

COVER SHEET

A S 9 4 0 0 2 7 3 3

S.E.C. Registration Number

E A S T W E S T B A N K I N G C O R P O R T I O N

(Company's Full Name)

P O D I U M O F T H E B E A U F O R T 5 T H A V E

C O R 2 3 R D S T G L O B A L C I T Y T A G U I G

(Business address: No. Street City / Town / Province)

ELEANOR B. RIVERA

Contact Person

575-3829

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

I A C G R

FORM TYPE

0 4

Month

2 0

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

Top be accomplished by SEC Personnel concerned

LCU

CASHIER



SEC FORM - I-ACGR


INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: **2018**
2. SEC Identification Number: **AS094-002733** 3. BIR Tax Identification No.: **003-921-057**
4. Exact name of issuer as specified in its charter : **EAST WEST BANKING CORPORATION**
5. **METRO MANILA, PHILIPPINES**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **THE BEAUFORT, 5TH AVE. COR. 23RD ST., BONIFACIO GLOBAL CITY, TAGUIG** **1630**
Address of principal office Postal Code
8. **(632) 575-3888**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

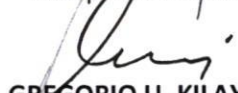
Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Taguig on MAY 30 2019 May, 2019.

SIGNATURES


JONATHAN T. GOTIANUN
 Chairman of the Board



JESUS ROBERTO S. REYES
 President and Deputy CEO


PAUL A. AQUINO
 Independent Director


GREGORIO U. KILAYKO
 Independent Director


ELEANOR B. RIVERA
 Chief Compliance Officer


ANTONIO C. MONCUPA, JR.
 Vice Chairman and Chief Executive Officer


JOSE MARIA G. HOFILEÑA
 Independent Director

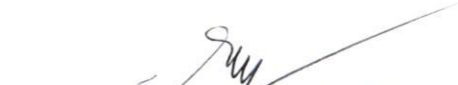

CARLOS R. ALINDADA
 Independent Director


BENEDICTO M. VALERIO
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of MAY 30 2019 2019, affiant (s) exhibiting to me their competent evidence of identity as follows:

NAME/NO.	ID NO. AND DATE OF ISSUE/EXPIRATION	PLACE OF ISSUE
Jonathan T. Gotianun	Passport	
Antonio C. Moncupa, Jr.	Passport	
Jesus Roberto S. Reyes	Passport	
Jose Maria G. Hofileña	Passport	
Paul A. Aquino	Passport	
Carlos R. Alindada	Passport	
Gregorio U. Kilayko	Passport	
Benedicto M. Valerio	Passport	
Eleanor B. Rivera	Driver's	

Doc No. 93
 Page No. 20
 Book No. X
 Series of 2019


ATTY. LOURDES A. ONA
 NOTARY PUBLIC FOR MAKATI CITY
 Appointment No. M-33 until December 31, 2019
 Roll No. 38397 / IBP Lifetime No. 02701
 PTR No. 7333147 January 3, 2019

2018 INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NONCOMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.2 Composition of Board of Directors on pages 6-7. Please also refer to the following links for the list and profile of the Board of Directors: • https://www.eastwestbanker.com/info/ew_board.asp • https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf - submitted SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers pages 9-11.	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of nonexecutive directors.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.2 Composition of Board of Directors on pages 6-7 and this link for the list and profile of the Board of Directors: • https://www.eastwestbanker.com/info/ew_board.asp • https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf - submitted SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers pages 9-11.	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	The Board Charter is embedded in the Bank's Corporate Governance Manual as the Manual provides among others, the composition, duties and responsibilities, meetings and quorum requirements, including training of the Board. Please refer to Annex A - Corporate Governance Manual Section VI. Training on Corporate Governance on page 57.	

2. Company has an orientation program for first time directors.	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section 3.2 Corporate Governance and Compliance Committee on pages 18-19.</p> <p>First time directors are given an orientation/briefing about the Bank including among others, its products and services, the organization structure including the Committees. Kits are also distributed containing, among others, the latest Annual Report, the Corporate Governance Manual, and the relevant Committee Charters.</p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section VI. Training on Corporate Governance on page 57.</p> <p>Please also refer to Annex C Course Outline on Advanced Corporate Governance Training conducted by Institute of Corporate Directors (ICD) on November 27, 2018 as attended by Directors and Key Officers of the Bank.</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.2 Composition of Board of Directors on pages 6-7.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Non-Compliant		Under the Bank's Corporate Governance Manual, the Bank recognizes the importance of board diversity but does not want to be limited in its diversity by putting in diversity measures.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section 6 Corporate Secretary on pages 41-42.</p> <p>Profile of the Corporate Secretary can be viewed in the links below:</p> <ul style="list-style-type: none"> •https://www.eastwestbanker.com/info/ew_board.asp •https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf - submitted SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers page 11. 	

2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	<p>Profiles of the Corporate Secretary and the Chief Compliance Officer can also be viewed in the following links:</p> <ul style="list-style-type: none"> • https://www.eastwestbanker.com/info/ew_board.asp • https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf 	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section 2.2 Composition of Board of Directors (last paragraph) on page 7.</p> <p>Names of Directors and Corporate Secretary can also be viewed in the following link:</p> <p>https://www.eastwestbanker.com/info/ew_board.asp</p>	
4. Corporate Secretary attends training/s on corporate governance.	Non-Compliant		<p>Although the Corporate Secretary did not attend a corporate governance training for 2018, he attended Corporate Governance Trainings on November 2017 and May 2019. Please refer to Annex G for the Certificate of Participation of the Corporate Secretary on a corporate governance training held on May 22, 2019. In addition, as a lawyer, the Corporate Secretary attended the Mandatory Continuing Legal Education seminars.</p>
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section 7 Chief Compliance Officer on pages 42-43.</p> <p>Profile of Chief Compliance Officer can be viewed in the link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf - submitted SEC Form 20-IS (Definitive) Part I.B. Item 5. Directors and Executive Officers pages 14-15.</p>	

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	Profile of Chief Compliance Officer can be viewed in the link: • https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf - submitted SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers pages 14-15.	
3. Compliance Officer is not a member of the board.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.2 Composition of Board of Directors (last paragraph) on page 7. Profiles of the board can also be viewed in the following links: https://www.eastwestbanker.com/info/ew_board.asp	
4. Compliance Officer attends training/s on corporate governance.	Compliant	Please refer to Annex D Certificate of Participation of Chief Compliance Officer in the corporate governance training conducted by ICD on November 27, 2018.	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.7 Duties and Responsibilities of a Director on pages 38-39.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.1 Definition of Board of Directors on page 6; and Section 2.6 General Responsibilities of Board of Directors and Section 2.7 Specific Duties and Functions of Board of Directors on pages 9-13.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Please refer to link below for the vision, mission and core values of the Bank: https://www.eastwestbanker.com/info/ew_identity.asp	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.1 Definition of Board of Directors on page 6; and Section 2.6 General Responsibilities of Board of Directors and Section 2.7 Specific Duties and Functions of Board of Directors on pages 9-13.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.9 Chairperson of the Board of Directors on page 14. Profile of the Chairman of the Board can be viewed in this link: https://www.eastwestbanker.com/info/ew_board.asp	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of Board of Directors Item "g" on page 10.	
2. Board adopts a policy on the retirement for directors and key officers.	Non-Compliant		A retirement policy for key officers is in place. Although there is no retirement policy for directors, there is a tenure restriction for independent directors.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant		
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.9 Remuneration of Directors (which shall also apply to Officers of the Bank) on page 40.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.3 Board Nomination and Election on pages 7-8 and this link:	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	https://www.eastwestbanker.com/info/ir_noticestock.asp - Notice of Stockholders Meeting	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Please refer to link: https://www.eastwestbanker.com/info/ir_noticestock.asp - Notice of Stockholders Meeting. Stockholder meeting notice includes the call for nominations from all shareholders.	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.3 Board Nomination and Election on pages 7-8 and this link: https://www.eastwestbanker.com/info/ir_noticestock.asp - Notice of Stockholders Meeting	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.3 Board Nomination and Election on pages 7-8 and Section 3.2 Corporate Governance and Compliance Committee (last paragraph).	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.2 Composition of the Board on pages 6-7 and Section 2.3 Board Nomination and Election on pages 7-8.	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of Board of Directors Items "o" and "p" on pages 11-12.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Please refer to Annex E Related Party Transaction Manual Section III.E. Review and Approval of Related Party Transactions on pages 15 - 17.	

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Please refer to Annex E Related Party Transaction Manual Section III.A. Definition of Related Party on pages 7-9.	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval	Compliant	Please refer to Annex E Related Party Transaction Manual Section III.C. Materiality Threshold for Related Party Transactions on pages 11-14, Section III.E. Review and Approval of Related Party Transactions on pages 15 - 17, and Section III.I. Disclosure and Reporting on pages 20-21.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-Compliant		As a Bank, the Board ensures compliance with BSP Circular No. 895, Guidelines on Related Party Transactions. Section x146.2 (a) (2) on Board Duties and Responsibilities provides that the Board shall approve all material RPTs (including written-off of material RPTs) and submit the same for confirmation by majority of vote of the stockholders in the annual stockholder's meeting. In the Bank's RPT Manual (Annex E), Section E.6 (page 16), all material RPTs and write-offs of material exposures to related parties shall be submitted for confirmation by at least majority vote of the stockholders constituting a quorum at the annual stockholders meeting of the Bank.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of Board of Directors Item "f" on page 10.	

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Board maintains oversight function over all actions of the Board-level Committee where it could assess the performance of these senior officers. Minutes of these Committees are submitted to the Board.</p> <p>Please refer to sections of Annex A Corporate Governance Manual below for the performance evaluation of the following:</p> <ul style="list-style-type: none"> •For the Chief Executive Officer - Section 2.7 Specific Duties and Function of the Board of Directors Item "j" on page 11 •For the Chief Compliance Officer - Section 3.2 Corporate Governance and Compliance Committee General Responsibility on Compliance Item "6" on page 20 •For the Chief Risk Officer - Section 3.3 Risk Management Committee Duties and Responsibilities Item "11" on page 21 •For the Chief Audit Executive - Section 3.4 Audit Committee General Responsibilities on Internal Audit Item "9" on page 24 	
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 2.6 General Responsibilities of the Board on pages 9 - 10</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 2.6 General Responsibilities of the Board on pages 9 - 10</p>	
Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Please refer to the attached Annex A Corporate Governance Manual Section 2.8 Internal Control Responsibilities of the Board on pages 12-14.</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p>Please refer to the attached Annex A Corporate Governance Manual Section III.2. Conflict of Interest on pages 52-53.</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>	<p>Please refer to Annex J Internal Audit Charter.</p>	
Recommendation 2.11			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of Board of Directors Item "e" on page 10.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Please refer to the attached Annex A Corporate Governance Manual Section 3.3 Risk Management Committee on pages 20-21.	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Board Charter is embedded in the Bank's Corporate Governance Manual as the Manual provides, among others, the composition, duties and responsibilities, meetings quorum requirement and training of the Board. Please refer to Annex A Corporate Governance Manual Section I. Board Governance on pages 5-16. Please refer to the link below: https://www.eastwestbanker.com/info/ManualCorpGov.pdf	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Please refer to Annex A Corporate Governance Manual Section III.3 Insider Trading on page 53.	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	Please refer to the attached Annex E Related Party Transaction Manual Section III.A. Guidelines on Arms Length Terms on page 10.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Please refer to Annex E Related Party Transaction Manual Section III. E. Review and Approval of Related Party Transactions page 15-16	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Please refer to the following references:</p> <ul style="list-style-type: none"> •Annex A - Corporate Governance Manual Section 2.7 Specific Date and Functions of the Board of Directors Item "i" on page 11 and Section 3 Board Committees on pages 17 to 31. •Annex F - PSE Disclosure dated April 20, 2018 on results of Annual Stockholder's Meeting and Organizational Meeting (creation of Board Committees) 	
<p>Recommendation 3.2</p>			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.4 Audit Committee on pages 22 -26 and Annex F - PSE Disclosure dated April 20, 2018 on results of Annual Stockholder's Meeting and Organizational Meeting (creation of Board Committees)</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified nonexecutive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.4 Audit Committee on page 22. For profiles of the members of the committees please refer to the link: https://www.eastwestbanker.com/info/ew_board.asp</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.4 Audit Committee on page 22. For profiles of the members of the committees please refer to the link: https://www.eastwestbanker.com/info/ew_board.asp</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Please refer to Annex F PSE Disclosure dated April 20, 2018 on results of Annual Stockholder's Meeting and Organizational Meeting (creation of Board Committees) for the Committee Chairmanship.</p>	
<p>Supplement to Recommendation 3.2</p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.4 External Audit Item "6" on page 25.</p> <p>Please refer to: https://www.eastwestbanker.com/info/pse/2018SECFORM17-A.pdf on page 55</p>	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant		For 2018, no Audit Committee Meeting was conducted without the presence of Management. The Audit Committee Charter, however, provides that the committee may meet with the internal and external auditor without management's presence.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	Please refer to SEC Form 20-IS (Definitive) Compliance with Corporate Governance Practices-Audit Committee page 55 in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.4 Internal Audit Item "11" on page 25.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.2 Corporate Governance and Compliance Committee on pages 18-20 and Annex F PSE Disclosure dated April 20, 2018 for Committee membership.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.2 Corporate Governance and Compliance Committee on page 18 and Annex F PSE Disclosure dated April 20, 2018 for Committee membership.	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.2 Corporate Governance and Compliance Committee on page 18 and Annex F PSE Disclosure dated April 20, 2018 on Corporate Governance Committee composition page on 2 for the Committee Chairmanship.	
Optional: Recommendation 3.3			

<p>1. Corporate Governance Committee meet at least twice during the year.</p>	<p>Compliant</p>	<p>Please refer to Annex B Corporate Governance and Compliance Committee Charter Section V. Meetings on page 2.</p> <p>For 2018, nine (9) meetings (regular and special) were conducted and attended by the Committee members.</p> <p>Please refer to SEC Form 20-IS (Definitive) Compliance with Corporate Governance Practices - Corporate Governance and Compliance Committee on page 55 in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf</p>	
<p>Recommendation 3.4</p>			
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.3 Risk Management Committee on pages 20-21 and Annex F PSE Disclosure dated April 20, 2018 on Risk Management Committee.</p> <p>Please refer to Annex B Corporate Governance and Compliance Committee Charter Section V. Meetings on page 2.</p> <p>For 2018, nine (9) meetings (regular and special) were conducted and attended by the Committee members.</p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.3 Risk Management Committee on page 20.</p> <p>Please refer to Annex F PSE Disclosure dated April 20, 2018 on Risk Management Committee composition membership.</p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.3 Risk Management Committee on page 20 and Annex F - PSE Disclosure dated April 20, 2018 on Risk Management Committee Chairmanship</p>	

4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.3 Risk Management on page 20 and in the links below for the profile of the members of the Risk Management Committee: <ul style="list-style-type: none"> •https://www.eastwestbanker.com/info/ew_board.asp •https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf - SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers pages 9-11. 	
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Recommendation 3.5

1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.7 Related Party Transaction Committee on pages 29-31 and Annex F PSE Disclosure dated April 20, 2018 on RPT Committee composition page 2 for the Committee membership.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Please refer to Annex A Corporate Governance Section 3.7 Related Party Transactions (RPT) Committee on page 29 and Annex F PSE Disclosure dated April 20, 2018 on RPT Committee composition page 2 for the Committee membership.	

Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Please refer to link below for Committee Charters: https://www.eastwestbanker.com/info/ew_BoardComm.asp	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Performance evaluation of Committees as indicated in all Committee Charters shall be conducted in accordance with the Corporate Governance Manual. Refer to Annex A Section X. Governance and Self Rating System on page 62.Please refer to link below for Committee Charters: https://www.eastwestbanker.com/info/ew_BoardComm.asp	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Please refer to link below for Committee Charters: https://www.eastwestbanker.com/info/ew_BoardComm.asp	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Please refer to the following: •Annex A Corporate Governance Manual Section 2.4 Board Meetings on page 8-9 •SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers on the attendance of Directors in the Board meetings pages 11-12 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Please refer to Annex A Corporate Governance Manual Section 6.2 Duties and Responsibilities Item "f" on page 41.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The Corporate Secretary confirms that the Board of Directors actively participate or seek clarifications/ explanations during the Board and Committee meetings.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management’s proposals/views, and oversee the long-term strategy of the company.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.8 Interlocking Directorship on page 39. Profiles of the Directors can be viewed in this link: https://www.eastwestbanker.com/info/ew_board.asp	
Recommendation 4.3			
1. The directors notify the company’s board before accepting a directorship in another company.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.8 Interlocking Directorship on page 39.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	Please refer to the profile of Directors in the SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers pages 9-11 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
2. Company schedules board of directors’ meetings before the start of the financial year.	Compliant	The meetings of the board are scheduled during the Organizational meeting.	

3. Board of directors meet at least six times during the year.	Compliant	<p>Please refer to SEC Form 20-IS (Definitive) Part I.B. Item 5. Directors and Executive Officers on the number of Board meetings on pages 11-12 as posted in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf</p> <p>Regular Meetings - 12 Special Meetings - 4 Organizational Meeting - 1</p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-Compliant		Although majority is the minimum requirement under the Bank's Corporate Governance Manual, in practice, there has been no occasion where less than 2/3 approval has not been met.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	<p>Please refer to the following:</p> <p>Annex A Corporate Governance Manual Section 2.2 Composition of Board of Directors on page 6</p> <p>Annex F - PSE Disclosure dated April 20, 2018 on results of Annual Stockholder's Meeting and Organizational Meeting</p>	
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section 4.2 Item "c" Types of Directors - Independent Director on page 31.</p> <p>Certification on Qualification of Independent Directors can be viewed in SEC Form 20-IS (Definitive dated April 20, 2018) pages 30-36.</p>	
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Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.7 Duties and Responsibilities of Directors Item "e" on page 38. There are no shareholder agreements, by-law provisions, or other arrangements that constrain the directors' ability to vote independently.	
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Recommendation 5.3

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.6 Tenure of Directors on page 38.	
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2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.6 Tenure of Directors on page 38.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Non-Compliant		The Bank's Corporate Governance Manual does not provide for instances of retention of an independent director after 9 years in the same capacity as an independent director. Under BSP Manual of Regulations (Dec 2017) 132. Qualifications of a Director (b) (2) "An independent director of a BSFI may only serve as such for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from serving as independent director in the same BSFI, but may continue to serve as regular director."
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Please refer to this link for the profiles of Chairman and Chief Executive Officer: https://www.eastwestbanker.com/info/ew_board.asp	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to the following: •For Chairman - refer to Annex A Corporate Governance Manual Section 2.9 Chairperson of the Board of Directors and Section 2.10 Duties and Responsibilities of Chairman on pages 14-15. •For Chief Executive Officer- refer to Annex A Corporate Governance Manual Section 2.9 Chairperson of the Board of Directors and Section 2.11 Duties and Responsibilities of the CEO on pages 15-16.	
Recommendation 5.5			
Non-Compliant			

1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant		As a bank, the Board ensures compliance with BSP Circular No. 969, Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions. Subsec. X142.4 (b) states on the Qualifications of the Chairman of the Board that "The position of the Chairperson and CEO shall not be held by one person. In exceptional cases where the position of the Chairperson of the Board of Directors and CEO is allowed to be held by one person as approved by the Monetary Board, a lead independent director shall be appointed." In the case of the Bank, different people hold the position of Chairman and CEO.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Please refer to Annex A Corporate Governance Manual Section III.2 Conflict of Interest on pages 52 - 53.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.4 Board Meetings on page 9. For 2018, the NEDs had a meeting without any executive present.	
2. The meetings are chaired by the lead independent director.	Non-Compliant		As cited in explanation in Recommendation 5.5, the Bank has not appointed a lead independent director. Although no appointment of a lead independent director, under Section 2.4 of the Corporate Governance Manual (Annex A) (page 9), the Chairman of the Governance Committee (who is an independent director) shall lead said meeting. The Independent Governance Committee meeting was attended by all independent directors.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Please refer to this link for the profiles of Directors and Chief Executive Officer: https://www.eastwestbanker.com/info/ew_board.asp	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Please refer to Annex A - Section X. Governance and Self Rating System on page 62 and in this link for the committee charters: https://www.eastwestbanker.com/info/ew_BoardComm.asp	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	The conduct of assessment has not yet reached three years. Nonetheless, the Bank's Corporate Governance Manual (Annex A) in Section X. Governance and Self Rating System (page 62) states that "If deemed needed by the Board, an external facilitator may be engaged to assist the Board in assessing its performance, individual directors, and Committees." The Board, once the 3 year has been reached, may deem the engagement of an external facilitator necessary.	

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Please refer to Annex A Corporate Governance Manual Section X. Governance and Self Rating System on page 62.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	Please refer to the following links for the feedback mechanism of the Bank: <ul style="list-style-type: none"> •Mode of Communication to Investor Relations in this link: https://www.eastwestbanker.com/info/ir_irprogram.asp •Open Forum during the Stockholder's meeting. Sample minutes (item 9) on page 233 in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf 	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of Board of Directors Item "a" on page 10. Also, please refer to the link: https://www.eastwestbanker.com/info/ew_cobce.asp	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Please refer to the link: https://www.eastwestbanker.com/info/ew_cobce.asp The Bank's Code of Business Conduct and Ethics is posted in the Bank's website and discussed to all employees upon onboarding. Learning materials are also available in the Bank's internal portal.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Please refer to the following link on Bank's Code of Business Conduct and Ethics. https://www.eastwestbanker.com/info/ew_cobce.asp	
Supplemental to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	The Bank has established that bribery is a serious offense under the Bank's Code of Discipline and Ethics (CODE), provided as follows: Conflict of Interest: 3.4 Offering, soliciting or accepting bribes, commissions, referral fees, kickbacks, whether in money and in kind. 3.6 Receiving of gifts, percentage ad commission in exchange for a favor to a client, supplier, vendor or other third party with whom the employee has a dealing in relation to his work. Serious Misconduct: 4.4 Commission of a crime involving dishonesty or breach of trust such as , but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery , violation of BP Blg. 22 , violation of Anti-Graft and Corrupt Practices Act In penalizing employees involved in bribery or any corrupt acts, the standard CODE procedures applied to normal administrative cases shall be also be applied.	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Bank's Code of Business Conduct and Ethics is posted in the Bank's website and discussed to all employees upon onboarding.	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	The Code Committee has been created to review, deliberate, and render fair assessment of alleged administrative violation(s) and provide a recommendation on the appropriate sanction against erring employees proven to have committed violation(s). Please refer to Annex M - Code of Discipline and Ethics (CODE) Committee Charter.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Please refer to Annex A - Corporate Governance Manual Section V Communication Process at pages 56-57 and Section VII Reportorial and Disclosure System at pages 57-58 and the Bank's website, Investor Relations tab that contains comprehensive information to shareholders and other stakeholders. Please refer to this link : https://www.eastwestbanker.com/info/ir_shareinfo.asp	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within fortyfive (45) days from the end of the reporting period.	Compliant	Annual and quarterly consolidated reports are available in the Bank's website that can be viewed in this link: https://www.eastwestbanker.com/info/ir_sec.asp	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	Disclosures can be viewed in the following links: https://www.eastwestbanker.com/info/ir_sec.asp https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Please refer to Annex A Corporate Governance Manual Section III.3 Insider Trading on page 53.	

2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Please refer to Annex A Corporate Governance Manual Section III.3 Insider Trading on page 53.	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	The Bank discloses the trading of the Bank shares by directors and principal officers in the PSE (Template name is Change in Shareholdings of Directors and Principal Officers) which can be viewed in this link: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=634	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to the profile of Directors in the following links: https://www.eastwestbanker.com/info/ew_board.asp SEC Form 20-IS (Definitive) Part I.B. Item 5. Directors and Executive Officers pages 9-11 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to the profile of Key Officers in the SEC Form 20-IS (Definitive) Part I.B. Item 5. Directors and Executive Officers pages 12-15 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.9 Remuneration of Directors on page 40. Corporate Governance Manual can be viewed in this link: https://www.eastwestbanker.com/info/ManualCorpGov.pdf Also please refer to the By-Laws Section 5 Compensation and Per Diems of Directors and Corporate Secretary on page 9 which can be viewed in this link: https://www.eastwestbanker.com/info/CERTOFFILINGOFAMENDEDBY-LAWS02-2018.pdf	

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4.9 Remuneration of Directors (which also applicable to all officers of the Bank) on page 40. Corporate Governance Manual can be viewed in this link: https://www.eastwestbanker.com/info/ManualCorpGov.pdf	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		The Bank discloses the remuneration of the directors and the officers on an aggregate basis. The aggregate compensation of the CEO and 4 most highly compensated executive officers is also disclosed. The disclosure on an aggregate basis takes into consideration privacy and security issues of the executive officers.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Please refer to Annex A Corporate Governance Manual Section III.1 Related Party Transactions Policy on pages 51-52. The Bank has also separate detailed RPT Manual as attached in Annex E.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Please refer to Annex E Related Party Transaction Manual Section I. Disclosure and Reporting on page 20 and in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Please refer to Annex A Corporate Governance Manual Section III Key Governance Policies on RPT Policy, Conflict of Interest, and Insider Trading on pages 51-53.	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Please refer to Annex A Corporate Governance Manual Section III.1 Related Party Transactions Policy on pages 51-52 and to Annex E Related Party Transaction Manual Section III.A. Guidelined on Arm's Length Terms on page 10.	

Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Please refer to Annex A Corporate Governance Manual Section VII Reportorial and Disclosure System on pages 57-58.	
2. Board appoint an independent party to evaluate the fairness of the transaction price of the acquisition or disposal of assets	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of the Board Item "p" on page 12.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	There is no agreement on these matters. Please refer to SEC Form 20-IS (Definitive) Part I.B. Item "d" Security Ownership of Certain Record and Beneficial Owners and Management page 8 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please refer to the links below for the Bank's Corporate Governance Manual: ● https://www.eastwestbanker.com/info/ManualCorpGov.pdf	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	● http://edge.pse.com.ph/openDiscViewer.do?edqe_no=2afd4d360db2c01943ca035510b6ec2b#sthash.14IYbN2X.dpbs - for PSE submission	
3. Company's MCG is posted on its company website.	Compliant	Please also refer to Annex H - Proof of Submission of Corporate Governance Manual to SEC.	
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Please refer to Annex H - Proof of Submission to SEC and in this link for PSE submission: http://edge.pse.com.ph/openDiscViewer.do?edqe_no=2afd4d360db2c01943ca035510b6ec2b#sthash.14IYbN2X.dpbs	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant	Please refer to the following links for the Annual Reports:	

c. Non-financial performance indicators	Compliant	https://www.eastwestbanker.com/info/ir_annual.asp	
d. Dividend Policy	Compliant	ISEC Form 20-IS (Definitive) as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year.	Compliant		
g. Total remuneration of each member of the board of directors.	Non-Compliant		The Bank discloses the remuneration of the directors and the officers on an aggregate basis. The aggregate compensation of the CEO and 4 most highly compensated executive officers is also disclosed. The disclosure on an aggregate basis takes into consideration privacy and security issues of its directors.
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Please refer to https://www.eastwestbanker.com/info/ir_annual.asp	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Please refer to SEC Form 20-IS (Definitive) on Compliance with Corporate Governance Practices on page 54-56 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Please refer to SEC Form 20-IS (Definitive) on Compliance with Corporate Governance Practices-Audit Committee on page 55 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	

<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>Compliant</p>	<p>Please refer to the following links:</p> <p>SEC Form 20-IS (Definitive) on Compliance with Corporate Governance Practices on page 54-56 as posted in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf</p> <p>https://www.eastwestbanker.com/info/ir_annual.asp - on Risk Management and Corporate Governance</p>	
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Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor’s independence and enhance audit quality.

Recommendation 9.1 Non-Compliant

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 3.4 General Responsibilities of Audit Committee on External Audit on page 25 and Section 9 External Auditor pages 45-46</p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Non-Compliant</p>		<p>Although the appointment of the external auditor, as a general rule, is recommended by the Audit Committee, approved by the Board and ratified by the shareholders, for 2018, the Shareholders approved, upon recommendation of the Bank's audit committee, the delegation to the Board the approval of said appointment for the alignment of Bank's external auditor with that of its Parent Company.</p>
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p>In the event of a removal or change of external auditor, the Bank, as a publicly listed company, shall disclose the reasons for such to its regulators and the public.</p>	

Supplement to Recommendation 9.1

<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>Please refer to SEC Form 20-IS (Definitive) on Item No. 7 Independent Public Accountants on page 22-23 as posted in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf</p>	
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Recommendation 9.2

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	Compliant	Please refer to Annex I - Audit Committee Charter Section B on page 1 and Section E on pages 2-5.	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	Please refer to Annex I - Audit Committee Charter Section E on pages 2-5.	
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section 3.4 Audit Committee on page 25 and Section 9 External Auditor pages 45-46.</p> <p>Also refer to Annex I Audit Committee Charter Section E Item "4" on page 4.</p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.4 Audit Committee on pages 24-25. Please also refer to Annex I Audit Committee Charter Section E Item "2" Internal Control on page 3 and Item "4" External Audit on page 4.	
Recommendation 9.3			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	Non-Compliant		Although the Bank's Annual Report does not specifically disclose the nature and reports it as Tax and other Related Fees, the amount is disclosed. More importantly, the Audit Committee approves the non-audit services and ensures that there is no potential conflict.

2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.4 Audit Committee on page 25. To avoid possible conflicts of interest, non-audit services are approved by the Audit Committee.	
Supplement to Recommendation 9.3 Non-Compliant			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Non-Compliant		Although in 2018, there were several special projects/engagements rendered by the Bank's external auditor, these non-audit services were approved by the Audit Committee.
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Information on Bank's external auditor: 1. Name of the audit engagement partner - Vicky Lee Salas 2. Accreditation number - 0115-AR-4 (Group A) 3. Date Accredited - May 01, 2016 4. Expiry date of accreditation - May 01, 2019 5. Name, address, contact number of the audit firm. - Sycip Gorres Velayo & Co./6760 Ayala Avenue, 1266 Makati City Philippines 891-0307	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	Details as follows: Date it was subjected to SOAR inspection - November 12-23, 2018 2. Name of the Audit firm - SGV & Co. 3. Members of the engagement team inspected by the SEC - The names of the members of the engagement team were provided to the SEC during the SOAR inspection.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1 Non-Compliant			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Please refer to this link under Our People and the Community Section: https://www.eastwestbanker.com/info/ir_annual.asp	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant		The Bank acknowledges the adoption of SEC Memo No. 4 s2019 effective 2019. Currently, the Bank's Audited Financial Statements were prepared in compliance with the Philippine Financial Reporting Standards.

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	Analyst briefing section can be viewed in this link: https://www.eastwestbanker.com/info/ir_invpres.asp	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly).	Compliant	Updated financial reports can be viewed in SEC Forms 17A, 17Q, 20 (IS) that can be viewed in the link below: https://www.eastwestbanker.com/info/ir_sec.asp	
b. Materials provided in briefings to analysts and media.	Compliant	Please refer to this link : https://www.eastwestbanker.com/info/ir_invpres.asp	
c. Downloadable annual report.	Compliant	Please refer to this link - Annual Report - https://www.eastwestbanker.com/info/ir_annual.asp	
d. Notice of ASM and/or SSM.	Compliant	Please refer to this link - Notice of Annual Stockholder's Meetings: https://www.eastwestbanker.com/info/ir_noticestock.asp	
e. Minutes of ASM and/or SSM.	Compliant	Please refer to this link - Minutes of Annual Stockholder's Meeting: https://www.eastwestbanker.com/info/ir_stockannual.asp	
f. Company's Articles of Incorporation and By-Laws.	Compliant	Please access the following links: ●Articles of Incorporation https://www.eastwestbanker.com/info/CERTOFFILINGAMEND EDARTICLESOFINCORP%2002-2018.pdf ●By- Laws https://www.eastwestbanker.com/info/CERTOFFILINGOFAMENDEDBY-LAWS02-2018.pdf	

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant	Please refer to this link: https://www.eastwestbanker.com/	
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Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 2.8 Internal Control Responsibilities of the Board on pages 12-14 and Section 3.4 Audit Committee on pages 23-24.</p> <p>On an annual basis, Internal Audit prepares an Audit Work Plan based on a 3-year cycle, which is reviewed and approved by the Audit Committee, with whom the Internal Audit functionally reports. The annual audit work plan is developed based on the results of the risk assessment conducted by Internal Audit. The risk assessment methodology is also being reviewed and confirmed/approved by the Audit Committee on an annual basis. Internal Audit reports the results of audit reviews during the committee's regular meeting. Internal Audit also reports the status of corrective/remedial measures undertaken on high and medium risk issues. Internal Audit also monitors the accomplishments of the work plan quarterly and reports the same to the Audit Committee on a semi-annual basis.</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of Board of Directors Item "e" on page 10 and Section 3.3 Risk Management Committee on pages 20-21.</p> <p>Please refer to the link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf on the Section of Risk Management page 121-124.</p>	

Supplement to Recommendations 12.1

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Compliant</p>	<p>The Bank's 2018 Compliance Program, duly approved by its Board of Directors, serves as its reference in complying with the provisions of the relevant laws and regulations. It operates parallel to and is part of the Bank's Internal Control and Audit Program and the Risk Management Program. The Compliance Program contains the guidelines to: (1) Identify, assess and mitigate Compliance Risks which may erode the franchise value of the Bank; (2) Enable the Bank to identify the relevant and applicable laws, rules, regulations, codes of conduct and standards of good practice, analyze the corresponding risks of non-compliance, and prioritize the Compliance Risks for mitigation and monitoring; (3) Establish the duties and responsibilities of the Chief Compliance Officer (CCO) and the personnel involved in the compliance function; (4) Promote compliance awareness and the right compliance culture across the organization; (5) Enable the Compliance Division to conduct periodic independent testing with applicable legal and regulatory requirements, report findings and significant breaches of laws, rules and standards and recommend appropriate resolutions to such findings and breaches to Senior Management (SM) and the Corporate Governance and Compliance Committee (CGCC). Said Compliance Program is updated on an annual basis.</p>	
<p>Optional: Recommendation 12.1</p>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Compliant</p>	<p>The Bank has an Information Technology Steering Committee, a senior management committee, to oversee and ensure that technology is implemented properly across the Bank with appropriate controls, and that related risks are adequately addressed, managed, and reported where necessary to the Board.</p>	
<p>Recommendation 12.2</p>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 10.1 Definition and Function of the Chief Audit Executive on page 47 and Organizational Chart reflecting the Internal Audit Division of the Bank can be viewed in this link:</p> <p>https://www.eastwestbanker.com/info/ew_orgChart.asp</p>	
<p>Recommendation 12.3</p>			

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Please refer to Annex A Corporate Governance Manual Section 10 Definition and Function of Chief Audit Executive on page 47. Also, the profile of the Chief Audit Executive can be in the SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers page 14 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	Please refer to Annex A Corporate Governance Manual Section 10. Scope of Chief Audit Executive on page 48. The CAE is responsible for the oversight on the outsourced audit activity and must ensure that the details of the engagement contract are fully adhered to.	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	The Bank's internal audit activity is conducted by an in house internal audit division headed by a Chief Audit Executive. Should there be a fully outsourced internal audit activity, a senior management personnel shall be assigned to manage the activity.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Please refer to Annex A Corporate Governance Manual Section IV. Risk Management Function on pages 55-56 and Organizational Chart reflecting the Risk Management Division of the Bank can be viewed in this link: https://www.eastwestbanker.com/info/ew_orqChart.asp	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Bank seeks the expertise of external experts when necessary.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Please refer to Annex A Corporate Governance Manual Section 8 Chief Risk Officer on page 44-45. Please see profile of the Chief Risk Officer in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Please refer to the attached Annex A Corporate Governance Manual Section 8 Chief Risk Officer on page 44. Please see profile of the Chief Risk Officer in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril222019.pdf	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Please see attached Annex N for the attestation of the CEO and the CAE for 2018 audit activities.	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Please refer to Annex A Corporate Governance Manual Section VIII Stockholders' Benefits on pages 58-61.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please refer to Link below as disclosed in the Bank's Corporate Governance Manual: https://www.eastwestbanker.com/info/ManualCorpGov.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Please refer to the SEC Form 20-IS (Definitive) Item 4c Nomination and Election of Directors and Independent Directors and manner of voting on page 7 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril202018.pdf	

<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section VIII Stockholders' Benefits Investor Rights and Protection (1-2) on pages 58-59. Please refer to the SEC Form 20-IS (Definitive) Item 4c Nomination and Election of Directors and Independent Directors and manner of voting on page 7 as posted in this link: https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril202018.pdf</p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p>Please refer to Annex A - Corporate Governance Manual Section 2.3 Board Nomination and Election pages 7-8. The voting procedure is indicated in the Notice of Stockholder's Meeting that can be viewed in this link: https://www.eastwestbanker.com/info/pse/NoticeofApril202018StockholdersMeeting.pdf</p>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Non-Compliant</p>		<p>The Bank provides the minority shareholders the rights provided under the law and in the Bank's Manual of the Corporate Governance."</p>
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p>Please refer to Article II, Section 3 of the Bank's By-Laws on page 3 in this link: https://www.eastwestbanker.com/info/CERTOFFILINGOFAMENDEDBY-LAWS02-2018.pdf Please refer to Annex A Corporate Governance Manual Section VIII.4 Right to Information on page 59.</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section VIII Stockholders' Benefits on pages 59-60.</p>	
<p>7. Company has a transparent and specific dividend policy.</p>	<p>Compliant</p>	<p>Please refer to the Bank's By-Laws Article X. Section 2 Dividend on page 14 that can be viewed in this link: https://www.eastwestbanker.com/info/CERTOFFILINGOFAMENDEDBY-LAWS02-2018.pdf Please refer to Annex A Corporate Governance Manual Section VIII.5 Rights to Dividends on page 60.</p>	

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>Please refer to the Notice of Stockholder's Meeting that can be viewed in this link:</p> <p>https://www.eastwestbanker.com/info/pse/NoticeofApril202018StockholdersMeeting.pdf</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p>Please refer to the profile of Key Officers in the SEC Form 20-IS (Definitive) Part I.B. Item 5.Directors and Executive Officers pages 9-11 as posted in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril202018.pdf</p> <p>Such Definitive Information Statement is submitted together with the Notice.</p>	
b. Auditors seeking appointment/reappointment	Compliant	<p>Please refer to SEC Form 20-IS (Definitive) Item 15 No.5 on page 24 as posted in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril202018.pdf</p> <p>Such Definitive Information Statement is submitted together with the Notice.</p>	

c. Proxy documents	Compliant	<p>Please refer to the SEC Form 20-IS (Definitive) Item 4c Nomination and Election of Directors and Independent Directors and manner of voting on page 7 as posted in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril202018.pdf</p> <p>Such Definitive Information Statement is submitted together with the Notice.</p>	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting.	Compliant	<p>Please refer to SEC Form 20-IS (Definitive) on Explanation on Agenda Items on page 4 as posted in this link:</p> <p>https://www.eastwestbanker.com/info/pse/DefinitiveInformationStatementforAnnualStockholdersMeetingonApril202018.pdf</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Please to Annex F - PSE Disclosure dated April 20, 2018 on results of Annual Stockholder's Meeting.	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Non-Compliant		<p>Although the Minutes are not made available within the five business day period, the significant items taken up during said meeting is disclosed in this link:</p> <p>https://www.eastwestbanker.com/info/ir_stockannual.asp</p>
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor and senior management were present during the ASM.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-Compliant		The Bank's Corporate Governance Manual includes the establishment of an alternative dispute mechanism.

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of Board of Directors Item "m" on page 11.	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Please refer to this link for the modes of communication to the investing public: https://www.eastwestbanker.com/info/ir_irprogram.asp Investor Relations Office Vincent A. Villanueva Telephone Number 575-3888 Email Address at ir@eastwestbanker.com	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the Annual Stockholders Meeting.	
Supplemental Recommendations to Principle 13 Non-Compliant			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	Compliant	There are no measures or any similar devices that enable the Board to entrench an ineffective management or the existing controlling shareholder group.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		As of December 2018, the Bank has a minimum public float of 20.89%, above the minimum required public float.
Optional: Principle 13 blank			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting.	Compliant	While the policies are not documented, it the Bank's practice to have an open communication policy with its stockholders. For instance, the Chairman and the CEO entertain all comments and suggestions of sharehokders raised thru phone or email. In addition, the Bank encourages engagement through the Investor Relations Office and the channels of communication with the Bank is found in this link: https://www.eastwestbanker.com/info/contact_us.asp	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability	Compliant	Please refer to Annex A Corporate Governance Manual Section II Board Governance on page 5.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Please refer to Annex A Corporate Governance Manual Section VIII Stakeholders' Benefits on pages 58-61.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	The Bank's different channels of communication with the Bank is found in this link: https://www.eastwestbanker.com/info/contact_us.asp . In addition, please refer to Whistle-Blowing Policy under this link: https://www.eastwestbanker.com/info/ew_CompPolicies.asp	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Please refer to Annex A Corporate Governance Manual Section 2.7 Specific Duties and Functions of the Board of Directors Item "m" on page 11.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Bank has not sought any exemption from the application of a law, rule or regulation, particularly on corporate governance issues.	
2. Company respects intellectual property rights.	Compliant	The Bank has no case related to intellectual property rights issues.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	The Bank has established a Financial Consumer Protection Program which includes the Bank's Consumer Protection Standards of Conduct, Standards on Protection of Client Information, Standards on Fair Treatment, Standards on Effective Recourse, Financial Consumer Education Programs. Please see link: https://www.eastwestbanker.com/info/ir_annual.asp	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Please refer to Annex K - Outsourcing Policy	

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Please refer to Annex A Corporate Governance Section III.5 Empowering and Engaging Employees on page 55. In addition, through the performance management system, each employee is required to develop a Key Result Area (KRAs) that is in line with the Bank's objectives and strategies.	
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Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Please refer to Annex A Corporate Governance Manual Section 3.6 Compensation Committee on page 28 and Section 4.9 Remuneration of Directors on page 40. The Bank's rewards programs are generally hinged on performance.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>Please refer to Annex A Corporate Governance Manual Section III.5 Empowering and Engaging Employees on page 55.</p> <p>Please refer to Code of Business Conducts and Ethics - Health and Safety in this link: https://www.eastwestbanker.com/info/ew_cobce.asp.</p> <p>Please also refer to link: https://www.eastwestbanker.com/info/ew_CompPolicies.asp</p>	
3. Company has policies and practices on training and development of its employees.	Compliant	Please refer to the attached Annex L - Learning and Development Policy	

Recommendation 15.2

<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p>Please refer to Code of Business Conducts and Ethics - Trust and Confidence and Business and Personal Conducts in this link: https://www.eastwestbanker.com/info/ew_cobce.asp</p> <p>The Bank provides as follows:</p> <p>Serious Misconduct:</p> <p>4.4 Commission of a crime involving dishonesty or breach of trust such as , but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery , violation of BP Blg. 22 , violation of Anti-Graft and Corrupt Practices Act.</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>During New Employees Orientation Program (NEOP), a broad overview of the Committee on Discipline and Ethics is discussed while the Code of Conduct and Employee Handbook is handed out during NEOP also. The receipt is duly acknowledged by the new employee. Please also refer to Annex L - Learning and Development Policy</p>	

Supplement to Recommendation 15.2

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>The Bank has established that bribery is a serious offense under the Bank's Code of Discipline and Ethics (CODE), provided as follows:</p> <p><u>Conflict of Interest:</u> 3.4 Offering, soliciting or accepting bribes, commissions, referral fees, kickbacks, whether in money and in kind. 3.6 Receiving of gifts, percentage ad commission in exchange for a favor to a client, supplier, vendor or other third party with whom the employee has a dealing in relation to his work.</p> <p><u>Serious Misconduct:</u> 4.4 Commission of a crime involving dishonesty or breach of trust such as , but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery , violation of BP Blg. 22 , violation of Anti-Graft and Corrupt Practices Act</p> <p>In penalizing employees involved in bribery or any corrupt acts, the standard CODE procedures applied to normal administrative cases shall be also be applied.</p>	
Recommendation 15.3			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.</p>	<p>Compliant</p>	<p>Please refer to Annex A Corporate Governance Manual Section 4 Whistle Blowing Policy on pages 54-55.</p>	

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4 Whistle Blowing Policy on pages 54-55.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Please refer to Annex A Corporate Governance Manual Section 4 Whistle Blowing Policy on pages 54-55.	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Please refer to Section of People and the Community in the Annual Reports: https://www.eastwestbanker.com/info/ir_annual.asp	
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Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Please refer to Section of People and the Community in the Annual Reports: https://www.eastwestbanker.com/info/ir_annual.asp	
2. Company exerts effort to interact positively with the communities in which it operates.	Compliant	Please refer to Section of People and the Community in the Annual Reports: https://www.eastwestbanker.com/info/ir_annual.asp	