

ANNUAL STOCKHOLDERS’ MEETING - MINUTES No. 2024-001

ASM-06.20.2024

MINUTES

MINUTES OF THE MEETING OF THE STOCKHOLDERS OF CHINA BANK SAVINGS, INC., HELD ON JUNE 20, 2024  
AT THE 6/F, 314 CBS BUILDING,  
SEN. GIL J. PUYAT AVENUE, MAKATI CITY AT 9:00 AM

ATTENDANCE:

Name of Stockholder	Present	
	%	#Shares
China Banking Corporation*	99.64%	114,995,882
Chua, Ricardo R.	0.0000%	1
Yang, Nancy D.	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
Lapez, Genaro V.	0.0000%	1
Total Number of Attendees		114,995,892
Total Number of Voting Shares		115,414,149
% to Voting Shares	99.64%	99.64%
*CHINA BANKING CORPORATION		
Represented by (Proxies):		
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 15, 2023;
5. Annual Report to Stockholders;
6. Approval of the Audited Financial Statements for the year ended December 31, 2023;
7. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2023, 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 in-person at the CBS Head Office in Makati City, and virtually through the *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 Mr. Jan Nikolai M. Lim, Mr. Luis Bernardo A. Puhawan, Ms. Mary Grace F. Guzman, Mr. Niel C. Jumawan, and Atty. Josephine F. Fernandez, and Ms. Brenda S. Santiago. 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.

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 meeting. The Chairman stated that they were holding the Bank's annual stockholders meeting in hybrid format – a combination of in-person and remote attendance.

He then called the meeting to order at 9:05 AM.

### **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 Notice dated February 23, 2024 on the alternative modes of sending notice and distributing documents in connection with the holding of the Annual Stockholders' Meeting for 2024.

The Notice of the meeting and Information Statement were submitted to the SEC on May 24, 2024. 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 20 to 21, 2024. Publication was done both in print and online, as required by the pertinent regulations. Likewise, electronic copies of CBS' Information Statement and Management Report, Annual Report and other pertinent documents had been made available on 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 115 Million, 414 Thousand, and 149 (115,414,149) subscribed and outstanding shares, the holders of One Hundred Fourteen Million Nine



Hundred Ninety-Five Thousand Eight Hundred Ninety-Two (114,995,892) shares or ninety-nine point sixty four percent (99.64%), 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 15 JUNE 2023**

The Chairman called the next item on the agenda - the approval of the minutes of the Bank's Regular Annual Stockholders' Meeting on 15 June 2023. Atty. Roscoe J. Rosell moved that the reading of the minutes of the Annual Meeting of Stockholders for 2023 be dispensed with, and that the said minutes, which can be accessed through the Bank's website and was included in the Information Statement, be considered approved for all legal intents and purposes. Atty. June Ann Pagtakhan seconded the motion.

The Corporate Secretary said that on the votes cast, 114,995,882 shares or 99.64% of the shares represented in this meeting voted in favor of the proposed resolution.

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

#### **ASM RESOLUTION No. 06.20.2024-01**

**RESOLVED, AS IT IS HEREBY RESOLVED**, that the reading of the minutes of the Regular Annual Meeting held on June 15, 2023 was 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 provide information about the Bank's activities, financial performance, and other relevant data for the year 2023.

President Dee began by stating that 2023 was a milestone year, marking CBS's 15th year of operations. Despite continuing challenges throughout the year, the Bank was able to exceed expectations. CBS ended 2023 as the second largest thrift bank in the Philippines in terms of total assets, a step up from its 2022 ranking. This demonstrated the exemplary growth the Bank enjoyed in multiple categories.

These achievements are made even more impressive as they came amidst a backdrop of elevated inflation, which peaked at 8.7% in January 2023 and averaged 6% for the year, with Philippine GDP growth decelerating to 5.6% from 7.6% the year before. Those economic conditions created more uncertainty in banking, as the Bangko Sentral ng Pilipinas adjusted monetary policy rates to help guide the Philippine economy throughout the year. Interest rates were raised by a total of 100 bps in 2023 to 6.5%. CBS once again navigated through external challenges and emerged a better bank. With a "One CBS, One Focus" approach, CBS took one more step toward finishing at the top of the podium.



Continuing the strategy of expanding its footprint nationwide, CBS opened 7 branches, 2 sales offices, 16 APD branch-lite units (BLUs), and 31 ATMs bringing CBS's presence across the Philippines to 168 branches, 3 business centers, 19 sales offices, 33 APD lending centers and 60 BLUs. The total network now stands at 261 with an ATM network of 201. The combination of physical expansion and an ever-improving digital banking experience will enable CBS to reach more customers. By the end of 2023, CBS' customer base reached 852,000 and posted a growth of 20% year-on-year.

In terms of profitability, the Bank achieved a record-high P1.8 billion Net Income in 2023, up by 16%. This translated to a return on equity of 12.8% and a return on assets of 1.3%. Total assets increased by 27% to Php 157.4 billion. Gross loans grew by 25% to Php 113.6 billion as the Bank was able to capitalize on the continued network expansion and relentless efforts of the Bank's sales force. APD portfolio grew by more than 52% in 2023 while demand for consumer loans, led by its retail housing and auto loan segments, also increased. When combined, APD and consumer loans account for 87% of total loans. Despite the increased loan volume, CBS recorded a better-than-industry NPL ratio of 3.3%.

On the funding side, total deposits increased by 27% to Php 137.7 billion. CASA increased to Php 47.1 billion and continues to serve as a stable source of low-cost funding. CBS' capitalization is Php 15.6 billion, a 22% increase versus last year mainly due to the improved operations for 2023 and a Php 1.0 billion capital infusion by CBC. The Bank's Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) Ratio are both comfortably above regulatory levels at 12.6% and 11.7%, respectively.

This 2024, the outlook for the country and for CBS is positive. A sustained downtrend in inflation should be a tailwind for the economy this year. Inflation finally settling within the BSP's 2-4% target at 3.8% and GDP growing slightly faster at 5.8% for the full year.

The Bank's first quarter financial performance continues to show strong results as its net income registered double-digit growth of 10% or Php 462 million. Sustained expansion in lending and deposit-taking drove the Bank's solid performance. Total loan portfolio grew to Php 120.2 billion, while total deposits jumped to Php 142.5 billion. The robust balance sheet and strong financial performance has CBS in a good position to continue growing.

President Dee said that CBS is well positioned for significant growth for this year and beyond. The Bank has a solid strategy, and more importantly, a highly driven and capable team to deliver on its plans and growth ambitions. The CBS they have built and continue to build is attributed to its stakeholders their unwavering support, the critical support of its partners, and most importantly, its employees' resolve to exceed expectations day by day.

All the information he reported was disclosed in the 2023 Annual Report and in the Definitive Information Statement (SEC-IS 20) of the Bank. These documents were posted on the Bank's website, which could be accessed for further scrutiny by the stockholders.

Atty. Jonas Cesar Mangrobang III moved that the Annual Report, which is available on the Bank's website, and presented by the President, be approved. Ms. Krischelle Marie M. Tamayo seconded the motion.



Based on the votes cast, 114,995,882 shares or 99.64% 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. 06.20.2024-02**

**RESOLVED, AS IT IS HEREBY RESOLVED**, that the 2023 Annual Report, an electronic copy of which having been made available in the Bank's website, and as presented by the Bank's President James Christian T. Dee, was approved.

**VI. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED DECEMBER 31, 2023**

The Chairman noted the President's presentation of the financial performance and changes in the Bank's position of the Bank for the year 2023 and asked for a motion on this item. Ms. Tamayo moved that the Audited Financial Statements for the year ended December 31, 2023, which was also included in Bank's Information Statement posted on the Bank's website and covered in part by the presentation of the Bank President be approved. Atty. Mangrobang seconded the motion.

On the voting results, 114,995,882 shares or 99.64% 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. 06.20.2024-03**

**RESOLVED, AS IT IS HEREBY RESOLVED**, that the Audited Financial Statements for the year ended December 31, 2023, attached as Annex "E" of the Definitive Information Statement, posted on the Bank's website, and covered in part by the presentation of the Bank's 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 2023, 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.

Atty. Richard S. Del Rosario moved that all the acts of the Board of Directors, including all 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 2023 and immediately preceding the stockholders' meeting, be approved, confirmed and ratified for all intents and purposes. Ms. Tamayo seconded the motion.

On the voting results, 104,995,882 shares or 99.64% 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. 06.20.2024-04**

**RESOLVED, AS IT IS HEREBY RESOLVED**, that all the acts of Board of Directors, including 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 2023 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 2024 to 2025. 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. Ms. 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. Ms. Claire Ann T. Yap
  3. Mr. Genaro V. Lapez
  4. Mr. Antonio S. Espedido, Jr.

Atty. Pagtakhan moved that, for the ensuing year 2024 to 2025, the Bank shall have 7 regular directors and 4 independent directors, and the 11 nominees enumerated by the Chairman of the Nomination and Corporate Governance Committees and listed with their respective profiles in the Definitive Information Statement, be declared duly elected directors. Atty. Mangrobang seconded the motion.

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	114,995,882 shares	99.64%
Ms. Nancy D. Yang	114,995,882 shares	99.64%
Mr. James Christian T. Dee.	114,995,882 shares	99.64%
Mr. Romeo D. Uyan, Jr.	114,995,882 shares	99.64%
Mr. Jose L. Osmeña, Jr	114,995,882 shares	99.64%
Mr. Patrick D. Cheng	114,995,882 shares	99.64%
Mr. Herbert T. Sy, Jr.	114,995,882 shares	99.64%
Mr. Philip S.L. Tsai	114,995,882 shares	99.64%
Ms. Claire Ann T. Yap	114,995,882 shares	99.64%
Mr. Genaro V. Lapez	114,995,882 shares	99.64%
Mr. Antonio S. Espedido, Jr.	114,995,882 shares	99.64%

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

#### **ASM RESOLUTION No. 06.20.2024-05**

**RESOLVED, AS IT IS HEREBY RESOLVED**, that the stockholders elected the following members of the Board of Directors, all garnering One Hundred Fourteen Million, Nine Hundred Ninety-Five Thousand, Eight Hundred Eighty-Two (114,995,882) shares or 99.64% of the total subscribed capital stock of the Bank, for the ensuing year 2024-2025:

1. MR. RICARDO R. CHUA	Director
2. MS. 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. MS. 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 on the agenda - the appointment of the Bank's External Auditor. He asked Mrs. Claire Ann T. Yap, Chairperson of the Audit Committee, to make a recommendation.

The platform was transferred to Mrs. Claire Ann T. Yap. She reported that 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 and 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. Atty. Del Rosario moved that the re-appointment of SyCip Gorres Velayo & Co., as the Bank's external auditor for the ensuing year, be approved, confirmed and ratified. Atty. Rosell seconded the motion.

On the voting results, 114,995,882 shares or 99.64% 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. 06.20.2024-06**

**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.

The first question was for President Dee. The Bank has achieved record high profits for 3 years in a row. He was asked how the Bank could sustain this. President Dee stated that the Bank always strove to achieve more each year, guided by its annual goal setting and planning. The Bank's Q1 numbers reflected a strong start, and it would do its best to sustain its record-breaking pace. He believed that the targets of the Bank for 2024 are achievable, and it would get the job done.

The next question was addressed to Chairman Chua. It was mentioned that achieving a Podium Finish is one of the goals of the Bank. As the Bank recently landed the second top spot in the rankings, Chairman Chua was asked how it would surpass the current number one bank. Chairman Chua stated that the Bank is aware of competition, but CBS would not be constrained by their plans. CBS intends to execute its medium-term goal of expanding market reach through branches and digital banking. The Bank will continue to improve its products and services to become more responsive to the customers' needs. Being the best bank in the eyes of its customers is more important than being number one in terms of size.

Mr. De Guzman read another question for Chairman Chua. The question was "[p]hysical expansion and physical touch points were previously discussed. I know this is more expensive than digital platforms. Is this strategy sustainable against increasingly digital competition?"

Chairman Chua replied that while the Bank has been expanding physically, it has not neglected its digital operations. The CBS Go and CBS Personal Mobile App are steadily being adopted by clients, and the Bank is always working to improve both. CBS has multiple initiatives as well to fulfill its promise of "Easy Banking for You". CBS has made significant investments in digital technology, considering the needs of CBS's market segment. He added that CBS customers would certainly benefit from these initiatives in the coming years. In the meantime, the Bank continues its strategy of physical expansion, and it would open new branches within the year.

The last set of questions was addressed to President Dee, which read "[w]hat is your outlook regarding benchmark interest rates? What about loan rates? When is the best time for consumers to borrow?" President Dee answered that inflation is expected to ease within




the government's target range in 2024 and allow the Bangko Sentral ng Pilipinas to gradually reduce its monetary policy rate. Loan rates would naturally follow the movement of the benchmark rate. Regarding the right time to borrow, this would be dependent on each person's financial capability and business situation. CBS offers personalized solutions to meet its customers' specific requirements.

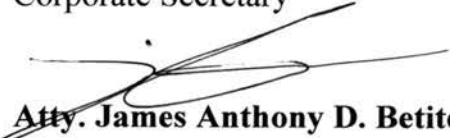
Thereafter, Mr. De Guzman concluded the question-and-answer session. He stated that any questions or comments submitted and received, but not addressed that morning, would be answered directly by e-mail to the stockholder concerned. The Bank would reply directly by e-mail to all other questions from its stockholders. For any other questions or concerns, Mr. De Guzman said that these could be sent to the e-mail address [ocs.cbs@chinabank.ph](mailto:ocs.cbs@chinabank.ph).

## **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 by:

  
**James Christian T. Dee**  
President

  
**Ricardo R. Chua**  
Chairman of the Board