSB, the absorbed entity, will be recorded at book value. Under this method, no goodwill shall be recognized. Under the Plan of Merger, RSB shall transfer its net assets to the Bank in exchange for common shares of RCBC. The number of RCBC common shares that will be issued pursuant to the merger shall be determined using the respective Net Asset Values per common share of the Bank and RSB as of December 31, 2018 as reflected in their respective Audited Financial Statements. These common shares shall be issued based on the ratio of the book value per share of the Bank and RSB. The common shares of the Bank issued pursuant to the merger shall be acquired and recorded as treasury shares by the Bank in exchange for RCBC's investment in RSB common shares. There will be no dilution of the stockholders' shares as a result of the merger. Mr. Deveras stated that the proposed transaction will facilitate for the RCBC Group the following objectives: (1) efficient capital deployment, (2) compliance with the Basel 3 liquidity ratios, (3) optimal coordination of the branch banking networks of the Bank and RSB, (4) medium-term improvement in the cost of funding for the merged Bank, and (5) operational cost efficiencies. The merger is expected to benefit both financial institutions' customer base by providing them with a wider network of RCBC branches once the RSB branches are converted to RCBC branches. Customers will also benefit from a wider range of products and services. The merger will also improve the Bank's profitability and allow it to expand its target market reach. He stated that with the approval of the merger and Plan of Merger by the stockholders present, the Bank will seek the approval of the BSP, the PDIC, and the SEC.

On motion duly made and seconded, the stockholders present, representing at least 2/3 of the outstanding capital stock, approved the merger of RCBC Savings Bank into the Bank and the Plan of Merger, its terms and conditions, and the authorized signatories as presented, under the following resolution:

**Resolution No. 19-01**

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the merger between the Bank and RCBC Savings Bank Inc. ("RSB") following the terms and conditions set forth in the Plan of Merger between RSB and the Bank, a copy of which is attached hereto as Annex "A", is approved; and, for this purpose, any one of the Bank's President and Chief Executive Officer, Mr. Gil A. Buenaventura, and/or the Bank's Senior Executive Vice President for Strategic Initiatives and Asset Management & Remedial Group, Mr. John Thomas G. Deveras be, as they are hereby, authorized and empowered to do any and all acts, for and on behalf of the Bank for the purpose of implementing the aforementioned merger, upon such terms and conditions as they may deem beneficial to the Bank; and in connection with the foregoing to: (a) sign, execute, and deliver the aforementioned Plan of Merger and such other related documents, agreements and instruments, including but not limited to the Articles of Merger; (b) act for and on behalf of the Bank before any relevant regulatory agencies; and (c) perform such other duties as may be incidental or related to the foregoing."

**VI. Other Matters and Open Forum** — The Chairperson opened the floor to the stockholders for matters and questions that they wish to bring up.

There were no other matters and questions raised by the stockholders.

**VI. Adjournment** — There being no other business to transact, the body, on motion duly made and seconded, adjourned its meeting at 4:15 P.M.