



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

Date : **24 June 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 Annual Stockholders' Meeting of Rizal Commercial Banking Corporation (the "Bank") was held on June 24, 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.

**II. Quorum** — The Corporate Secretary reported that there were present in person and by proxy stockholders representing a total of 1,607,576,384 common and preferred shares of stocks or 83.04% of the Bank's total outstanding 1,935,896,306 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.

All the directors and the senior management officers were in attendance.

The Corporate Secretary explained 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 Chairperson declared the agenda open for deliberation.

**III. Approval of the Minutes** — The reading of the Minutes of the Annual Stockholders' Meeting held on June 25, 2018 and the Special Meeting held on February 26, 2019, 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 25, 2018 and the Special Meeting held on February 26, 2019, the stockholders present in person or by proxy representing

1,607,576,880 shares or 100% of the votes cast and 1,593,390,318 or 99.12% of the votes cast voted in favor of approval of the minutes of the Annual Stockholders' Meeting held on June 25, 2018 and the Special Meeting held on February 26, 2019, respectively, under the following resolution:

**Resolution No. 19-02**

“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 25, 2018 and the Special Meeting held on February 26, 2019, copies of which were circulated earlier before the start of the meeting to the stockholders present.”

**VI. Approval of the Annual Report and Audited Financial Statement for 2018**— The Annual Report and the 2018 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.

Atty. dela Cuesta explained that the Annual Report furnished the stockholders together with the Definitive Information Statement includes, among others, the following matters: (a) an explanation of the dividend policy and dividend payments; (b) material information on the current stockholders and their voting rights; and (c) a detailed, descriptive and balanced assessment of the Bank's performance. The duly signed and certified Audited Financial Report also includes a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees.

The President and CEO, Mr. Gil A. Buenaventura, reported that the Bank generated a net income of Php4.32 billion in 2018, Php11 million higher than last year, as a result of the Bank's focus on the core business and going back to basics. Out of the total Php26 billion Revenue generated in 2018, majority of the income is attributed to the Bank's business of lending, the Net Interest Income comprises 77% of the Gross Income. The Bank has managed to boost Net Interest Income of Php20.6 billion in 2018, an increase of 14% from the previous performance. Despite the challenging macro environment in 2018, with inflation reaching a high of 6.7% in October and the 1.75 percentage points rate hike of the BSP, the Bank still managed to close the year with a Net Interest Margin of 4.00%, among the highest in the banking industry. The Bank's balance sheet position is also now stronger than ever - by the end of 2018, the Bank's Php645 billion balance sheet was 16% higher than last year's Php554 billion, based on solid growth in loans. In nearly all of the borrowing segments served by the Bank, it saw sustained double digit growth. The Bank's growth strategy is anchored on a growing and well-diversified loan portfolio. The Bank's Net loans increased by 12% year-on-year, reaching P398 billion in 2018 or a 3-year compounded annual growth rate of 14%. As for the funding strategy, this was supported by a diversified funding mix from deposits, growing by 9% year-on-year to P423 billion or a 3-year compounded annual growth rate of 10%. Loans to key segments have been growing at a double digit pace, with the SME portfolio growing by 28% and consumer loans by 17%. With consumer spending continuing to drive the Philippine economy, the need for financial services contributed to the Bank's growth in this market: mortgage or housing loans increased by 14% and demand for auto financing was likewise strong in 2018 with a growth of 13%, while credit card receivables increased by a substantial 31%. Building and maintaining a strong capital base remains key in the Bank's strategy. Regulatory developments and a stable source of funding for asset growth were main considerations for the Bank to actively strengthen its capital base. As a result of the stock rights offering, capital ratios are significantly higher, with Capital Asset Ratio of 16.13% and Common Equity Tier 1 ratio of 13.38%, both poised to support the future growth plans of the bank.

Mr. Buenaventura also presented the Bank's digital platforms through which it improves its customer service. He said that the Bank continuously builds customer centric integrated channels that are flexible and scalable and will result to more meaningful and

profitable customer relationships. He also highlighted the platforms that open opportunities for new business models and create digital solutions for a more convenient, seamless and secure banking experience. The Bank, with the support of the BSP, is taking the lead in bringing digital financial services closer to more Filipinos as it works with eCurrency Mint's solution to introduce RCBC ePiso. It is the country's first digital currency that is stored in a mobile wallet app to enable everyone to enjoy daily cashless transactions. The Bank has launched an Online FX Trading Platform allowing the clients to buy and sell currencies, the first and only online foreign exchange execution platform in the country. The Bank introduced the RCBC Cash Express, the country's first neighborhood ATM that enables the bank's customers to do various regular banking transactions even through sari-sari stores.

Mr. Buenaventura mentioned that in 2018, the Bank's efforts in good governance were recognized and it received regulatory relief from previous restrictions. Moreover, the AMLC and the BSP have specifically identified RCBC to actively participate and extend the necessary assistance in the conduct of the Asia Pacific Group's 3rd round of Mutual Evaluation for the Philippines by the Financial Action Task Force (FATF), particularly due to the improvements that the Bank implemented in relation with its Money Laundering/Terrorist Financing Prevention Program. The international body saw merit in the Bank's AML practices and envisioned the process to become best practices for the industry.

Mr Buenaventura then mentioned that he Bank initiated partnerships with its respected peers abroad to help foster the growth of trade and commerce among their countries. The Bank signed cooperative partnerships with Kookmin Bank, one of South Korea's largest banks, and Shoko Chukin Bank Ltd of Japan, paving the way for RCBC to provide banking services and financial information assistance to Korean corporates and Japanese-owned SMEs. Its ties with Japan's 5th largest banking group, Resona Holdings, will assist small and mid-sized Japanese and Filipino businesses seeking to expand their markets. The Bank continued to actively fund renewable energy projects, such as the 330MegaWatt solar farm in Vietnam, one of the largest solar farms in Southeast Asia. The bank is the sole lender, providing non-recourse project financing of \$232 million dollars. The Bank also fulfilled its role in the goal of nation-building through engagements such as the financing of one of the country's biggest infrastructure projects, the Cebu-Cordova Link Expressway under a Public-Private Partnership arrangement with the local governments of Cebu City and Cordova Municipality and the construction and development of CALAX, a 45km tolled expressway crossing the provinces of Cavite and Laguna. Lastly, as part of the Bank's strategy to improve over-all efficiencies, the Bank's board approved the plan merger of RCBC Savings Bank and the Parent Universal Bank in February 2019.

Mr. Buenaventura extended his sincerest thanks to the Chairperson and the rest of the members of the Bank's Board of Directors for their trust and support for the last three years.

The stockholders were given the opportunity to ask questions on the Bank's Annual Report and 2018 Audited Financial Statements. There being no questions, on motion duly made and seconded, the stockholders present in person or by proxy representing 1,606,391,545 shares or 99.93% of the votes cast passed and approved the following resolution:

**Resolution No. 19-03**

“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 2018.”

**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 and on motion duly made and seconded, the stockholders present in person or by proxy representing 1,606,391,545 shares or 99.93% of votes cast approved the following resolution:

**Resolution No. 19-04**

“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 2018.”

**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 2018 include loans and deposit liabilities; trading of investment securities; lease and sub-lease with RCBC Realty Corporation; lease with RCBC Savings Bank (RSB); service agreement with Bankard Inc. (now RBSC); capital infusion into RCBC Leasing and Finance Corporation; service agreement with RSB and RBSC; service agreement with RCBC Forex Brokers Corp and RSB; service agreements with RCBC Capital Corp., RCBC Securities, Inc., RCBC Merchant Savings and Loan Association, Inc., RCBC Leasing and Finance Corporation and Niyog Property Holdings, Inc.; and the administration and management of some of the retirement funds of the Bank's subsidiaries. The Bank's other transactions with affiliates include service agreements, leasing office premises to subsidiaries, and regular banking transactions (such as purchases and sales of trading account securities, securing insurance coverage on loans and property risks and intercompany advances). Details of said related party transactions are disclosed in the Bank's SEC 17-A Report which is also available at the Bank's website. Proper references to the disclosures on the details of the said transactions were indicated in the Annual Report accompanying the Definitive Information Statement which documents were furnished to all stockholders together with the Notice of Meeting.

After proper deliberation and on motion duly made and seconded, the stockholders present in person or by proxy representing 1,607,576,880 shares or 100% of the votes cast approved the following resolution:

**Resolution No. 19-05**

“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 2018.”

**VII. Election of Directors** — The next item in the Agenda was the election of Directors of the Bank for the year 2019-2020. Submitted for nomination were the following stockholders as members of the Board of Directors.

**As Regular Directors**

1. Ms. Helen Y. Dee
2. Mr. Eugene S. Acevedo
3. Mr. Gil A. Buenaventura
4. Mr. Cesar E.A. Virata
5. Mr. Richard Westlake

6. Mr. John Law
7. Mr. Arnold Kai Yuen Kan
8. Mr. Shih-Chiao (Joe) Lin, and
9. Atty. Lilia B. De Lima

**As Independent Directors**

1. Mr. Armando M. Medina
2. Mr. Juan B. Santos
3. Atty. Adelita A. Vergel De Dios
4. Mr. Gabriel S. Claudio
5. Mr. Vaughn F. Montes, and
6. Mr. Laurito E. Serrano

The Chairperson stated that the stockholders are required to elect at least five independent directors to the Board as the Bank is a listed company. The Definitive Information Statement and its Annexes, which were provided the stockholders together with the Notice of Meeting, include the qualifications, experience, length of service, training and representations of each of the nominated directors. Likewise included were information on the attendance of each incumbent director at the relevant meetings of the Bank, appraisal and performance reports of the Board (with the criteria and assessment procedure), as well as the director compensation report.

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. As verified and tabulated by independent third party Punongbayan and Araullo, the votes for the directors were as follows:

	<b>FOR</b>	<b>PERCENTAGE</b>
1. Ms. Helen Y. Dee	1,607,218,181	99.98%
2. Mr. Eugene S. Acevedo	1,607,576,880	100.00%
3. Mr. Gil A. Buenaventura	1,607,576,880	100.00%
4. Mr. Cesar E.A. Virata	1,607,257,587	99.98%
5. Mr. Richard Westlake	1,607,257,587	99.98%
6. Mr. John Law	1,607,576,880	100.00%
7. Mr. Arnold Kai Yuen Kan	1,607,576,880	100.00%
8. Mr. Shih-Chiao (Joe) Lin	1,607,576,880	100.00%
9. Atty. Lilia B. De Lima	1,499,701,238	93.29%
10. Mr. Armando M. Medina	1,499,381,945	93.27%
11. Mr. Juan B. Santos	1,591,307,175	98.99%
12. Atty. Adelita A. Vergel De Dios	1,607,576,880	100.00%
13. Mr. Gabriel S. Claudio	1,607,576,880	100.00%
14. Mr. Vaughn F. Montes	1,607,576,880	100.00%
15. Mr. Laurito E. Serrano	1,536,106,082	95.55%

Thereafter, Chairperson H.Y. Dee declared all the nominees elected under the following resolution:

**Resolution No. 19-06**

“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. Eugene S. Acevedo
3. Mr. Gil A. Buenaventura
4. Mr. Cesar E.A. Virata
5. Mr. Richard Westlake
6. Mr. John Law
7. Mr. Arnold Kai Yuen Kan
8. Mr. Shih-Chiao (Joe) Lin, and
9. Atty. Lilia B. De Lima

*As Independent Directors:*

1. Mr. Armando M. Medina
2. Mr. Juan B. Santos
3. Atty. Adelita A. Vergel De Dios
4. Mr. Gabriel S. Claudio
5. Mr. Vaughn F. Montes, and
6. Mr. Laurito E. Serrano

**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, 2019.

After proper deliberation and on motion duly made and seconded, the stockholders present in person or by proxy representing 1,536,395,375 shares or 95.57% of the votes cast approved the following resolution:

**Resolution No. 19-07**

“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 2019.”

**IX. Open Forum** – The Chairperson opened the floor to the stockholders for questions. There were no questions and other matters brought up or transacted by the stockholders.

**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.

*Attachment:*

1. *List of Stockholders Present*

TEMPLANZA, ELIZABETH C.  
 LAO, JOHN T.  
 DIPASUPIL, EUSEBIO A.  
 CO KIAN CHAY  
 CO, KIAN CHAY G.  
 VALENCIA, JESUS SAN LUIS  
 VILLANUEVA, FRANK CHUA  
 BOTSCHAFT N. CHENG OR SEVILA NGO  
 DEE, HELEN Y.  
 YUCHENGCO, ALFONSO T.  
 A. T. YUCHENGCO, INC.  
 PAN MALAYAN MANAGEMENT AND INVESTMENT CORPORATION  
 VIRATA, CESAR E.A.  
 CRUZ, NORLABEL DELA  
 ZIALCITA, XAVIER  
 UY CHUN BING  
 CHUA, TERESITA WY  
 CHUA, WILLINGTON WY  
 LAUREL, FRANCIS  
 YUCHENGCO, YVONNE S.  
 DIPASUPIL, MARGARITA F.  
 HYDEE MANAGEMENT & RESOURCE CORPORATION  
 NERA, MEDEL T.  
 CHAN, TZE CHING I.  
 LAW, JOHN  
 DIPASUPIL, CHRISTIAN FANDIALAN  
 ESTERO, FELICITAS DIPASUPIL  
 HSBC OBO MLA  
 STANDARD CHARTERED OBO RBC INVESTOR SERVICES TRUST CLIENT AC  
 DEUTSCHE BANK AG MANILA  
 CITIBANK FAO CITIOMNIFOR  
 CITIBANK FAO CITIOMNIFOR  
 CITIBANK FAO CITIOMNIFOR  
 CITIBANK FAO CITIOMNIFOR  
 CITIBANK FAO CITIOMNIFOR  
 CITIBANK FAO CITIOMNIFOR  
 CITIBANK FAO CITIOMNIFOR  
 RCBC TRUST & INVESTMENT GROUP FAO ROWENA C. PAGCU/GUI9LLERMO B. IBALLO JR  
 MALAYAN INSURANCE CO., INC  
 BANKERS ASSURANCE CORP  
 FIRST NATIONWIDE ASSURANCE CORP  
 MICO EQUITIES INC  
 PHILSTOCKS FAO ESPERANZA S. LOPEZ AND OR GERTRESPER L. CATOLICO  
 ABACUS SEC FAO TAN TOK SUY &/OR TERESITA QUE TAN  
 COL FAO CARINA SI. NONATO JOINTLY RAMONCITO SI. NONATO  
 FIRST METRO FAO JOSE L. ONG JR.  
 COL FAO RUDOLFO G. ALDAY WITH ROWEL G. ALDAY  
 BDO SEC FAO MEYNARDO TORNEROS TALENS JR.OR MEYNARDO CABRERA TALENES  
 COL FAO JOSE L. ONG JR.  
 TOWER SEC FAO CARLOS S. TAN &/OR ELSIE DIOSO  
 COL FAO YOLANDA M. DELA CRUZ JOINTLY EMILIO M. DELA CRUZ  
 COL FAO PRINCESS GRACE M. DELA CRUZ JOINTLY EMILIO M. DELA CRUZ  
 COL FAO PAUL JOSEPH M. DELA CRUZ  
 COL FAO GREGORIO I. CALIXTO  
 BPI SEC FAO SOCORRO MARIA I. CALIXTO  
 COL FAO ROMMEL V. SONGCO  
 COL FAO ROMMEL 2 V. SONGCO  
 TANSENGCO & CO. FAO CONSTANTINO CHUA  
 BDO NOMURA FAO ALLAN JALIMAO VEGA  
 MAYBANK ATR KIMENG FAO JOSE JIMENEZ LEONARDO  
 BDO SEC FAO JERRY TEO CHUA OR BONIFACIO T. CHUA ENG GEE  
 COL FAO ERBITO G. ABILLON  
 COL FAO RAMONCITO S. NONATO JOINTLY RAMON B. NONATO  
 ANSALDO GODINEZ FAO DY CATLINA AND JACINTO G CO  
 RCBC SECURITIES  
 PAPA SEC FAO BUENAVENTURA, NELDA /OR AMIEL, JR  
 COL FAO PLANTILLA III, NIMFA R. JOINTLY PLANTILLA, JAN KEANU JR.  
 COL FAO DANILO L. MONTE JOINTLY LOLITA T. MONTE  
 COL FAO LAIZA EUNICE T. MONTE  
 PHILSTOCKS FAO CHARLES KENRICK CO SO SY OR ABIGAIL CO SO CY