

ANNUAL STOCKHOLDERS' MEETING - MINUTES NO. 2022-001

ASM-06.16.2022

MINUTES

MINUTES OF THE MEETING OF THE STOCKHOLDERS OF CHINA BANK SAVINGS, INC., HELD ON JUNE 16, 2022 VIA VIRTUAL (ZOOM) MEETING, AT THE 3/F BOARD ROOM, 314 CBS BUILDING, SEN. GIL PUYAT, MAKATI CITY AT 9:30 AM

ATTENDANCE:

Name of Stockholder	Present	
	%	#Shares
China Banking Corporation*	99.60%	104,995,882
Chua, Ricardo R.	0.0000%	1
Yang, Nancy D.	0.0000%	1
Whang, William C.	0.0000%	1
Dee, James Christian T.	0.0000%	1
Gan, Rosemarie C.	0.0000%	1
Cheng, Patrick D.	0.0000%	1
Sy, Herbert T. Jr.	0.0000%	1
San Juan, Margarita L.	0.0000%	1
Tsai, Philip S.L.	0.0000%	1
Yap, Claire Ann T.	0.0000%	1
Lopez, Genaro V.	0.0000%	1
Total Number of Attendees		104,995,893
Total Number of Voting Shares		105,414,149
% to Voting Shares	99.60%	99.60%
*CHINA BANKING CORPORATION		
<i>Represented by (Proxies):</i>		
William C. Whang		

AGENDA

1. Call to Order;
2. Proof of Notice of Meeting;
3. Certification of Quorum;
4. Approval of the Minutes of the Annual Meeting of Stockholders on June 17, 2021;
5. Annual Report to Stockholders;
6. Approval of the Audited Financial Statements for the year ended December 31, 2021;
7. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2021, including ratification of related party transactions;
8. Election of the Board of Directors;
9. Appointment of External Auditor;
10. Other Matters;
11. Adjournment.

PROCEEDINGS

I. CALL TO ORDER

The Annual Stockholders' Meeting was conducted *via* virtual (Zoom) meeting with the assistance of China Banking Corporation, the parent bank and China Bank Savings (CBS) Marketing Division team. It was emceed by Ms. Maria Theresa E. Santos, Customer Experience Management and Marketing Head. She opened the meeting by welcoming everyone. She introduced the members of the Board of Directors including the four (4) independent directors, and Consumer Lending Group Head Mr. Jan Nikolai M. Lim and Controllership Group Head of CBSI Mr. Luis Bernardo A. Puhawan. She gave the platform to the Bank's Chairman of the Board, Mr. Ricardo R. Chua to officially call the business to order.

Mr. Ricardo R. Chua greeted and thanked the audience for joining the virtual meeting. He said that similar to the Bank's regular meetings last year, this year's annual meeting of stockholders was an online-only event.

The Chairman manifested that the Board members, led by himself and Vice Chairperson Nancy D. Yang, President James Christian T. Dee, Independent Directors, Nomination Committee and Corporate Governance Committee Chairperson Margarita L. San Juan, and Audit Committee Chairperson Ms. Claire Ann T. Yap. The Bank's Corporate Secretary Atty. Arturo Jose M. Constantino III, its Executive Officers, and representatives of the external auditor SGV & Co. were also present."

He then called the meeting to order at 9:45AM.

II. PROOF OF NOTICE

The Chairman asked Atty. Constantino whether the Bank had already sent the required notice of meeting. Atty. Constantino replied in the affirmative, informing the Chairman that the Bank had notified its stockholders about the meeting, in accordance with the Securities and Exchange Commission's Memorandum Circular No. 6, series of 2020; Section 49 of the Revised Corporation Code, and SEC Notices dated March 16, 2021, February 16, 2022 and March 14, 2022 on the alternative modes of sending notice and distributing documents in connection with the holding of the Annual Stockholders' Meeting for 2022.

The Corporate Secretary added that the Bank had already published the Notice of said meeting in The Philippine Star, onenews.ph, The Philippine Daily Inquirer, and Inquirer.net on May 16 to 17, 2022. Publication was done both in print and on-line, as required by the pertinent regulations. Likewise, electronic copies of CBS' Information Statement and Management Report had been made available in the Bank's website.

III. CERTIFICATION OF QUORUM

Upon inquiry, Atty. Constantino certified the existence of a quorum for the meeting. Based on record, out of a total number of 105 Million, 414 Thousand, and 149 (105,414,149) subscribed and outstanding shares, the holders of One Hundred Four

Million Nine Hundred Ninety Five Thousand Eight Hundred Ninety Three (104,995,893) shares or ninety nine point sixty percent (99.60%), were present by proxy, through remote communication or *in absentia*. Such number represents more than 2/3 of the outstanding capital stock of the Bank.

IV. APPROVAL OF THE MINUTES OF THE REGULAR ANNUAL MEETING OF STOCKHOLDERS ON JUNE 17, 2021

The Chairman called the next item in the agenda - the approval of the 2021 minutes of the Bank's Regular Annual Stockholders' Meeting. He asked for the proposed resolution and results of voting for this agenda item. Atty. Constantino replied that the minutes of the Regular Annual Meeting on June 17, 2021 of the Stockholders can be accessed through the Bank's website and were included in its Definitive Information Statement. Atty. Constantino presented the proposed resolution to approve the minutes for all intents and purposes, quoted as follows:

Resolution:

“The reading of the minutes of the Regular Annual Meeting held on June 17, 2021 of the Stockholders be dispensed with, and all matters included in the minutes are considered complete and accurate, and are hereby approved for all intents and purposes.”

The Corporate Secretary said that on the votes cast, 104,995,893 shares or 99.60% of the shares represented in this meeting voted in favor of the resolution.

Thus, the following resolution of the Stockholders was passed and approved:

ASM RESOLUTION NO. 06.16.2022.01

RESOLVED, AS IT IS HEREBY RESOLVED, that the reading of the minutes of the Regular Annual Meeting held on June 17, 2021 be dispensed with, and all matters included in the minutes are considered complete and accurate, and are hereby approved for all intents and purposes.

V. ANNUAL REPORT TO STOCKHOLDERS

The Chairman moved onto to the next item – the Annual Report. For this purpose, he requested President Dee to deliver the report, to provide information about the Bank's activities, financial performance, and other relevant data for the year 2021.

The platform was transferred to Mr. James Christian T. Dee. President Dee started his presentation by stating that the year 2021, the Bank's 13th year of operations, was a good year. The entire CBS team exerted efforts to meet the committed targets; the focus and dedication of its management pushed the Bank to achieve beyond expectations.

President Dee pointed out that 2021 showcased the Filipino's resilience, and prepared the nation for the challenges of 2022. Businesses adapted and reinvented themselves. As the government vaccination program effectively reduced the disruptive impact of COVID-19 on mobility and business activities, consumer confidence bounced

back. The country's Gross Domestic Product (GDP) grew to 5.6% in 2021. This follows a 9.5% GDP contraction in 2020. The release of pent-up demand as well as global supply chain bottlenecks resulted in an average inflation rate of 4.5% for the year, above the government target of 2-4%.

The Bangko Sentral ng Pilipinas (BSP) also maintained its accommodative monetary policy by keeping the benchmark policy rate at 2.0% throughout the year. Over the course of 2021, the banking industry played the main role in several relief provisions under the Bayanihan Acts I and II, aimed at saving the economy from irreversible decline, especially in the SME sector. That year also saw the passing into law of the Financial Institutions Strategic Transfer (FIST) Bill and the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill. President Dee explained that FIST allows banks to sell their non-performing assets to asset management companies or FIST corporations, while CREATE reduces the corporate income tax of large corporations from 30% to 25%, and from 30% to 20% for small and medium enterprises.

For CBS, the year 2021 was a test of how far it could go as a team. The challenges of 2020 and the shared outlook of cautious optimism towards the economy rallied CBS to deliver ample results. The Bank continued to safeguard the well-being of both employees and clients by carrying out health and safety protocols in all of its premises. Its vaccination program was a success, with nearly 100% of the Bank's employees fully vaccinated by end of the year.

The focused execution of strategies in 2021 allowed CBS to strengthen the business and expand its network. These strategies included a conscious effort to rationalize the work force and redeploy people, resulting in higher productivity across-the-board. The Bank's customer base increased to 652,000 equivalent to an 8% growth year-on-year. Network expanded with the opening of 2 branches, 1 sales office, 3 APD lending centers, and the rollout of 16 APD lending kiosks, bringing the total distribution network to 160 branches, 3 business centers, 15 sales offices, 32 APD lending centers and 16 kiosks. The expansion, which continues today, increased CBS' footprint in underserved markets. This is complemented by a network of 167 ATMs, with digital channels accessible 24/7.

The Bank's 2021 financial results is an indication that it started to regain momentum. Funding cost was significantly reduced. The level of operating expenses was managed in a manner that allowed CBS to allocate higher credit loss buffer during the year. Net Income almost doubled with a 95% increase from previous year's results. Return on equity is 9.12%. Return on assets is 1.02%.

Even if the economy staggered in 2020 with the onslaught of the pandemic, President Dee still maintained that the Bank's core businesses exhibited strength in 2021, contributing to the country's economic recovery. Asset level reached Php 96 billion amid a much-improved outlook. As the network of CBS expanded, it mobilized its people to where they could best help. While sales teams pressed harder on the field, backroom support worked to deliver efficient processes, responsive credit, and improved productivity. As a result, the combined APD and consumer loans rose to a record Php 50 billion, marking an 8% year-on-year expansion despite the flat growth in overall gross loans.

CBS continued to safeguard asset quality by conducting proactive engagement with borrowers in hard-hit sectors and strengthening its collection and recovery efforts. As a result, Non-Performing Loans (NPLs) declined to 7% and were adequately provided for.

On the funding side, President Dee reported that high-cost funds were deliberately reduced, causing total deposits to decline to Php 82 billion. CBS grew its CASA or low-cost funds by 19% to Php 44 billion which comprised a record of 54% of total deposits. The growing CASA continues to serve as a stable low-cost funding source for the Bank's lending activities.

President Dee was pleased to inform the audience that CBS came out of 2021 strong and with improved operating profitability. The Bank posted a 10% increase in capitalization to Php 11.3 billion. The healthy capital adequacy ratio of 14.09% which is more than 130 basis points better than 2020, also reflects the Bank's financial vigor. President Dee believed that this would support business expansion as it continues to provide credit to consumers and businesses, while keeping a close eye on asset quality.

With the brighter economic outlook in 2022, resulting from the lifting of restrictions and economic reopening, President Dee is hopeful that CBS would sustain business expansion and broaden its market coverage through various strategic initiatives. To achieve that, CBS intends to open additional lending centers and kiosks to reach out to the broader banking public, expressing their commitment to another profitable year and an overall performance that will support long-term sustainable growth. The Bank's first quarter results already showed a surge in net income by 82% to Php 354 million. The robust balance sheet and strong financial performance places CBS in a good position to continue growing.

This year, moving forward, President Dee said that the Bank is more confident than ever in its capability to achieve its goals, hurdle the challenges, and to seize fresh opportunities. It is determined to expand the business through loans and CASA growth, and to future proof the Bank, by focusing on asset quality, digital banking transformation, and the expansion of its distribution network. He ended his report by letting the stockholders know that their trust and loyalty inspire the CBS team to achieve greater heights.

All the information he reported were disclosed in the 2021 Annual Report and in the Definitive Information Statement (SEC-IS 20) of the Bank and were posted in the Bank's website, which could be accessed for further scrutiny by the stockholders.

After the presentation, the Chairman acknowledged Mr. Dee and asked the Corporate Secretary for the proposed resolution on the item and the voting results. Atty. Constantino said that the adoption of the resolution to approve the 2021 Annual Report was being proposed, quoted as follows:

Resolution:

“The Annual Report, an electronic copy of which having been made available in the Bank's website, and as presented by Bank President James Christian T. Dee, is hereby approved.”

On the votes cast, One Hundred Four Million Nine Hundred Ninety Five Thousand Eight Hundred Ninety Three (104,995,893) shares or ninety nine point sixty percent (99.60%) of the shares represented in this meeting voted in favor of the resolution.

Thus, the following resolution of the Stockholders was passed and approved:

ASM RESOLUTION NO. 06.16.2022.02

RESOLVED, AS IT IS HEREBY RESOLVED, that the 2021 Annual Report, an electronic copy of which having been made available in the Bank's website, and as presented by Bank President James Christian T. Dee, is hereby approved.

VI. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED DECEMBER 31, 2021

The Chairman noted that President Dee presented the financial performance and changes in the Bank's position of the Bank for the year 2021, and asked for the proposed resolution on this item and the voting results.

For this item in the agenda, Atty. Constantino replied said that the adoption of the resolution for the approval of the 2021 Audited Financial Statements was being proposed, quoted as follows:

Resolution:

"The audited financial statements for the year ended December 31, 2021, attached as Annex 'E' of the Definitive Information Statement, posted in the Bank's website and covered in part by the presentation of the Bank President, James Christian T. Dee, is hereby approved."

On the voting results, One Hundred Four Million Nine Hundred Ninety Five Thousand Eight Hundred Ninety Three (104,995,893) shares or ninety nine point sixty percent (99.60%) of the shares represented in this meeting voted in favor of the resolution.

Thus, the following resolution of the Stockholders was passed and approved:

ASM RESOLUTION NO. 06.16.2022.03

RESOLVED, AS IT IS HEREBY RESOLVED, that the Audited Financial Statements for the year ended December 31, 2021, attached as Annex "E" of the Definitive Information Statement, posted in the Bank's website, and covered in part by the presentation of President James Christian T. Dee, is hereby approved.

VII. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND MANAGEMENT DURING THE YEAR 2021, INCLUDING THE RATIFICATION OF RELATED PARTY TRANSACTIONS.

The Chairman announced the next item - the ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management. He, then, asked the Corporate Secretary for the proposed resolution and voting results for this matter.

Atty. Constantino presented the proposed resolution for the stockholders to ratify all acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2021 and immediately preceding this stockholders' meeting, including the ratification of related party transactions, quoted as follows:

Resolution:

“All the acts of the Board of Directors, which include the related party transactions discussed in the Definitive Information Statement and Audited Financial Statements; and all the acts of the Executive Committee and of the various committees of the Bank and Management, during the fiscal year 2021 and immediately preceding this stockholders’ meeting, are hereby approved, confirmed and ratified for all intents and purposes”

On the voting results, One Hundred Four Million Nine Hundred Ninety Five Thousand Eight Hundred Ninety One (104,995,891) shares or ninety nine point sixty percent (99.60%) of the shares represented in this meeting voted in favor of the resolution.

Thus, the following resolution of the Stockholders was passed and approved:

ASM RESOLUTION NO. 06.16.2022.04

RESOLVED, AS IT IS HEREBY RESOLVED, that all the acts of Board of Directors, which include the related party transactions discussed in the Definitive Information Statement and Audited Financial Statements; and all acts of the Executive Committee and of the various committees of the Bank, and Management, during the fiscal year 2021 and immediately preceding this stockholders' meeting, are hereby approved, confirmed, and ratified for all intents and purposes.

VIII. ELECTION OF THE BOARD OF DIRECTORS

The Chairman announced the next order of business was the election of the members of the Board of Directors for 2022 to 2023. The platform was transferred to the Chairperson of the Nomination Committee and Corporate Governance Committee, Mrs. Margarita L. San Juan, to announce the nominees.

Mrs. San Juan informed the audience that based on the determination by the Nomination and Corporate Governance Committees, and as confirmed by the Board of Directors, the following nominees for directors and independent directors were found to possess all the qualifications and none of the disqualifications of a director or independent director, and their capabilities are aligned with the Bank's strategic directions:

- Nominees for Director:
 1. Mr. Ricardo R. Chua

2. Mrs. Nancy D. Yang
3. Mr. William C. Whang
4. Mrs. Rosemarie C. Gan
5. Mr. Patrick D. Cheng
6. Mr. Herbert T. Sy, Jr.
7. Mr. James Christian T. Dee

• Nominees for Independent Director:

1. Mr. Philip S.L. Tsai
2. Mrs. Claire Ann T. Yap
3. Mr. Genaro V. Lapez
4. Mr. Antonio S. Espedido, Jr.

Mrs. San Juan reported that Mr. Antonio S. Espedido, Jr., is a new nominee for Independent Director. He has more than 20 years of banking experience, and has extensive leadership experience in treasury and marketing operations. His other qualifications, educational background, and training were included in the Bank's Definitive Information Statement. Upon determination, based on the Nomination Forms and attachments submitted to the Nominations and Corporate Governance Committees, Mr. Espedido, Jr., was found to be fit and proper for the position he was nominated.

The Chairman acknowledged the presentation of the nominees made by Mrs. San Juan, and expressed his gratitude for her service to the Bank as member of the Bank's Board as Independent Director since 2013 and her invaluable contributions to the organization.

Chairman Chua asked for the results of the election. Atty. Constantino replied that for the ensuing year, the Bank would have 7 regular directors and 4 independent directors. Based on the tally of votes, the 11 nominees enumerated by the Chairperson of the Nomination and Corporate Governance Committees, and also listed in the Definitive Information Statement, were declared duly elected directors.

The percentage of votes garnered by each director, based on the number of shares represented in this meeting are as follows:

Mr. Ricardo R. Chua	104,995,893 shares	99.60%
Ms. Nancy D. Yang	104,995,893 shares	99.60%
Mr. James Christian T. Dee	104,995,893 shares	99.60%
Mr. William C. Whang	104,995,893 shares	99.60%
Ms. Rosemarie C. Gan	104,995,893 shares	99.60%
Mr. Patrick D. Cheng	104,995,893 shares	99.60%
Mr. Herbert T. Sy, Jr.	104,995,893 shares	99.60%
Mr. Philip S.L. Tsai	104,995,893 shares	99.60%
Ms. Claire Ann T. Yap	104,995,893 shares	99.60%
Mr. Genaro V. Lapez	104,995,893 shares	99.60%
Mr. Antonio S. Espedido, Jr.	104,995,893 shares	99.60%

Thus, the following resolution of the Stockholders was passed and approved:

ASM RESOLUTION NO. 06.16.2022.05

RESOLVED, AS IT IS HEREBY RESOLVED, that the stockholders hereby elect the following members of the Board of Directors, garnering One Hundred Four Million, Nine Hundred Ninety-Five Thousand, Eight Hundred Ninety-Three (104,995,893) shares or 99.60% of the total subscribed capital stock of the Bank, for the ensuing year 2022-2023:

1.	MR. RICARDO R. CHUA	Director
2.	MRS. NANCY D. YANG	Director
3.	MR. JAMES CHRISTIAN T. DEE	Director
4.	MR. WILLIAM C. WHANG	Director
5.	MRS. ROSEMARIE C. GAN	Director
6.	MR. PATRICK D. CHENG	Director
7.	MR. HERBERT T. SY, JR.	Director
8.	MR. PHILIP S. L. TSAI	Independent Director
9.	MRS. CLAIRE ANN T. YAP	Independent Director
10.	MR. GENARO V. LAPEZ	Independent Director
11.	MR. ANTONIO S. ESPEDIDO, JR	Independent Director

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman proceeded to the next item in the agenda - the appointment of the Bank's External Auditor. He asked Ms. Claire Ann T. Yap, Chairperson of the Audit Committee to make recommendation.

The platform was transferred to Ms. Claire Ann T. Yap. She reported the Audit Committee had evaluated the performance of SyCip Gorres Velayo & Co. – the Bank's current external auditor, in the past year, and found it to be satisfactory. The Audit Committee as well as the Board of Directors agreed to endorse the re-appointment of SyCip Gorres Velayo & Co. as the Bank's external auditor for the ensuing year.

The Chairman acknowledged the recommendation made by Ms. Claire Ann T. Yap, and asked for the proposed resolution and voting results. Atty. Constantino presented the proposed resolution relative to the re-appointment of the external auditor, quoted as follows:

Resolution:

“The incumbent external auditor, SyCip Gorres Velayo & Co. (SGV), is hereby re-appointed external auditor of the Bank for the ensuing year.”

On the voting results, One Hundred Four Million Nine Hundred Ninety Five Thousand Eight Hundred Ninety Three (104,995,893) shares or ninety nine point sixty percent (99.60%) of the shares represented in this meeting voted in favor of the resolution.

Thus, the following resolution of the Stockholders was passed and approved:

ASM RESOLUTION NO. 06.16.2022.06

RESOLVED, AS IT IS HEREBY RESOLVED, that the incumbent external auditor, SyCip Gorres Velayo & Co. (SGV), is hereby re-appointed external auditor of the Bank for the ensuing year.

X. OTHER MATTERS

After confirming that there were no other matters left for discussion, the Chairman asked Ms. Santos to address questions and comments from the Bank's stockholders which might have been sent via e-mail. Ms. Santos stated that as of such time, no questions had been received in relation to the matters taken up during the meeting. She mentioned, however, that questions or comments submitted and received, but not addressed during the livestream, would be answered directly by e-mail to the stockholder concerned, and they would reply through ocs.cbs@chinabank.ph. Ms. Santos advised that such questions must be submitted on or before June 17, 2022.

XI. ADJOURNMENT

There being no other matters taken up, the meeting was adjourned at 10:00 in the morning.

Prepared by:

Atty. Arturo Jose M. Constantino III
Corporate Secretary

Atty. James Anthony D. Betito
Assistant Corporate Secretary

Attested to by:

James Christian T. Dee
President

Ricardo R. Chua
Chairman of the Board