

ANNUAL STOCKHOLDERS' MEETING - MINUTES NO. 2023-001

ASM-06.15.2023

MINUTES

MINUTES OF THE MEETING OF THE STOCKHOLDERS OF CHINA BANK SAVINGS, INC., HELD ON JUNE 15, 2023 VIA VIRTUAL (ZOOM) MEETING, AT THE 3/F BOARD ROOM, 314 CBS BUILDING, SEN. GIL PUYAT, MAKATI CITY AT 9:00 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
Uyan, Romeo D. Jr.	0.0000%	1
Dee, James Christian T.	0.0000%	1
Osmeña, Jose L. Jr.	0.0000%	1
Cheng, Patrick D.	0.0000%	1
Sy, Herbert T. Jr.	0.0000%	1
Espedido, Antonio S. Jr.	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> RICARDO R. CHUA		

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 16, 2022;
5. Annual Report to Stockholders;
6. Approval of the Audited Financial Statements for the year ended December 31, 2022;
7. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2022, 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 virtually, via *Zoom* Platform. The emcee, Customer Experience Management, Marketing Services, and Sustainability Division Head, Mr. Warren Augustus D. De Guzman, opened the meeting by welcoming all participants and attendees. He introduced the members of the Board of Directors including the four (4) independent directors, and the members of the Bank's Management Committee and Group Heads including Mr. Jan Nikolai M. Lim, Mr. Luis Bernardo A. Puhawan, Ms. Mary Grace F. Guzman, Mr. Jaydee P. Caparas, Mr. Niel C. Jumawan, and Atty. Josephine F. Fernandez, and Ms. Brenda S. Santiago. Mr. De Guzman gave the platform to the Bank's Chairman of the Board, Mr. Ricardo R. Chua to officially call the business to order.

The Chairman 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 Antonio S. Espedido, Jr., 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 9:15AM.

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 the Securities and Exchange Commission's Memorandum Circular No. 6, series of 2020; Sections 23, 49, 50, 57, and other related provisions of the Revised Corporation Code, and SEC Notices dated March 13, 2023 on the alternative modes of sending notice and distributing documents in connection with the holding of the Annual Stockholders' Meeting for 2023.

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, 2023. 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

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 two thirds (2/3) of the outstanding capital stock of the Bank.

IV. APPROVAL OF THE MINUTES OF THE REGULAR ANNUAL MEETING OF STOCKHOLDERS ON JUNE 16, 2022

The Chairman called the next item in the agenda - the approval of the 2022 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 16, 2022 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 16, 2022 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. 06.15.2023.01

RESOLVED, AS IT IS HEREBY RESOLVED, that the reading of the minutes of the Regular Annual Meeting held on June 16, 2022 be dispensed with, and all matters included in the minutes were considered complete and accurate, and were 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 2022.

President Dee started his presentation by stating that the year 2022, the Bank's 14th year of operations, was a fruitful year. The President took pride in what CBS had accomplished despite the challenges during the year. The entire CBS Team exerted

efforts to meet the committed targets; its focus and dedication pushed the Bank to achieve beyond expectations.

2022 was a year of transition, both within CBS and the economic landscape. The first half was the tail-end of years of lockdowns and the election of new Philippine political leadership. The second half saw the gradual opening of the economy amidst decades-high inflation.

Despite headwinds, the Philippine economy grew by 7.6%, as pent-up demand from the easing of COVID restrictions more than offset the impact of inflation which averaged at 5.8%. The rapid acceleration of inflation prompted the Bangko Sentral ng Pilipinas to raise its policy rate from 2.0% to 5.5% over the course of the year. CBS navigated through these challenges. The Bank's "One CBS, One Focus" approach enabled it to surpass pre-pandemic numbers and begin the journey of delivering a podium finish for its stakeholders. The reopening of the economy to the new normal prompted most businesses to implement major re-alignments and review of strategies. For CBS, eyes remained focused on achieving record financial results.

Strategically, the Bank continues to expand its footprint across the country with the opening of 1 branch, 2 sales offices, 2 APD lending centers, and 28 APD lending kiosks, bringing the total distribution network to 161 branches, 3 business centers, 17 sales offices, 34 APD lending centers and 44 lending kiosks.

This is complemented by a network of 170 ATMs, with digital channels accessible 24/7. A combined physical and digital banking experience has started to give the Bank's customers convenience and accessibility. By the end of 2022, CBS's customer base increased to 703,000, equivalent to an 8% growth year-on-year. CBS has further strengthened its position in the industry. CBS closed the year 2022 with a record-high net income of P1.6 billion. An increase of 60% year-on-year. This is also more than triple our net income since 2020, driven by robust growth across CBS's core businesses. This translated to a record return on equity of 13.1%, and a return on assets of 1.4%.

Assets increased by 29% to P124 billion, setting a record and marking a milestone in the Bank's 14-year history.

Gross loans grew by 32% to P91 billion as the Bank was able to capitalize on the continued network expansion and relentless efforts of the Bank's sales force. The Bank's APD portfolio grew more than 100% in 2022 while demand for consumer loans, led by its retail housing and auto loan segments, also increased. When combined, APD and consumer loans account for 79% of the Bank's total loans.

Despite the increased loan volume, CBS recorded better-than-industry NPL ratio of 4.5%. This level is also 13% better than the previous year.

On the funding side, CBS breached the hundred-billion-peso mark on sustained growth across its deposit products. CASA increased to P47 billion and continues to serve as a stable source of low-cost funding.

CBS posted a 13% increase in capitalization to P13 billion with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) Ratio both comfortably above regulatory levels at 12.7% and 11.7%, respectively. The Bank continues to maintain a

strong capital position which allow it to support business expansion and respond proactively to market opportunities.

The Bank's first quarter financial performance continues to show strong results. Its net income climbed to P420 million, a double-digit growth of 19%. The sustained expansion in lending and deposit-taking activities drove the Bank's solid performance. Total loan portfolio grew to P97 billion, while total deposits jumped to P115 billion.

As the country expects to post strong economic numbers in 2023, CBS commits to sustained business expansion and broadened market coverage through various strategic initiatives. During the quarter, the Bank consolidated functions and re-aligned the organization to enhance its sales capability and operational efficiency. CBS welcomes opportunities to reach out to the broader banking public through a deliberate expansion of its offices in remote areas with high growth potential and other strategic locations. These enhancements in core competencies will allow CBS to build a sustainable and diversified earnings stream for the rest of the year and beyond.

All the information he reported were disclosed in the 2022 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 2022 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, was 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. 06.15.2023.02

RESOLVED, AS IT IS HEREBY RESOLVED, that the 2022 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, was approved.

VI. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED DECEMBER 31, 2022

The Chairman noted that President Dee presented the financial performance and changes in the Bank's position of the Bank for the year 2022, 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 2022 Audited Financial Statements was being proposed, quoted as follows:

Resolution:

“The audited financial statements for the year ended December 31, 2022, 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, was 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. 06.15.2023.03

RESOLVED, AS IT IS HEREBY RESOLVED, that the Audited Financial Statements for the year ended December 31, 2022, 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, was approved.

VII. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND MANAGEMENT DURING THE YEAR 2022, 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 2022 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 2022 and immediately preceding this stockholders’ meeting, were 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. 06.15.2023.04

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 2022 and immediately preceding this stockholders’ meeting, were 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 2023 to 2024. The platform was transferred to the Chairman of the Nomination Committee and Corporate Governance Committee, Antonio S. Espedido, Jr., to announce the nominees.

Mr. Espedido, Jr., informed the attendees that based on the determination by the Nomination Committee and Corporate Governance Committee, 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. James Christian T. Dee
 4. Mr. Romeo D. Uyan, Jr.
 5. Mr. Patrick D. Cheng
 6. Mr. Jose L. Osmeña, Jr.
 7. Mr. Herbert T. Sy, Jr.

• 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.

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 Chairman 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. Romeo D. Uyan, Jr.	104,995,893 shares	99.60%
Ms. Patrick D. Cheng	104,995,893 shares	99.60%
Mr. Jose L. Osmeña, Jr.	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. 06.15.2023.05

RESOLVED, AS IT IS HEREBY RESOLVED, that the stockholders elected 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 2023-2024:

- | | |
|----------------------------------|----------------------|
| 1. MR. RICARDO R. CHUA | Director |
| 2. MRS. NANCY D. YANG | Director |
| 3. MR. JAMES CHRISTIAN T. DEE | Director |
| 4. MR. ROMEO D. UYAN, JR. | Director |
| 5. MR. PATRICK D. CHENG | Director |
| 6. MR. JOSE L. OSMEÑA, JR. | 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), was 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. 06.15.2023.06

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

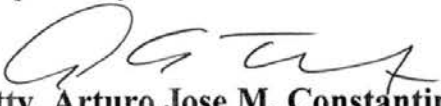
X. OTHER MATTERS

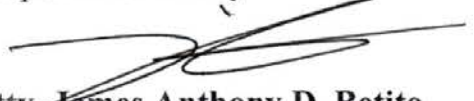
After confirming that there were no other matters left for discussion, the Chairman asked Mr. De Guzman to address questions and comments from the Bank's stockholders which might have been sent via e-mail. Mr. De Guzman stated that as of such time, no questions had been received in relation to the matters taken up during the meeting. He 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. Mr. De Guzman advised that such questions must be submitted on or before June 16, 2023.

XI. ADJOURNMENT

There being no other matters taken up, the meeting was adjourned at 9:30 in the morning.

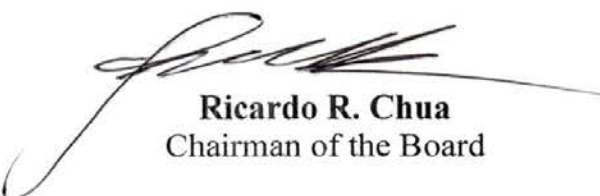
Prepared by:


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