



11 June 2020

THE PHILIPPINE STOCK EXCHANGE, INC.

6F Philippine Stock Exchange Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head – Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head – Issuer Compliance and Disclosure Department (ICDD)

Dear Ms. Encarnacion and Atty. Lirio:

Please be advised that at the Annual Stockholders' Meeting of the Bank today, the following matters were taken up and favorably considered:

- a. Approval of the Minutes of the April 22, 2019 Annual Stockholders' Meeting;
- b. Approval of the Audited Financial Statements for the year ending 31st December 2019;
- c. Ratification of the Acts and Resolutions of the Board of Directors and Management for 2019;
- d. Appointment of SGV & Co. as the Bank's external auditor for the year 2020;

The following were elected at the meeting as Directors of the Bank for the year 2020-2021:

1. Jonathan T. Gotianun
2. Antonio C. Moncupa, Jr.
3. Lourdes Josephine T. Gotianun-Yap
4. Mercedes T. Gotianun
5. Isabelle G. Yap
6. Wilson L. Sy
7. Nelson M. Bona
8. Paul A. Aquino (independent director)
9. Carlos R. Alindada (independent director)
10. Jose Maria G. Hofileña (independent director)
11. Gregorio U. Kilayko (independent director)

> EAST WEST BANKING CORPORATION

The Beaufort, 5th Avenue corner 23rd Street, Fort Bonifacio Global City, Taguig City
Telephone number: 575-3888 | Email: service@eastwestbanker.com | www.eastwestbanker.com
A member of the [FILINVEST](#) Group



During the Organizational Meeting of the Board of Directors that was held immediately after the Annual Stockholders' Meeting, the following directors were elected/appointed to the position opposite their name, to wit:

Jonathan T. Gotianun	- Chairman of the Board
Antonio C. Moncupa, Jr.	- Vice-Chairman of the Board, President and CEO
Rafael S. Algarra, Jr.	- Treasurer
Benedicto M. Valerio, Jr.	- Corporate Secretary

The following Committees were constituted and their respective members were appointed to the position opposite their name:

Name of Committees	Members	Position/Designation in Committee
Executive Committee	Jonathan T. Gotianun	Chairman
	Antonio C. Moncupa, Jr.	Member
	Lourdes Josephine T. Gotianun-Yap	Member
	Isabelle Therese G. Yap	Member
	Jacqueline S. Fernandez	Member
Risk Management Committee	Gregorio U. Kilayko	Chairman
	Carlos R. Alindada	Member
	Wilson L. Sy	Member
Audit Committee	Carlos R. Alindada	Chairman
	Gregorio U. Kilayko	Member
	Jose Maria G. Hofileña	Member
	Paul A. Aquino	Member
	Lourdes Josephine T. Gotianun-Yap	Member
Corporate Governance & Compliance Committee	Paul A. Aquino	Chairman
	Jonathan T. Gotianun	Member
	Jose Maria G. Hofileña	Member
	Gregorio U. Kilayko	Member
Related Party Transactions Committee	Jose Maria G. Hofileña	Chairman
	Jonathan T. Gotianun	Member
	Paul A. Aquino	Member
Trust Committee	Wilson L. Sy	Chairman
	Jonathan T. Gotianun	Member
	Nelson M. Bona	Member
	Antonio C. Moncupa, Jr.	Member
	Robert B. Ramos	Trust Officer



Name of Committees	Members	Position/Designation in Committee
Compensation Committee	Lourdes Josephine T. Gotianun-Yap	Chairman
	Jonathan T. Gotianun	Member
	Mercedes T. Gotianun	Member
	Antonio C. Moncupa, Jr.	Member
	Gregorio U. Kilayko	Member

And lastly, consistent with the Bank’s Corporate Governance Manual, the list of the Principal Officers of the Bank was submitted to the Board. It was explained that as part of good governance, the senior officers will be periodically reviewed, their performance considered, and their position confirmed by the Board. After a brief discussion, the Board resolved to confirm the appointment of the following Principal Officers of the bank:

Name of Person	Position/Designation
Antonio C. Moncupa, Jr.	Vice-Chairman, President and Chief Executive Officer
Jacqueline S. Fernandez	SEVP and Chief Lending Officer
Gerardo Susmerano	SEVP and Head – Retail Banking
Rafael S. Algarra, Jr.	SEVP, Treasurer and Head – Treasury, Markets and Off-Balance Sheet Cluster
David T. Escarda	EVP and Head – Human Resources
Cecilio Frederick M. Pusag	EVP and Chief Information Officer and Head – Information Technology
Ivy B. Uy	SVP and Head – Regional Branch Banking
Eriberto Luis S. Elizaga	SVP and Head – Corporate Banking Group 1
Robert B. Ramos	SVP and Trust Officer
Richard Chester C. Tamayo	SVP and Head – Wealth Management
Salvador R. Serrano	SVP and Head – Central Branch Operations
Grace N. Ang	SVP and Chief Risk Officer
Eleanor B. Rivera	SVP and Chief Compliance Officer
Eloida F. Oquialda	SVP and Chief Audit Executive

Thank you.

Sincerely,

Vincent A. Villanueva
Finance Officer



**MINUTES OF THE 2020 ANNUAL STOCKHOLDERS MEETING
OF
EAST WEST BANKING CORPORATION**
June 11, 2020, 8:30 a.m.
Thru Webcast

I. NATIONAL ANTHEM

The National Anthem was played at the beginning of the Annual Stockholder's Meeting.

2. CALL TO ORDER / NOTICE OF MEETING

The meeting was called to order by the Chairman, Mr. Jonathan T. Gotianun, who presided over the same.

The Corporate Secretary, Atty. Benedicto M. Valerio, Jr., certified: That in accordance with SEC Notice dated April 20, 2020, the Notice of the Meeting together with the copies of the Information Statement and Audited Financial Statement of the Bank were posted on the Bank's website and disclosed thru PSE EDGE; That the Notice of the Meeting was also published in the business section of the Business World and Manila Bulletin on May 20 and May 21, 2020; and, That he is in possession of the Affidavit attesting to the foregoing facts.

The Chairman directed the Corporate Secretary to attach the proof of compliance with the SEC Notice dated April 20, 2020 to the records of the meeting.

3. DETERMINATION OF QUORUM

The Corporate Secretary certified to the Chairman that a quorum exists for the business at hand after determining that stockholders owning **1,910,628,344** shares representing 84.9% of the outstanding **2,249,975,411** common shares of stock outstanding are present in the meeting, to wit:

Via Proxy - 1,868,675,984
Voting *in absentia* - 351
Via Web Broadcast - 41,952,009

The Chairman directed the Corporate Secretary to attach in the Minutes of the Meeting the report showing the number of shares represented in the meeting.

4. VOTING PROCEDURE

Upon the instruction of the Chairman, the Corporate Secretary read the procedure for voting in the meeting:

1. Stockholders who successfully registered under the shareholder registration system were provided the instructions to access the Bank's digital voting ballot as well as the virtual meeting;

2. The deadline for voting in absentia ad through proxy was on June 5, 2020;

3. After the deadline for voting, the Office of Corporate Secretary together with the Bank's Stock Transfer Agent tabulated all votes cast in absentia and well as via proxy.

4. The results of voting will be reported after each item is taken up during the meeting;

5. The stockholders were also given up to June 5, 2020, to submit any questions or comments they may have; and,

6. The video and audio of the entire proceeding will be recorded.

5. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING ON APRIL 22, 2019

The next item of the Agenda is the approval of the minutes of the April 22, 2019 Annual Stockholders' Meeting. The Corporate Secretary certified that a copy of the aforesaid minutes was made available on the Bank's website and a copy thereof was attached to the Bank's Information Statement.

That based on the tabulation of the votes that were cast, shareholders owning 1,868,676,334 shares, or 100% of the total shares represented in the meeting voted to approve the minutes of the annual meeting on April 22, 2019.

The Chairman instructed the Corporate Secretary to assign a Resolution Number as record for the forgoing approval by the shareholders of the minutes of the meeting:

STOCKHOLDERS RESOLUTION NO. 06-2020-01

RESOLVED, for the record, that the stockholders of the Bank approved the Minutes of the Bank's Annual Stockholders' Meeting held on April 22, 2019.

6. PRESIDENT'S REPORT

The next item in the Agenda is the President's Report. The video and audio recording of the report is posted in the Website of the Bank and is available to the public. The following are its highlight:

The year 2019.

1. Record Profits in 2019 – 3rd most profitable among listed universal banks. EastWest (EW) booked a Php6.2 billion in profits in 2019 and a Return on Average Equity of 13.7%. This is the highest level of profits in has ever booked. EastWest maintained its position as one of the most profitable banks among listed universal banks.
 - a. EastWest ranked consistently in the top 3 in profitability measured in terms of Return on Average Equity (ROAE) in 2017, 2018, and 2019. Its ROAE was 13.8% in 2017, 11.0% in 2018, and 13.7% in 2019.
2. The Bank reported that its record profits were due to the following.
 - a. Unique Strategy. EastWest is the most focused universal bank in consumer lending. It is among the major players in Auto Loans, Credit Cards, and Personal Loans. This has allowed the Bank to have the biggest net interest margins.
 - b. Improving Economies of Scale. After its unprecedented branch expansion that increased its branch stores from 122 in 2011 to 391 currently (excluding the 76 in its wholly-owned rural bank subsidiary – EastWest Rural Bank), mostly between 2012 to 2015, EW's profitability initially went down. Opening branch stores is expensive and costs are upfront while it takes years to build business. Now that the stores are maturing and the Bank has grown, it is able to spread its costs over a bigger asset base with not much additional costs. As mentioned, most of the costs were already put in place upfront. The result is better profitability.
 - c. Better Trading Gains. The Bank was able to consistently compete and register good trading results through the years. With the drop-in interest rates in the latter part of 2019, it was able to position itself to profit. It is poised to have one of its most fruitful trading years this 2020.
 - d. Better Deposit Structure. With time deposit rates going higher and competition preventing the increase in lending rates for business loans to the point that the cost of time deposits after all intermediation costs are higher than the loan yields. Instead, the Bank pushed its Current Accounts and Savings Accounts (CASA) deposit taking activities and paid off the more expensive time deposits. That explains why time deposits was lower. This helped the Bank cope with the lower margins in 2019.

- e. Lower Bad Debts. With its consumer loan portfolio maturing, there is less credit costs. In spite of the 14% increase in consumer loans, provisions for bad debts was practically flat. The proportion of older loans is now bigger. That means, the heavy provisioning was already finished.
- f. Recovery from Margin Squeeze. In the early part of 2019, the banking industry's margins were squeezed. Deposit rates were moving up faster higher and loan rates were not correspondingly adjusting upwards. This resulted in lower profitability on average across the industry. Towards the latter part of the year, interest rates started to calm down and market liquidity improved. This allowed the banks to recover from the margin squeeze, especially banks who have more consumer loans. The lower rates continued and accelerated in 2020, positioning EW to even better margins.

2020, Another record year. This time bigger.

- 3. Poised for Another Record Year of Profits. With inflation under control and rates normalizing since the latter part of Q3 2019, and with EW having better yielding loans, and improving deposit structure from the growth of lower-cost CASA, the Bank was looking forward to another record year of profitability.
- 4. Php12 billion for 2020. With everything falling at the right place, your bank expected to earn at least P12 billion net income in 2020 and have an ROAE of around 22%. With this prospect, the Board of Directors shelved the planned Stock Rights Offering to raise additional capital. It could earn enough profits to fund the Bank's expansion. The expected record profits were due to the expectations of the continued improvement in its operations that started to be more pronounced in 2019.
 - a. Continued improvement in economies of scale.
 - b. Maintaining its industry leading net interest margin on account of its consumer loans and improving and better deposit mix in favor of low-cost CASA.
 - c. Record Trading gains due to the drop-in interest rates as inflation was tamed by the BSP.
- 5. Most Profitable in First Quarter (Q1) 2020. As reported in its quarterly filing in the stock market, EW recorded Php2.7 billion in net income and a ROAE of 18.0% in Q1. This makes EW as the most profitable bank in the industry for the period. It is on track to sustain its position top 3 in profitability among listed commercial banks.

The Monkey Wrench – Covid 19. EW still see P5 billion to P6 billion in net income for 2020 and among the top in profitability.

1. The Best-laid Plans of Mice and Men. The unexpected pandemic and the necessary response of lock downs and social distancing will affect the economy's output, jobs, and incomes. And banks are expected to be affected as well. Some segments of their borrowers whose businesses and income will be adversely affected may experience some temporary difficulty servicing their debts. A smaller segment may not be able to service it at all. Truly, the best-laid plans can sometimes still change.
2. PhpP10 Billion Preemptive Provisions. Your Bank intends to face the situation squarely. It plans to book Php P10 Billion 'preemptive provisions' this year 2020 in anticipation of the adverse effect of the pandemic. This is estimated to be 4% of the Bank's total loan portfolio and should be among the more significant provisions level in the industry.
 - a. What is "Preemptive Provisions for Loan Losses"? We call it preemptive because we don't have the bad loans yet. It is an estimate. We believe it is likely on the conservative side. We thought it is better to be conservative so we could move past this pandemic sooner by addressing its impact and for the Bank to resume pursuing its growth plans.
3. Already Halfway to Php10 billion. Our CEO reported during the ASM that as of April 2020, it is already almost halfway to its Php10 billion target, having already booked P4.5 billion in provisions.
4. Halfway and Still Profitable. While it has already booked Php4.5 billion, the Bank's net income as of April stood at Php2.7 billion. Its ROAE was at 16.4%, probably still the highest listed banks or at least among the highest.
5. Php5 Billion to Php6 Billion Net Income for 2020. CEO Tony Moncupa reported that in spite of the planned P10 billion preemptive provisions, EW still expects to earn between Php5 to Php6 billion for 2020. While lower than 2019's Php6.2 billion net income, the Bank expects to still be among the highest in the industry. From news reports, other banks are also reporting higher level of loan loss provisions because of the pandemic.
 - a. Effectively, the Bank will earn Php10 billion, except that Php6 billion went to provisions (not counting the usual Php4.0 billion it normally books without the pandemic). This is lower than the Php12 billion original estimate due to the lower prices of its foreign bond holdings. The prices

though have been rallying in recent weeks and may yet spring a comeback before the year ends.

6. The Good News. EastWest Bank is well positioned to weather this crisis and sustain its position as among the most profitable banks in the banking industry. We just have to wait another year for that record year for profits.

7. APPROVAL OF THE AUDITED FINANCIAL STATEMENT

The next item of the Agenda is the ratification of the Audited Financial Statement of the Bank. The Corporate Secretary certified that the Audited Financial Statement was posted in the Bank's website and was attached to the Bank's Information Statement and that 1,867,499,284 shares or 99.9% of the total shares of the Bank represented in the meeting voted in favor of its ratification.

The Chairman instructed the Corporate Secretary to assign a Resolution Number as record for the forgoing ratification by the shareholders of the 2019 Audited Financial Statement of the Bank:

STOCKHOLDERS RESOLUTION NO. 06-2020-02

RESOLVED, for the record, that the stockholders of the Bank ratified its 2019 Audited Financial Statement.

8. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS

The next item in the Agenda is the ratification by the stockholders of all acts, resolutions and proceedings of the outgoing Board of Directors and Corporate Officers of the Bank for 2019. These acts and resolution include the election of officers and members of the Board Committees, contracts and transactions entered into by the Bank, credit and loan transactions including those involving Material Related Party Transaction approved during the year, projects and investments, treasury matters, manpower related decisions, corporate governance related actions and matters governed by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. Stockholders ratification was also sought for the acts of the Bank officers to implement the resolutions of the Board and its Committees or made in the conduct of business.

The Corporate Secretary reported that stockholders owning 1,866,928,984 shares or 99.9% of the total shares of the Bank represented in the meeting voted in favor of its ratification.

The Chairman instructed the Corporate Secretary to assign a Resolution Number as record for the forgoing ratification.

STOCKHOLDERS RESOLUTION NO. 06-2020-03

“RESOLVED, for the record, that the stockholders of the Bank approved, confirmed and ratified all the acts, resolutions and proceedings of the outgoing Board of Directors and Corporate Officers of the Bank for 2019.”

9. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR 2020-2021.

The next item of the Agenda is the election of the members of the Board of Directors of the Bank. The Corporate Secretary explained that the Bank earlier submitted the final list of all candidates who were nominated and pre-screened in accordance with the Company's Manual on Corporate Governance. They are:

MERCEDES T. GOTIANUN
JONATHAN T. GOTIANUN
L. JOSEPHINE GOTIANUN YAP
ISABELLE G. YAP
ANTONIO C. MONCUPA, JR.
WILSON L. SY
NELSON S. BONA
CARLOS R. ALINDADA
PAUL A. AQUINO
GREGORIO U. KILAYKO
JOSE MARIA G. HOFILENA

That Messrs. CARLOS R. ALINDADA, PAUL A. AQUINO, GREGORIO U. KILAYKO and JOSE MARIA G. HOFILENA were also named by the Nomination Committee as nominees for the position of Independent Directors.

No other nomination for election of the Board of Directors was submitted to the Nomination Committee within the period allowed under the Revised Manual on Corporate Governance, as provided in the Information Statement furnished to the stockholders.

The Corporate Secretary reported that all of the nominees garnered at least 94% of the votes enough for each of them to be elected as members of the Board of Directors of the Bank.

The Chairman instructed the Corporate Secretary to assign a Resolution Number as record for the forgoing action of the stockholders of the Bank.

STOCKHOLDERS RESOLUTION NO. 06-2020-04

RESOLVED, for the record, that the Stockholders of the Bank re-elected the following persons as members of the Bank's Board of Directors for the year 2020-2021, to wit:

JONATHAN T. GOTIANUN	Director
ANTONIO C. MONCUPA, JR.	Director
MERCEDES T. GOTIANUN	Director
LOURDES JOSEPHINE GOTIANUN-YAP	Director
ISABELLE G. YAP	Director
WILSON L. SY	Director
NELSON M. BONA	Director
CARLOS R. ALINDADA	Independent Director
PAUL A. AQUINO	Independent Director
JOSE MARIA G. HOFILENA	Independent Director
GREGORIO U. KILAYKO	Independent Director

10. APPOINTMENT OF EXTERNAL AUDITORS

The next item of the Agenda is the appointment of the External Auditor of the Bank for the fiscal year 2020. The Chairman reported that the Board, upon recommendation of the Company's Audit Committee, is recommending that the shareholders re-appoint Sycip Gorres Velayo and Company as the external auditors of the Bank.

The Corporate Secretary reported that 1,755,879,581 shares or 93.9% of the total shares of the Bank represented in the meeting voted in favor of re-appointing Sycip Gorres Velayo and Company as the external auditor of the Bank for the year 2020.

The Chairman instructed the Corporate Secretary to assign a Resolution Number as record for the forgoing action of the stockholders of the Bank.

STOCKHOLDERS RESOLUTION NO. 06-2020-05

RESOLVED, for the record, that the stockholders of the Bank re-appointed Sycip Gorres Velayo and Company as the external auditors for the year 2020.

11. ANSWER TO THE QUESTIONS SENT BY THE SHAREHOLDER

The Chairman instructed the Corporate Secretary to read the questions that were sent by the shareholders, all of which were answered by Mr. Moncupa --

1. How did Covid-19 affect EW's operations? With Covid-19, we needed to adjust to the new normal. This new normal is defined by social distancing, remote working, and heightened health and sanitation. We created a Response Management Unit to address 5 major areas we think are necessary to thrive in the new normal.

- a. Project Mother Hen. This work team will ensure our people and customers are safe from the virus. They will design new and stricter protocols on health, sanitation, and hygiene. This include all EWbankers who are reporting for work to undergo rapid testing.
- b. Project Great Leap Forward. To respond to social distancing and remote working condition, the bank has to go on full throttle on automation, digitization, and process reengineering. We need to ensure productivity and respond to the social distancing needs of the times.
- c. Project Das Kapital. We need to vigilantly monitor changes in the economy, follow closely government responses, and watch over the epidemiological evolution of the virus to assess its strategic impact on our business, re-write and redefine our priorities and plans, and adjust our risk models to effectively allocate the Bank's capital,
- d. Project Fox. We need to be wily as a fox. Design new business development approaches to ensure that business continues to thrive. Essentially, these are business development and customer focus adjustments for better digital and customer journey processes.
- e. Project Eagle. To soar again and return to fast growth of our loan businesses, we need to pin down where our borrowers are. We need to assess the virus-induced damage by stress-testing the portfolios, develop segment level and client level mitigation actions and borrower assistance programs to proactively help our borrowers and minimize bad loans.

2. How about digital? Everybody is talking about digital banking, how is EastWest on this? Fortunately, our IT infrastructure is robust and can quickly adjust to the demands of the new normal. We have competitive online and mobile banking platforms. We can also empower our people to work from home. We are pushing for the early launch of Komo, our 'digital only' entry to the digital race. We claim that Komo, a pure bred 'digital only' banking service is the first homegrown digital offering in the market because most pure digitals are foreign owned.

3. How was your deposit gathering business during the ECQ? In some ways, we were a beneficiary in the sense that our deposits, particularly CASA grew during the ECQ. Now that it is GCQ, our average clearing wins have gone up more. So much so that we are very liquid and have been lending relatively big amounts in the interbank market nowadays.

4. Will EW declare cash dividends? EW is on a growth mode. We think that it is better for our shareholders to keep the money as growth capital rather than declare it as dividends. As mentioned earlier, we will forego of the planned stock rights offer. So no, the board doesn't plan to declare dividends so that capital can be used for growth and increase further the earning capacity of the Bank.

5. Why do you think EW's valuation (Price-to-book and price-to-earnings) is low relative to its peers? We think it is low because of relatively low liquidity of the stock as the float is only 20%. There is also the capital overhang, or the expectation EW will do a stock rights offer. The market cap is also relatively small compared to other banks. This eliminates some big investors who have a minimum threshold for market cap for stocks they hold. Nevertheless, we believe that in due time, the consistent record of being among the top tier banks in profitability will be sustained, and investors will see the real value of EW.

12. ADJOURNMENT

Upon motion was duly made and seconded and no objections being rendered during the discussions, no other matters were taken up for consideration, therefore, the meeting was adjourned.

CERTIFIED CORRECT:



ATTY. BENEDICTO M. VALERIO, JR.
Corporate Secretary

ATTESTED TO:



JONATHAN T. GOTIANUN
Chairman of the Board